Pre-Purchase Check — Report on Seller's Documents

Property: restaurant "Le Petit Comptoir", Sète, Hérault department, France **Asking price:** €138,000 · **rent under contract:** €1,400 per month **Tier:** €950 · seller's document package received in full **Date prepared:** 29 August 2026

This is a training sample. The business name, company name, identifiers, address, and amounts have been **changed** so that specific people cannot be identified. The legal provisions, source names, verification method, and report format are **real** — the document a client receives looks exactly like this.

1. Verdict

Only-If — the deal can be done, but not at the advertised price and not on the advertised terms.

The documents were received in full and cross-checked against each other. The revenue stated in the listing is not confirmed by any of three independent sources. The lease contains a change-of-control clause. Staff headcount is two people higher than what the seller stated, and two of them have nine years of tenure.

What this means for you: there is no reason to walk away — the business operates and makes money. But the numbers the price is built on turned out lower than stated, and the obligations turned out larger. The difference is calculated below and converted into an amount there is ground to negotiate on.

2. Red Flags

FINDING	WHY IT IS A FLAG
Stated revenue of €240,000 versus filed accounts of €187,400	a gap of €52,600 that is not explained by any document in the package
The lease contains a change-of-control clause	the landlord is entitled to revise the contract when the shares are purchased
Social-security filings show 5 employees against the stated 3	two of them have nine years of tenure; parting with them costs money
Two pieces of equipment on lease, 26 months remaining	€20,280 in payments transfer to the buyer along with the equipment

What this means for you: none of these four points makes the deal impossible. Each is an amount that can either be deducted from the price or shifted onto the seller in the contract. Added together, they amount to a sum comparable to half the owner's annual income.

3. What Is Actually Being Sold: the Company or Its Assets

The seller named **the deal structure**: the shares of the company are being sold.

CONSEQUENCE	UNDER A SHARE PURCHASE — I.E., IN THIS DEAL
Company debts	**all** transfer, including ones unknown at the date of the deal
Employees	stay on, tenure is not interrupted
Licenses and permits	stay with the company, no re-issuing required
Lease contract	stays in place, but contains a change-of-control clause — see section 8
Tax authority certificate on the seller's payment status (often called a "shield document" — a paper meant to protect the buyer from someone else's debt)	does not help: the company itself is being bought, along with its past

What this means for you: the chosen structure is convenient because permits do not need re-issuing and the landlord does not need to be renegotiated with. The price of that convenience is the company's entire past: any obligation that arose before the deal stays with the company being bought. That is exactly why section 16 requires seller representations and a price holdback.

4. Ownership and Who Is Who

ROLE	WHAT WAS ESTABLISHED	SOURCE AND DATE
Legal entity	SAS COMPTOIR DU SUD — the SAS form in France is close to a limited-liability company. Company registration number (SIREN) 812 345 678, registered 13.03.2019, status "active"	official companies register, 29.08.2026
Ownership structure	two shareholders, shares of 60% and 40%	incorporation documents from the package
Officers	chairman and managing director — the same two people	companies register and bylaws
True owners (the people the company ultimately belongs to)	match the shareholders, no third parties declared	beneficial-owners register, extract from the package
Owner of the premises	a private individual unrelated to the seller	property register extract

What this means for you: this is where the €550 tier stopped — ownership structure is not visible from that tier. With the documents, the picture is complete: the contract is signed by both shareholders, and one signature alone has no force. This is checked before the deposit, not at the notary.

5. Document Package Intake

DOCUMENT	RECEIVED	PERIOD	ISSUED BY	WHAT IT COVERS
Filed accounts	yes	2023, 2024, 2025	filed with the tax authority	provability of the money
Bank statements	yes	12 months	bank	provability of the money
Till and card-terminal reports	yes	12 months	terminal operator	provability of the money
Lease contract with appendices	yes	current	landlord	right to the premises
Social-security filings	yes	4 quarters	social security fund	people
Licenses and permits	yes	current	prefecture and town hall	right to operate
Certificate of no tax debt	**no**	—	—	obligations
Incorporation documents	yes	current version	notary	legal structure
Lease agreements and equipment list	yes	2 units	leasing company	means of production
Inventory list	yes	as of stocktaking date	seller	stock
Supplier reconciliation statements	**no**	—	—	contracts
Certificate of no criminal record	yes	2026	court	cross-cutting

What this means for you: ten documents out of twelve were received. Two are missing, and both absences carry a price: without the tax-debt certificate, the size of the tax debt transferring with the company is unknown; without the reconciliation statements, the debt owed to suppliers is unknown. Both requirements are carried into section 16 as a condition of the deal, not a wish.

