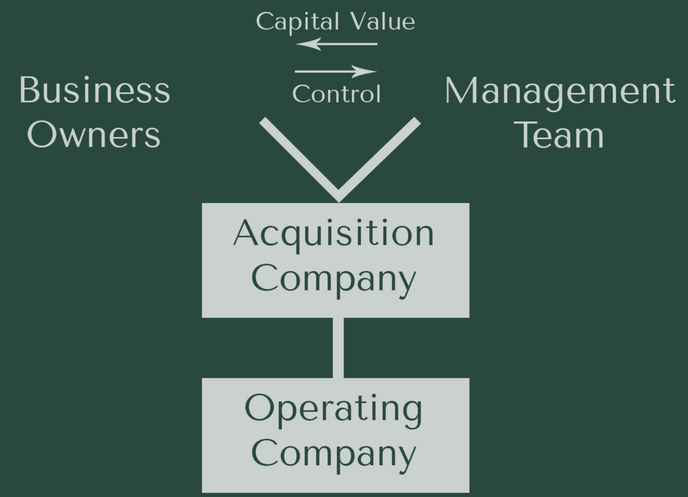
Management Buy Out

Many business owners find that, in crafting the perfect management team, they have also found the ideal future owners of the business.

In the hope that the management team are best placed to carry on their legacy, BHTA work with business owners to create a bespoke Management Buy Out ("MBO") plan for when the time is right for them to take a step back from the day-to-day operations, whether retirement is achieved in one fell swoop or more gradually.



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1. Time and attention will be spent reviewing the business owners' objectives, desired timeframe and income/financial security requirements post-succession.

2. Business owners must then consider who should participate in the MBO, in what proportions and whether there an obvious MBO team leader.

3. The price agreed must fulfil the owners' expectations, but also ensure the business can afford the consideration using; (i) current cash, (ii) injections by the MBO team, and (iii) external borrowing.

4. As opposed to extractions of salary/dividends which are assessed to Income Tax, capital proceeds achieved on the MBO will be assessed to CGT, at beneficial rates.

