

# Selling Your Accountancy Practice

What your practice is really worth, how the money is actually paid, the tax that applies, and how to prepare in the 12 to 24 months before you exit. A working guide, whether you sell to us or not.

Tax year **2026/27** · Prepared by **Harvey Dhillon** · Last reviewed **6 June 2026** · Sources: gov.uk

BADR RATE	BADR LIFETIME LIMIT	CGT RATES	CGT EXEMPT AMOUNT
<b>18% from Apr 2026</b>	<b>£1,000,000</b>	<b>18% · 24%</b>	<b>£3,000</b>

## 01 What your practice is worth

UK accountancy practices are valued as a multiple of gross recurring fees (GRF), the predictable, repeating income you earn each year. We anchor at around 0.8x GRF, inside a 0.6 to 1x range, and lead with a deliberately conservative number rather than a flattering one.

Where you land depends far more on quality than on size: the same fees can be worth materially more or less.

- Anchor: around 0.8x of your gross recurring fees
- Range: 0.6 to 1x, set by client mix, concentration, systems and owner dependency
- A practice with £240K GRF anchors at roughly  $£240K \times 0.8 =$  around £192K
- We give you a specific, honest range within 48 hours

**i** We anchor low on purpose. A realistic opening number that holds up beats an optimistic one that gets walked back later.

## 02 How deals are structured, and earnouts

Very few practice sales are paid entirely in cash on day one, and that is normal. The structure depends mainly on the size of the practice, and the deferred portion is tied to client retention so the buyer is protected against fees that leave or turn out to be one-off.

- Smaller practice: 50% on completion, 50% after 24 months
- Larger practice: three equal instalments (a third, a third, a third) over 36 months
- The deferred portion is tied to client retention in both cases
- A fair deferral is a sign of a serious buyer, not an aggressive one

**i** Earnout red flags to watch: an open-ended clawback window; retention measured in a way you cannot influence after completion; vague transition obligations; and a metric that depends on the buyer's own actions. Negotiate the clawback window, the measurement method (client count vs fee value) and unpaid transition time before terms are signed.

### 03 The tax on your sale

Get the structure and timing right and the tax on a practice sale is often very efficient. Most sales qualify for Business Asset Disposal Relief (BADR), formerly Entrepreneurs' Relief, on the first £1m of qualifying lifetime gains. The current BADR rate is in the key figures box above and is pulled live from our rates engine. As a rough rule of thumb, practices above around £300K of recurring fees usually sell as a share sale and smaller practices as an asset sale, though we confirm the right route for your situation.

- BADR applies to qualifying disposals of shares in a trading company or a business sold as a going concern
- Sole practitioners selling a client list as an asset may need specific advice on whether the disposal qualifies
- Above ~£300K recurring fees: usually a share sale; below: usually an asset sale
- Plan the structure before you agree heads of terms, and consider timing across tax years

**i** As qualified accountants (ACMA, CGMA, ACCA, FCCA) at a CIMA-regulated firm, the tax on a practice sale is our home turf. We advise on the most efficient structure and timing as part of the conversation.

### 04 Your 12 to 24 month prep checklist

The best outcomes come from owners who start early. Twelve to twenty-four months of runway is usually enough to move your multiple meaningfully. Work through these before you exit:

- Tidy the recurring fee base: convert genuine ad-hoc work to recurring engagements and document it
- Reduce owner dependency: move client relationships to the firm and the team, not you personally
- Spread concentration risk: a buyer pays more when no single client is make-or-break
- Modernise systems: cloud accounting and documented processes make the practice easier to value and integrate
- Keep clean, current management figures to build buyer confidence and speed the deal
- Look after your team: staff who stay keep clients, which protects your deferred consideration

**i** Even if you are years from a decision, an early confidential conversation lets you plan these changes deliberately rather than scrambling when you are ready to go.

### 05 Score your practice: what lifts vs pulls your multiple

Run your own practice through this self-scorecard. Count the lifts you can honestly tick today; the more lifts and the fewer pulls, the closer to 1x a buyer will go. The four lifts are also the toggles in the calculator above.

- Lifts: a high proportion of recurring fees vs one-off work
- Lifts: a broad client base with no single client dominating
- Lifts: low owner dependency, with clients banking with the firm and team

- Lifts: a capable team that stays after the sale; clean, modern systems
- Pulls: fee income concentrated in a few large clients, or really one-off work
- Pulls: clients who bank with the owner personally; manual, undocumented processes; looming client losses or unbilled work

**i** Most of the pulls are fixable with 12 to 24 months of runway. That is exactly why starting the conversation early is worth more than any negotiating tactic on the day.