6. What the Price Is Made Of and What Transfers to You

PILLAR	HOW IT TRANSFERS	WHAT CONFIRMS IT
1. Legal structure (the company itself)	transfers on its own	incorporation documents

PILLAR	HOW IT TRANSFERS	WHAT CONFIRMS IT
2. Right to the premises (lease)	requires the landlord's consent	lease contract, the change-of-control clause
3. Right to operate (permits)	transfers on its own	licenses from the package
4. Means of production (equipment)	requires the leasing company's consent	lease agreements, equipment list
5. Stock and goods	transfers on its own	inventory list
6. People (employees, tenure)	transfer on their own	social-security filings
7. Demand (what customers are attached to)	does not transfer automatically	dated review history
8. Contracts and counterparties	not established: seller declined	reconciliation statements not provided
9. Name, trademark, and digital keys	transfers on its own	incorporation documents, domain
10. Provability of the money (accounts)	—	accounts, statements, till records
11. Past and future obligations	transfer by law	source exists, no answer was obtained

What this means for you: at the €550 tier, nine of these eleven lines rested on the seller's word or were not examined at all. With the documents, nine are confirmed on paper, one is closed by the seller's refusal, and one is stalled on a certificate that was not obtained. A refusal is also a result, and it is recorded as one.

7. Profile: What Carries the Price and What Is Confirmed

By typical sector structure (a model, not a measurement of this specific property): the price of a restaurant is usually carried by the right to the premises, the equipment, and demand.

For this specific property (fact as of the report date):

Confirmed by a document or register entry legal structure · right to the premises · permits · equipment · stock · employees · name and digital keys · provability of the money · demand

Source exists, no answer was obtained obligations (tax certificate)

Seller declined supplier contracts

Resting only on the seller's word no items remain here

What this means for you: there is deliberately no score and no total here — these lines cannot be added into a single number, and that number could not be used to compare two businesses anyway. The difference from the €550 tier does not show up as a count — it shows up in the **nature of the confirmation**: there, almost everything rested on the seller's word; here, almost everything rests on paper. That is what the €950 buys instead of €550.

8. Stated · Document · Discrepancy

The core of this tier. The left column is what the seller said. The right column is what the paper says.

STATED BY THE SELLER	WHAT THE DOCUMENT SAYS	DISCREPANCY
revenue of €240,000 per year	filed accounts for 2025: €187,400	**−€52,600**, i.e. 22% lower
“profit of around 70,000”	result per filed accounts: €41,900	the difference is explained by the owner’s salary, see section 9
“staff of 3 people”	social-security filings: 5, two with 9 years of tenure	parting with the two costs **€18,400**
“the equipment belongs to the company”	leased, 2 units, 26 months remaining	**€20,280** in payments transfer to the buyer
“an ordinary lease, renewable”	the contract contains a change-of-control clause	the landlord is entitled to revise the terms
“operating for more than ten years”	company registered 13.03.2019 — seven years	the business is older than the company: bought in 2019

What this means for you: a discrepancy is not an accusation of lying. The seller may have counted revenue as turnover before refunds, and profit as what gets taken out of the till. But the price is stated based on the numbers in the left column, while the business being bought carries the numbers in the right column. That difference is the subject of the negotiation, not a judgment of the seller’s character.

9. Reconstructing the Owner’s Income

What actually stays with the owner is not a line in the accounts — it is a calculation built from them.

ITEM	AMOUNT
Result per filed accounts for 2025	€41,900
Added back: **owner’s salary — €21,600**	+€21,600
Added back: **owner’s personal expenses run through the company**	+€6,200
Deducted: **equipment replacement not accrued in the accounts**	−€4,500
Total owner’s income	**€65,200**

Why the owner’s salary is ADDED BACK, and not counted as a cost. The previous owner paid himself a salary, and in the accounts that salary reduced the profit. If you are the one who will be standing behind the counter, that money does not go anywhere — it simply stays with you. That is why it is added back into the calculation. If instead you plan to hire a manager rather than run the place yourself, this amount has to be subtracted back out: income would then be about €21,600 lower.

A range, not a single number: from €52,000 to €68,000, with the middle around €61,000. The spread is wider than the total itself because part of the add-backs rests on the seller's explanations rather than on a document.

What this means for you: the figure of €65,200 is not "profit" and not a promise. It is what would stay with the owner if next year repeated last year exactly. The adjustments were made **in both directions** — up and down — because one-sided adjustments always produce a flattering answer.

