Buying an accounting practice.

The seven stages, the essential checklist, and the twelve findings that should change your price — on two pages. Written for accountants, so it doesn't explain your profession back to you.

The seven stages — and the gate on each

1 Can you complete? → 2 Fee base & offer → 3 Verify everything → 4 The contract → 5 The funding → 6 Settlement → 7 First 100 days

#	Stage	Don't move past it until
1	**Can you complete?**	The acquiring entity can hold the registrations — TPB sufficient number, fit and proper, PI cover — and the funding envelope is budgeted, not guessed
2	**Fee base & offer**	You've analysed the register client by client, rebuilt the earnings yourself, and settled the retention mechanism *before* the heads of agreement
3	**Verify everything**	Five streams complete — fee base, regulatory, people, systems, premises — with no unresolved deal-killer
4	**The contract**	Client consent letter agreed, fee register warranted, restraint and handover written as clauses. There is no cooling-off period
5	**The funding**	Unconditional approval — on a clause drafted around the funding pathway, not copied from the agent's template
6	**Settlement**	Every clock landed: registration, finance, consent letter, staff offers, data migration, WIP and debtors reconciled
7	**First 100 days**	Every top-tier client met inside 30 days, whole book contacted by 90, retention tracked weekly against the schedule

Before you look

- ☐ Buying entity locked with your adviser — it's the entity the TPB registers
- ☐ Registration pathway confirmed for that entity, in writing
- ☐ Borrowing capacity assessed **before** you negotiate
- ☐ Envelope budgeted: price, WIP and debtors, transition costs, working capital
- ☐ Solicitor experienced in practice sales engaged — plus your own accountant, not the vendor's

Before you offer

- ☐ Fee register analysed by client — recurring split, concentration, tenure and fee movement over three years minimum, five if available
- ☐ Earnings rebuilt: principal's remuneration at true market rate, related-party rent at market, recurring "one-offs" put back
- ☐ All four retention variables settled — rate and base, period, collar, and what "retained" means
- ☐ SMSF audit or licensed-advice fees identified — those registrations may not transfer

Before you sign

- ☐ Client consent letter drafted, jointly signed, timing agreed in the contract
- ☐ Fee register warranted — accurate, and no listed client known to be leaving
- ☐ WIP and debtors: valued how, at what discount, paid when
- ☐ Restraint and non-solicitation of clients and staff — both, not one
- ☐ Handover written as a clause with named client introductions, not promised as a courtesy
- ☐ PI run-off cover for the vendor's past work — confirmed, in writing
- ☐ Finance clause dated from the funding pathway. Fourteen days is a countdown, not a condition

THE ONE THAT DECIDES THE PRICE

The headline multiple is meaningless until you know how it interacts with the retention clause. A high multiple with a weak clawback can cost more than a low multiple with a tight one. Vendors quote the multiple. Buyers negotiate the clause.

The preliminary pack.

Five documents decide whether there's a deal at all. Ask for them in one written request the day the confidentiality agreement is signed — dated, everything at once.

1 · Fee register	2 · Financials	3 · The lease	4 · Licensing	5 · Reason for sale
by client, with service type and start date	statements, tax returns, BAS, plus year to date	in full — variations and side deeds, not a summary	TPB, professional body, PI, AUSTRAC, ASIC	in writing, from the vendor directly
Proves the asset exists, and its shape	**Proves** the earnings are real and reconcilable	**Proves** the deal is fundable at this loan term	**Proves** you can legally own and run it	**Proves** what you're actually being sold, and why

Any one of the five coming back thin, late or heavily qualified is itself a finding — record it before you spend another dollar.

Then the rest of the first request

- [ ] Information memorandum
- [ ] Split of recurring versus one-off, compliance versus advisory
- [ ] Top ten clients by fee, with share of total
- [ ] Clients gained and lost each year, with reasons
- [ ] WIP report, aged debtors **and aged creditors**
- [ ] Lock-up days — WIP and debtor days, by year
- [ ] Every add-back claimed, with evidence
- [ ] Staff schedule — role, qualification, tenure, type
- [ ] Practice management and ledger software, with licence terms
- [ ] Any network, brand licence or franchise agreement
- [ ] Sample engagement letter — does it contemplate transfer?
- [ ] Existing loans or security over practice assets
- [ ] Any current or threatened dispute, claim or investigation
- [ ] Partnership or shareholders' agreement, if not a sole owner

Searches you run yourself

- [ ] **PPSR** on the vendor entity and directors — by ABN, ACN and name, plus serials for vehicles and major equipment
- [ ] **TPB public register** — status, conditions and sanctions, for the entity and every individual
- [ ] **ASIC** on the vendor entity and any related service entity
- [ ] **Court and bankruptcy** searches on the entity and its principals
- [ ] **Professional body register** — public practice status and standing

ASK FOR FIVE YEARS, NOT THREE

Three years is a snapshot. Five shows a full client-retention arc — whether the book grows, holds, or quietly erodes. Vendors who have prepared it get better buyers and faster offers, so a well-run sale will already have it assembled.

PRIVACY — FROM DAY ONE

Reviewing client information on-site without recording it is not collection. Taking notes with client names in them is — and the Australian Privacy Principles then apply to you. Ask for the register de-identified by client code for the first pass. You need the shape of the book, not the names.

Reading the response — it tells you as much as the documents

Complete inside a fortnight

A practice with working systems and a vendor who has prepared properly. Proceed with confidence — and move quickly, because others will.

Partial, slow, or heavily qualified

Not necessarily dishonesty — often a practice whose reporting can't produce it. That is a systems finding, and it belongs in your price.

