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CHARTERED ACCOUNTANTS



CRANLEYS' CUNNING PLANS · No. 19 · SELLING AND EXIT

Exit Planning Checklist: Three Years Before You Sell

Tick it, print it, pin it up. Every box you cannot tick is a conversation worth having.



By Colin Davison FCA, Managing Partner, Cranleys Chartered Accountants. In practice since 1998. Reviewed 15 November 2026 against the 2026/27 rules.

THE QUICK ANSWER

The best prices go to businesses planned for sale years ahead. Decide what you want from the sale, reduce dependence on you, tidy profit and contracts, check tax reliefs and their holding periods, and set a three year timeline with your advisers.

THE KEY FIGURES

The key facts	What to know
Planning window	start 3 years before
BADR qualifying period	2 years before sale
BADR rate	18%, limit £1m, £500,000 announced from April 2027
Advisers	accountant, solicitor, valuer

The checklist, box by box

	The check	What to do	Keep as evidence
☐	**What do you want from the sale?**	A number, a date, a future role, a legacy.	Goal statement
☐	**How dependent is it on you?**	Key customers, relationships and knowledge held by you reduce value.	Dependency list
☐	**Is profit clean and consistent?**	Buyers pay for reliable earnings.	Three years of accounts
☐	**Do tax reliefs apply and when do they start?**	BADR needs two years of conditions before sale.	Relief timeline
☐	**Is the team in place?**	Your senior people will be questioned by buyers.	Org chart
☐	**Is there a timeline?**	Year three tidy, year two grow, year one go to market.	Exit plan

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MY PRO TIP

start three years out, not three months.

A worked example

To sell on 1 July 2029 with BADR, the conditions must be met from 1 July 2027. A change of role, share structure or trading status in the last two years can lose the relief on gains of up to £1m.

The trap to avoid

Waiting until you are tired. Buyers can sense a seller in a hurry.

The Rufus test

One question that tells you if you have the right adviser:

If an offer arrived tomorrow, would I want to accept it, and would the business be ready?

What has changed recently

- Relief limits are changing. See the business sale tax checklist.
- Value is the next step. See the valuing your business checklist.
- Tidy everything. See the sale-ready checklist.

Questions I get asked

When should I start planning to sell my business?

Ideally three years before. It gives time to improve value and meet tax conditions.

How long must I own the business for BADR?

Conditions must usually be met for two years before the sale.

What reduces the value of my business?

Owner dependence, messy accounts, customer concentration and weak contracts.

Do I need advisers to sell?

Usually yes, including an accountant and a solicitor.

The 9 CAD Keys link: Clarity

Clarity in an exit is knowing the number, the date and the life you want afterwards.

Colin's 9 CAD Keys. CORE: Clarity, Capability, Consistency. ADVANCED: Analysis & Positioning, Alignment, Acceleration. DYNAMIC: Differentiation, Dexterity, Development. Score each key 1 to 5 in the free Business Value Assessment Scorecard, total out of 45. *Freedom is built. One CAD Key at a time.*

Tick these next

Business checklist 20 Valuing Your Business: What Buyers Actually Pay For	**Business checklist 21** Getting Sale-Ready: Clean Accounts, Contracts and Team Checklist	**Business checklist 23** Tax on Exit: BADR, Holdover, EIS and Pension Checklist	**Tax checklist 27** Business Sale, Exit and Succession Tax Checklist 2026/27

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Go deeper: my books

For this topic, start with **Business Exit Secrets**, part of The Cranleys Business and Tax Secrets Series: Property Tax Secrets, Inheritance Tax Secrets, Business Tax Secrets, Starting Up Secrets, Business Growth Secrets and Business Exit Secrets. The books are launching soon. Join the launch list at cranleys.online/books and I will tell you the moment each one is released.

YOUR NEXT STEP

Ring me. Free draft plan, no hard sell.

I will build you a free draft tax plan or business plan on my 9 CAD Keys: a scorecard, a 12-month cashflow forecast, a 90-day action plan and a review with me. **1** Get in touch. **2** Short intro call. **3** Your free draft plan in plain English. You decide what happens next.

Plan the exit, then enjoy the den.

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Scan to read online, tick it on screen and take the Scorecard



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