## 06 The process, step by step

We move at your pace. Some conversations happen over weeks, others over many months. A typical sale to Zmartly runs in five steps:

- 1. Confidential call: 15 minutes on your situation, timeline and what a good outcome looks like
- 2. Valuation in 48 hours: a fair, honest range with a clear explanation of what drives the number
- 3. Light-touch diligence: we review the essentials, quickly and respectfully
- 4. Agree terms: price, structure and timeline, everything clear in writing before we proceed
- 5. Calm handover: clients introduced with care, staff protected under TUPE, professional clearance, HMRC transfers and PI run-off all arranged

**i** Direct buyer, no broker: you speak to the founder from day one. No broker fees, no public listing, and confidential until you are ready.

## Common questions

### How much is my accountancy practice worth?

We anchor at around 0.8x your gross recurring fees, inside a 0.6 to 1x range that depends on client mix, concentration risk, systems and how dependent the practice is on you. We are realistic rather than optimistic with the opening number and give you a specific figure within 48 hours. Use the calculator above to get an indicative range on your own GRF.

### How is the money actually paid?

It depends mainly on size. Smaller practices are typically paid 50% on completion and 50% after 24 months. Larger practices are usually split into three equal instalments over 36 months. In both cases the deferred portion is tied to client retention. We walk every seller through the structure line by line before terms are signed.

### What tax will I pay when I sell?

Most practice sales qualify for Business Asset Disposal Relief on the first £1m of qualifying lifetime gains, at the current BADR rate shown in the key figures box.

Whether the deal is an asset sale or a share sale affects the treatment; above around £300K of recurring fees it is usually a share sale. Plan the structure and timing before you agree heads of terms.

## Print this part and work through it

Everything below is built to keep. Print it, fill it in, and take it to any conversation, including ours.

### Selling direct vs using a broker

Most practice "sale" guides are written by brokers. They tend to dangle a high headline multiple, then take a percentage of the deal. Here is the honest contrast, so you can compare like with like. The number that matters is what you keep, not the multiple you are quoted.

	SELLING DIRECT TO ZMARTLY	USING A BROKER OR INTERMEDIARY
<b>FEE TO SELL</b>	No broker fee. You deal with the buyer.	Typically 10 to 15% of the deal value, paid by you.
<b>THE HEADLINE NUMBER</b>	One straight, conservative figure (we anchor at ~0.8x GRF) that holds up in diligence.	A high multiple is often dangled to win the instruction, then negotiated down.
<b>WHAT YOU ACTUALLY KEEP</b>	The agreed price, less tax. No fee deducted.	The agreed price, less 10 to 15% fee, less tax. A higher multiple can net less.
<b>CONFIDENTIALITY</b>	Confidential from the first call. One buyer, no public listing.	Often listed to a pool of buyers, with the risk staff or clients hear.
<b>WHO YOU DEAL WITH</b>	The founder, Harvey, who will look after your clients.	A broker who is paid on completion, not on how your clients fare afterwards.
<b>PROCESS AND PACE</b>	Valuation in 48 hours; completion typically in 4 to 16 weeks at your pace.	Marketing period, viewings and tyre-kickers before a buyer is even found.

Worth doing the sum: a broker quoting a higher multiple, minus a 10 to 15% fee, often nets you less than a straight, fair number with no fee. We would rather be the honest number you can keep.

## Your valuation worksheet (fill in)

The interactive calculator on the web page does this live. Here is the printable version, so the logic travels with you. Pencil in your own figures.

<b>A. Your gross recurring fees (GRF)</b>	£ _____
(predictable, repeating annual income)	
_____	
<b>B. Your quality multiple</b> (0.6 weak · 0.8	_____ · _____ x
average anchor · 1.0 strong)	
_____	
<b>C. Indicative value (A x B)</b> (your midpoint	£ _____
figure)	
_____	
<b>D. Conservative low (A x 0.6)</b>	£ _____
_____	
<b>E. Stretch high (A x 1.0)</b>	£ _____
_____	
<b>F. Less illustrative BADR tax (C x the BADR</b>	£ _____
<b>rate above)</b> (see the key figures box)	
_____	
<b>G. Indicative after-tax (C minus F)</b>	£ _____

### QUALITY FACTORS TO SELF-ASSESS

- Mostly recurring fees**  
repeating compliance work, not one-off projects
- No single client dominates**  
fees spread across many clients
- Low owner dependency**  
clients bank with the firm and team, not you
- Team stays after the sale**  
a capable team that transfers keeps clients

Start at the 0.8x anchor. Each quality factor you can honestly tick nudges B up toward 1.0; each one you cannot pulls it toward 0.6. Indicative only, every practice is different.

