



by Peter Hobb

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Selling Your Business – What Do Buyers Look For

Are you thinking about transferring or selling your business? Do you know who you will sell or transfer your business to? For most private companies a potential buyer will fit into one of three groups: Family; Employees/Co-Owners; and Third Parties. Whatever the category of buyer that may be interested in your business, you need to understand what a potential buyer is looking for so that you can properly prepare your business for transfer or sale. Even if you are thinking of a family transfer you still need to be prepared in case a family transfer doesn't work out. If you are not prepared you will likely not maximize the price you will receive for your business. What is important to a potential buyer can be broken down into four categories: Develop Your Management Team; Articulate Your Business Strategy; Prepare for a Partner; and Retain Good Advisors. It should be noted that even if you are not interested in transitioning your business, improving the company's sale attractiveness will likely enhance its profitability. Potential purchasers want to know that your business can run efficiently and profitably once you leave the business. If the business relies on you to be successful this will discourage potential buyers. Even if a buyer wishes to proceed with a purchase, it is likely that the price offered will be significantly discounted. A business that has a strong management team that is able to run the business without you being there is much more attractive to a potential buyer. It will also likely drive up the price you will be able to sell the business for. Potential buyers will be looking for professional management in key functions (e.g. sales, marketing, production, product development,

finance, and personnel). It is also important to ensure that your company has strong systems and processes to ensure protection of assets and timely and accurate financial reporting that provides information to measure profitability and the success of strategies that are being implemented. Potential buyers want to know that you have clearly articulated your business strategy. How is your product or service differentiated from your competitors' product or service? How do you stay ahead of your competition? How do you make money? Do you analyze gross profit by product line? Who are your most profitable customers? Should you eliminate less profitable accounts or work with them to become more profitable? Do you have a growth plan? Who are your customers and why do they buy from you? What are their needs? Are there opportunities available that the company could pursue? Do you have the resources to implement your growth plan? Have you an implementation plan? Are you making adequate investments in research and development? These are all important questions that need to be addressed regardless of whether you plan to sell your business. It is very common for businesses to receive unsolicited offers. Surveys have shown that in most of these cases money is left on the table. The sellers wished they had been better prepared. Once a serious purchaser has been identified be ready to take on a partner. The potential buyer is going to want to see financial, marketing and other data to help them make a final decision on whether to proceed with the purchase and to determine the price they will be willing to pay. They will want access to your records so that their advisors can verify that the information provided is reliable. They will also be asking a lot of questions. Before you put your business on the market work with your advisors to put together a complete due diligence package that includes all the information a prospective buyer would

want to know about your business. This will help avoid delays in closing the sale. Any delays will increase the risk that a sale will not be completed. Successful completion of a business sale is normally very difficult. Anything you can do to facilitate the sale process will increase the chances of a successful sale and will help you maximize the sale price. In putting together your due diligence package make sure contracts, agreements and your corporate record book (e.g. minutes) are up to date. Also, make sure there are no personal expenses going through your books. If non-business personal expenses are being paid through your company it will reflect on your credibility and the accuracy of the information you are providing. It may also negatively affect the price a potential buyer will be willing to pay. The people outside your business that you utilize to help you run your business is also important to a potential buyer. For example, is the accounting firm and lawyer you work with well recognized and have a strong reputation for doing excellent work. Do you have an advisory board, that includes expertise from outside your business, that can act as a sounding board or help you develop new ideas for driving growth? Are your annual financial statements audited, reviewed or compiled by your external accountants. Financial statements that have been audited are preferred by potential buyers because the level of examination by the external accountants is greater compared to the level of work performed in a review or compilation engagement. The financial statements will have more credibility which will help jump start the due diligence process. It can take time to get your business ready for sale. As we know from past experience you can never be sure that things will happen in an orderly fashion. Changes in your health could force a sale or you might receive an unexpected offer for your business. You need to be prepared.

SIGNS OF SPRING - MAPLE SYRUP & ROAD HOCKEY



by Jim Abernethy, Publisher
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A sign spring is just around the corner is when you hear..... “the sap is running”..... or “Car!” Clarington’s Maple Fest is an annual festival that showcases many local syrup producers who offer up the best of the region. With Maple products abound, you can find treats such as maple donuts, cheese, candy, nuts, fudge, and so much more along four street blocks in Historic Downtown Bowmanville. So, mark your calendar for Saturday, May 5, 2018. There’s nothing more Canadian than freshly harvested Maple Syrup..... except Road Hockey !!!



