

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

#	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 <i>before</i> 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

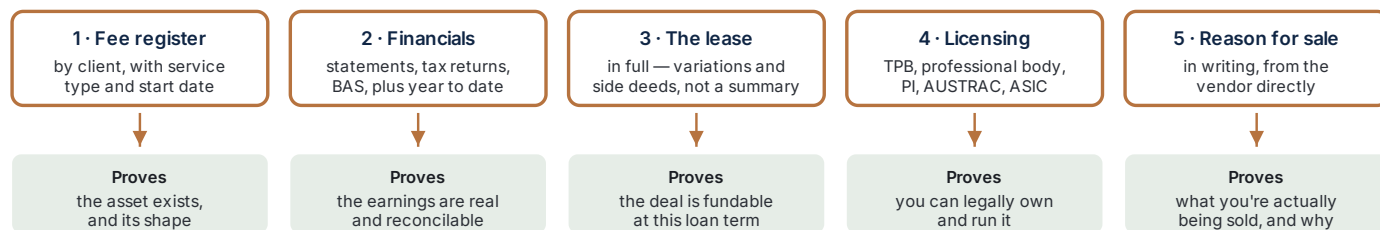
- ☐ Client consent letter drafted, jointly signed, timing agreed in the contract
- ☐ Fee register warranted — accurate, and no listed client known to be leaving
- ☐ WIP and debtors: valued how, at what discount, paid when
- ☐ Restraint and non-solicitation of clients and staff — both, not one
- ☐ Handover 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.



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 _____

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.

0.8x–1.4x
gross recurring fees

3x–5x
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

+61 404 44 22 11

Priyank Thakkar — former bank credit assessor, finance broker, and Master of Commerce (Professional Accounting).

With gratitude

General information only, current at Sept 2026. Not legal, tax, accounting or financial product advice, and it does not consider your objectives, financial situation or needs. Requirements change and vary by circumstance — obtain advice from a qualified solicitor and your professional body before acting. Valuation ranges are market observations, not valuations. Prevail Finance Pty Ltd · Australian Credit Licence 509527.

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 within 24 hours you have our answer, fundable or not.



Priyank Thakkar

Chief Vision Officer & Finance Broker. Former bank lending manager and commercial credit analyst. Master of Commerce (Professional Accounting).

priyank@prevailfinance.com.au
+61 404 44 22 11

With gratitude

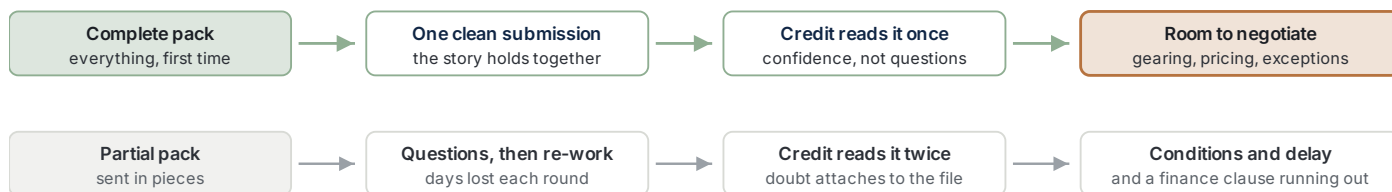
About the practice

- ☐ 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



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.

Accept our quote, then in one business day:

- ☐ Your 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 prepared, ready when you say so

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.
- **Put the case properly.** Where the deal warrants it, the case goes in the lender's own language 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.

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