## Self-scorecard: what lifts vs pulls your multiple

Tick what is true today. More lifts and fewer pulls means a buyer goes closer to 1x.

- Lift: a high proportion of recurring fees rather than one-off work
- Lift: a broad client base, no single client make-or-break
- Lift: low owner dependency, clients bank with the firm and team
- Lift: a capable team expected to stay after the sale
- Lift: clean, modern, documented cloud systems
- Pull: fee income concentrated in a few large clients
- Pull: clients who bank with the owner personally
- Pull: manual, undocumented processes
- Pull: looming client losses or unbilled work

## Earnout red-flags checklist

Before you sign heads of terms, check each of these. Anything unticked is worth negotiating.

- The clawback window is defined and time-limited, not open-ended
- Retention is measured in a way you can actually influence after completion
- The measure is agreed: client count vs fee value vs billable hours
- Any metric depending on the buyer's own actions is mutually controlled
- Transition obligations (your unpaid time) are written down, not vague
- You understand exactly how and when each deferred instalment is paid

## 12 to 24 month prep checklist

Start early. Most of these move your multiple meaningfully with a year or two of runway.

- Convert genuine ad-hoc work to documented recurring engagements
- Move client relationships to the firm and team, off you personally
- Spread concentration risk so no single client is make-or-break
- Modernise to cloud accounting with documented processes
- Keep clean, current management figures to build buyer confidence
- Look after and retain your team, who keep clients and protect deferred pay
- Get your own tax position and BADR eligibility sense-checked early

## Questions to ask any buyer or broker

Take these to every conversation, including ours. Straight answers tell you who you are dealing with.

- 1 Are you the buyer, or are you marketing my practice to others?
- 2 What is your fee, and who pays it, me or the buyer?
- 3 How did you arrive at the multiple, and what would change it in diligence?
- 4 How much is paid on completion, and how much is deferred?
- 5 How is the deferred portion measured, and over what window?
- 6 What happens to my staff, and are they protected under TUPE?
- 7 Who will actually look after my clients after completion?
- 8 How will you keep this confidential from my clients and team?
- 9 What is your track record, and can you evidence client retention?
- 10 What does the timeline look like from first call to completion?

## Tax and BADR timing cheat-sheet

A one-page reference, not advice. The live BADR rate and lifetime limit are in the key figures box above and refresh every tax year.

<b>Business Asset Disposal Relief (BADR)</b>	Reduced CGT rate on the first £1m of qualifying lifetime gains. Formerly Entrepreneurs' Relief.
<b>Asset sale vs share sale</b>	Below ~£300K recurring fees: usually an asset sale. Above: usually a share sale. The route affects the tax treatment.
<b>Qualifying period</b>	For a share sale, you generally need to have held the qualifying shares and met the conditions for at least 2 years before disposal.
<b>Lifetime limit</b>	BADR is a lifetime allowance, so earlier disposals use it up. Check what you have left before you sell.
<b>Timing across tax years</b>	When a disposal completes, and the rate at that time, can change the bill. Plan the date, do not let it happen to you.
<b>Deferred consideration</b>	How and when earnout instalments are taxed depends on the structure. Agree the tax point before you sign.
<b>Get advice early</b>	Structure and timing are decided before heads of terms, not after. The biggest savings come from planning, not paperwork.

This is general information for the current UK tax year, not advice for your situation. We confirm the right structure, timing and reliefs with you before terms are signed.

### NEXT STEP

## Get expert eyes on your tax

Book a free 30-minute Tax Health Check — we review your situation, sense-check the figures and show you where you could save.



Scan to book  
a free call

For guidance only — this factsheet does not constitute professional advice and is not a substitute for advice based on your specific circumstances. Whilst every care has been taken in its preparation, it may contain errors for which we cannot be responsible. Figures are for the 2026/27 UK tax year (England, Wales & Northern Ireland) and may change. Last reviewed 6 June 2026.

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