10. The Money Bridge: Three Sources on the Same Money

SOURCE	OVER 12 MONTHS
Till and card-terminal reports	€183,900
Received into the bank account	€171,200
Shown in the filed accounts	€187,400

The cash flow does not reconcile in two places: €12,700 between the till and the bank, €3,500 between the accounts and the till.

What this means for you: a gap between the till and the bank is normal for a business with cash revenue — part of the money goes toward purchases without ever reaching the account. But this can only be checked against a cash ledger, which is not in the package. Until it is produced, the €12,700 remains an unexplained amount, and the price calculation cannot rely on it.

11. Stress Pass: What Happens If Things Go Worse

SCENARIO	OWNER'S INCOME	PAYBACK PERIOD
Same as last year	€65,200	2.1 years
Revenue 15% lower	€37,100	3.7 years
Revenue 15% lower and one of the two key employees leaves	€28,900	4.8 years

What this means for you: the purchase holds up under a 15% drop in revenue — the business stays profitable. But the payback period nearly doubles. The third row shows why an arrangement with the two long-tenured employees matters more than a discount: their departure costs more than a price negotiation would save.

12. How Long Until the Money You Put In Comes Back

At a price of €138,000 and the owner's income range from section 9 ("low to high"):

- at the low estimate — **2.7 years**
- at the base estimate — **2.3 years**

- at the high estimate — **2.0 years**

What this means for you: a range is given on purpose instead of a single number. A precise figure creates false confidence: it rests on the assumption that next year will repeat last year. This is not a business valuation and not a judgment about the price — it is the time it takes to get the money back under three different income assumptions.

13. How Long to Wait Before the Business Is Running at Full Strength

At least 1 month based on the deadlines that are established. For 1 more item, the deadline is not established. This does NOT mean the business is closed: it operates from day one.

ITEM	DEADLINE
Leasing company's consent to change of control	1 month
Notice to the landlord under the change-of-control clause	deadline not established
Re-issuing permits	not required: in a share purchase they stay with the company

What this means for you: this is the strongest side of the chosen deal structure. In an asset purchase, permits would need re-issuing and months of waiting; here, the business operates without interruption. The one month is the time needed for the leasing company's consent, and it is worth obtaining before signing, not after.

14. Competitive Environment

COMPETITOR	DISTANCE	REVIEWS	RATING
The property's business	—	148	4.3
Restaurant on the waterfront	240 m	1,020	4.5
Family-run trattoria	310 m	610	4.6
Chain pizzeria	450 m	380	4.0

Cross-check: the strongest neighbor has seven times more reviews with a rating 0.2 points higher. The property's business is not the leader on this stretch — it is the middle.

What this means for you: with revenue of €187,400 and this kind of surroundings, growth from "just running it better" is unlikely: the neighbors are more visible and rated higher. Planning to recover the money in two to three years should be based on current revenue, not on expected growth.

15. Negotiation Plan: What the Discrepancies Convert Into in Money

FINDING	AMOUNT	HOW TO USE IT
Remaining lease payments transfer to the buyer	€20,280	deduct from the price or require the seller to pay it off before the deal
Cost of parting with the two employees	€18,400	do not pay the seller this part upfront: it is placed into the notary's or an escrow agent's account and released to the seller after 12 months if no claims have arisen
Debt to suppliers unknown	not established	hold back part of the price until the seller produces the reconciliation statements
Tax debt unknown	not established	hold back part of the price until the tax-debt certificate is obtained
Change-of-control clause in the lease	—	obtain the landlord's written consent BEFORE signing

What this means for you: these amounts are not a demand for a discount and not a judgment about the price. They are obligations that transfer to the buyer by law in a share purchase: they are either deducted from the price, or left with the seller by contract, or the buyer pays them. The third option is the most expensive and the most common.

16. What to Request From the Seller Before Signing

#	DOCUMENT	WHAT IT WILL CLOSE	WHAT A REFUSAL MEANS
1	Tax authority certificate on the seller's payment status	the size of the debt transferring with the company	**if refused**, a price holdback becomes a mandatory condition
2	Supplier reconciliation statements	debt owed to suppliers	a refusal is a result and is recorded in the file
3	Cash ledger for 12 months	the €12,700 gap between till and bank	without it, the gap remains unexplained
4	Landlord's written consent	the change-of-control clause	without it, the lease may be revised after the deal
5	Leasing company's consent to change of control	transfer of the equipment	without it, the equipment stays with the leasing company

What this means for you: this is not a formality. The first two items are the only two documents out of twelve missing from the package, and both concern money that will transfer to the buyer along with the company. A refusal to provide them is also an answer, and it is recorded in the file.