Refused under an NDA

Every item on this page is standard on a properly-run sale. A refusal is the finding. Stop spending until it is explained.

Request issued ____________

Response due ____________

Outstanding ____________

PREVAIL FINANCE

The 12 deal-killers.

One is a negotiation. Three is a walk. Good practices are scarce — and that scarcity is exactly how buyers talk themselves past findings they've already made.

1 **Fee income that won't reconcile.** Reported fees, the bank, and the practice management system disagree.

2 **Recurring fees that aren't recurring.** Project work counted into a base carrying a recurring multiple.

3 **Goodwill personal to the principal.** Clients ask for them by name. Relationships don't transfer with a balance sheet.

4 **A registration that can't be replaced.** SMSF audit or licensed-advice fees resting on a departing individual.

5 **Client concentration above ~40%.** Top five carrying the book — often related to the vendor, rarely contracted.

6 **A retention clause with vague terms.** "Retained" undefined, no collar, no conduct standards.

7 **An AML/CTF position that doesn't exist.** Designated services provided, no enrolment, no programme — deadlines already passed.

8 **Regulatory or professional history.** TPB conditions, quality review findings, a pattern of PI notifications.

9 **Technical positions you wouldn't have taken.** Found after settlement, in files you now own.

10 **Lock-up that hides a service problem.** Long WIP and debtor days usually mean work is late — and late work is why clients leave.

11 **A platform that won't migrate.** Client-owned subscriptions walk out individually; conversion exceeds the discount.

12 **No restraint, no handover.** Goodwill you paid for, quietly returning to its original owner.

Score it — write the date you cleared each one

1 ____________	2 ____________	3 ____________	4 ____________	5 ____________	6 ____________
7 ____________	8 ____________	9 ____________	10 ____________	11 ____________	12 ____________

NEW THIS CYCLE — AND MOST VENDORS HAVEN'T BEEN ASKED

AML/CTF Tranche 2 commenced on 1 July 2026. Accountants providing designated services are now reporting entities, and both the AUSTRAC enrolment and compliance-officer deadlines of 29 July 2026 are behind us. A practice that provides designated services and hasn't enrolled is already outside its obligations — and you'd be acquiring a client base with no completed customer due diligence behind it. Real remediation, real timeline. It belongs in the price, not in your first year.

0.8×–1.4× gross recurring fees

3×–5× EBIT, larger firms

Which applies isn't the dollar band — it's **who does the work**. Principal still preparing files: priced on fees, because the earnings are personal. Staff delivering, principal managing: priced on earnings, because they survive the handover.

The complete guide — 22 pages.

This summary gets you started. The full guide gives you the rest of the instruments — the **fee register analysis grid**, the **retention term sheet** covering all four variables, the **full Round 2 due diligence request** for after the heads of agreement, and the **settlement backwards planner**. Plus the funding chapter: why practices gear differently from every other acquisition.

At **www.prevailfinance.com.au** — name, email and mobile, and it's yours.

Talk to us before you sign

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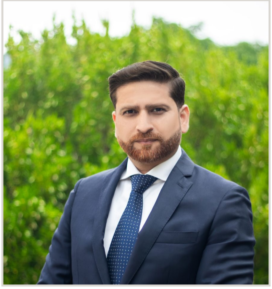
With gratitude

PREVAIL FINANCE

Send the pack. Get an answer in 24 hours.

Funding a practice acquisition is decided on the quality of the submission, not just the quality of the deal. Send these to **priyank@prevailfinance.com.au** and you get a written action plan back within one business day.



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With gratitude

About the practice

- ☐ The preliminary pack — fee register, financials, the lease in full, licensing, reason for sale
- ☐ Information memorandum, if there is one
- ☐ Heads of agreement or contract, if signed
- ☐ WIP, aged debtors and creditors, lock-up
- ☐ Asking price, and how the vendor built it
- ☐ Draft retention terms — period, amount, collar

About you

- ☐ Two years' personal tax returns and notices of assessment
- ☐ Two years' financials for any existing entity you own
- ☐ Assets and liabilities position, with an equity source
- ☐ Six months' loan statements, three months' transaction accounts, and limits on all cards and facilities
- ☐ Photo identification
- ☐ TPB registration, professional body membership, PI cover
- ☐ A short CV — credit assesses **your** capacity to run it, not only the vendor's
- ☐ Proposed buying entity, and your transition plan in outline

Why the pack decides the outcome

Complete pack (everything, first time) → **One clean submission** (the story holds together) → **Credit reads it once** (confidence, not questions) → **Room to negotiate** (gearing, pricing, exceptions)

Partial pack (sent in pieces) → **Questions, then re-work** (days lost each round) → **Credit reads it twice** (doubt attaches to the file) → **Conditions and delay** (and a finance clause running out)

Same deal, same buyer, same lender. The only variable is what arrived in the first email — and it moves the terms, not just the timeline.

Within 24 hours of a complete pack

- ☐ A written action plan — what happens, in what order, by when
- ☐ The funding pathway scoped for this specific practice
- ☐ An indicative pricing band, so you can model the deal
- ☐ The finance clause date your contract actually needs
- ☐ Pre-approval process started

Then what we do with it

- **Maximise the funding.** We present the fee base as the asset it is — to the desks that actually write goodwill-backed practice lending, rather than the ones that discount it.
- **Argue the exceptions.** Where the deal warrants it, we put the case for policy exceptions directly to the credit decision-maker. The decision is theirs; the argument is ours.
- **Structure the transaction.** How the facility sits against your buying entity, the price allocation and the deferred consideration — flagged for you and your adviser before it is locked.
- **Hold the timeline.** Registration, consent and settlement clocks mapped backwards, so the finance clause is achievable rather than hopeful.