17. Questions for the Seller — Can Be Sent As-Is

IN ENGLISH	TO THE SELLER, VERBATIM
What explains the difference between €240,000 and the filed accounts?	Comment expliquez-vous l'écart entre 240 000 € et les comptes déposés ?
Where did the €12,700 that did not reach the account go?	Où sont passés les 12 700 € qui ne sont pas arrivés sur le compte ?
Are you prepared to pay off the lease before the deal?	Êtes-vous prêt à solder le crédit-bail avant la cession ?
Will you obtain the landlord's written agreement to the change of control?	Obtiendrez-vous par écrit l'accord du bailleur sur le changement de contrôle ?

What this means for you: the questions are written in the seller's language on purpose — they can be forwarded as-is, without knowing French. The first two questions matter more than the rest: the answer to them determines whether this is a matter of different terminology or a different picture of the business.

18. What Was Checked and What Was Not Checked

AREA	STATUS
Accounts, statements, till records — cross-checked against each other	checked 29.08.2026
Companies register, ownership structure, beneficial owners	checked 29.08.2026
Bankruptcy proceedings and court decisions	checked 29.08.2026, no records found
Sanctions lists	checked 29.08.2026, no matches
Lease contract, licenses, leases, inventory list	checked against the documents in the package
Tax debt	source exists, no answer was obtained
Debt to suppliers	seller declined
Authenticity of the documents provided	**not checked**: this is established by the issuing authority

What this means for you: "no records found" is **not a certificate** ruling out debt. It only means the absence of a record in the named source on the named date. Separately: all documents were accepted as provided by the seller, without authentication — a coordinated set of forgeries would pass through undetected, and this is stated directly.

19. What Remains Unknown to Anyone

- **Cash revenue that bypasses the till.** Not reflected in any document. The €12,700 gap could be purchases, or it could be this — the paperwork cannot tell the two apart.

- **Whether customers will come back for a new owner.** No paper will show this.
- **The real reason for the sale.** Not established by any document.
- **The equipment's condition.** Ownership is confirmed by the lease and the inventory list; wear is not — that takes a physical inspection.

What this means for you: these are limits not of this particular check, but of documents in general. The first of the four is checked with three evenings of observation, the last with one visit from a mechanic. Both cost only time.

20. Next Steps

1. Send the seller the four questions from section 17 — today.
2. Require the five documents from section 16 as a condition of signing.
3. Once the landlord's consent is obtained, return to section 15: part of the holdbacks will fall away.
4. Discuss the price based on the income range of €52,000–€68,000, not the stated €70,000.

What this means for you: the order matters. The landlord's consent and the leasing company's consent cost zero euros and remove two of the five holdbacks. Obtain them before discussing price, not after.

21. Limits, Liability, Expiry, and Handling of Documents

This is **not an audit**, not a business valuation, not a legal or tax opinion, and not a recommendation to buy or not to buy. The decision stays with the buyer.

Liability is limited to the amount paid for the report.

The fast layer's expiry is 7 days. Information on debts, court proceedings, and encumbrances is accurate as of the date it was obtained. If more than seven days pass between that date and signing, these items should be requested again.

Handling of documents. Files sent in are **retained** for 90 days after the report is delivered and then **deleted**. Names of third parties, personal ID numbers, and employee addresses **do not appear in the report** — only amounts, deadlines, and statuses.

What this means for you: the report shows what is on record in the documents and in government sources on a specific day. It does not replace a lawyer at signing and does not promise a particular outcome for the deal.

22. Appendix: Sources, Dates, Status

SOURCE	WHAT WAS TAKEN	DATE	STATUS
Seller's document package	accounts, statements, till records, lease, social security, leases, inventory, bylaws	29.08.2026	received, 10 of 12 items

SOURCE	WHAT WAS TAKEN	DATE	STATUS
Official companies register	name, SIREN, ownership structure, officers, status	29.08.2026	received
Official gazette of mandatory notices	bankruptcy proceedings, past sales of the business	29.08.2026	received
Property register	owner of the premises	29.08.2026	received
Consolidated sanctions list	matches for the company and shareholders	29.08.2026	received, no matches
Tax authority debt certificate	size of the debt	29.08.2026	source exists, no answer was obtained

What this means for you: every line of the report can be opened and checked independently — the source and date are named. A report that cannot be double-checked is worth nothing.