Right Honourable Peter McKay Supporting The Canadian Tire Canal Tournament in Ottawa for Jump Start. Peter will be in Clarington on Saturday, May 12, 2018.

CLARINGTON — It’s quite conceivable that some of the most memorable goal scorers in the history of Canadian hockey – Paul Henderson, Wayne Gretzky, Mario Lemieux, Sidney Crosby – didn’t score their very first goal on the ice. No, it probably came with shoes on their feet, not skates, and while playing hockey on a road, not in a rink. With that in mind, the next generation of historic goal scorers could be among the players competing in the 8th Annual BIG 3-on-3 Hockey Tournament, hosted by Big

Brothers Big Sisters of Clarington. This year’s tournament will be held on Saturday, May 12 on Clarington Blvd. in Bowmanville. Last year’s tournament attracted just over 200 players and just as many spectators, creating an exciting environment for the day. “This event has really grown since the first year, and it continues to get bigger and better each year,” said Big Brothers Big Sisters of Clarington Executive Director, Darlene Brown, who started the tournament back in 2011. “Every year it gets more popular with the teams. “It really provides a fun day for everyone who registers.” To provide the ultimate playing experience, Clarington Blvd., in front of Clarington Central Secondary School in Bowmanville, will be closed to accommodate the tournament. The safety measure guarantees a safe environment and non-stop action, eliminating the interruption of having to yell ‘Car’ each time one passes by. Last year’s event attracted more than 30 teams, and as the tournament continues to gain in popularity each year, that pattern is expected to continue and those numbers are expected to be on the rise.

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Look who is forming a team!



Lindsay Park Played NCAA Division 1 Women’s Ice Hockey for Wayne State University Warriors

Lindsay Park, Ontario PC Party Candidate for the Riding of Durham and Right Honourable Peter McKay challenge all on-comers to a game of 3-on-3 Road Hockey on Saturday May 12, 2018. The event is Big Brothers & Big Sisters 8th Annual Road Hockey Tournament. Lindsay and Peter are forming a team of 7 players. To see who is joining their team monitor

www.bigroadhockey2018.eventbrite.com



Jim Abernethy, Broker



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About the Ganaraska Forest - The 12,000 acre Ganaraska Forest is one of the largest blocks of forested land in southern Ontario. Today the forest is a living example of how the principles of integrated resource management can be used to balance many different uses of forested lands on a sustainable and ecologically sound basis. The Ganaraska Forest is an outstanding outdoor recreation venue. With hundreds of kilometers of trails, the Ganaraska Forest provides opportunities for a variety of activities, including hiking, horseback riding, mountain biking, cross-country skiing, snowshoeing and nature appreciation, and is managed for a sustainable yield of wood products.

\$932,000 - 100 Acres Adjacent to the Ganaraska Forest





NOT INTENDED TO SOLICIT Buyers or Sellers currently under contract with a brokerage.

Opinions and Views

Is Selling Maple Syrup From A Farm Located In The Oak Ridges Moraine a Permitted Land Use ?

You may recall in our last edition (December 2017) that I would keep you posted on the outcome of a matter between the Municipality of Clarington and the Clarington landowners who are processing and selling firewood on their 40 acre property located within the boundaries of Oak Ridges Moraine.

The matter was initiated by a complaint to Clarington By-law Department registered by an individual who operates a similar business located outside the Municipality of Clarington.

The Oak Ridges Moraine is the source of the ground water which feeds all of the streams and rivers running into Lake Ontario. It represents about 20% of the Municipality of Clarington land mass.

Land uses within the Oak Ridges Moraine are very restricted. However agriculture is not one of those restricted uses.

The outcome of this matter is important to every Clarington property owner residing within the Oak Ridges Moraine. Penalties for violating the Oak Ridges Moraine Act can be as high as \$25,000 per day.

Firewood is an agricultural product as are chickens, eggs, mushrooms, goats, honey, herbs, flowers and of course maple syrup. In the event the municipality sets a precedent by preventing these landowners from processing and selling firewood, will maple syrup be next?



The letter Clarington By-law Department sent on November 10, 2017 to the landowners stating they were in violation of Clarington Zoning By-law #2005-109 (Oak Ridges) Section 12.2.1. could have far reaching consequences.

The letter demanded **“removal of the firewood and to cease all advertisements for the sale of firewood”** further that failure to do so would result in **“charges being laid pursuant to the zoning By-law”**.

Basically, it was a **“you are out of business”** kind of letter.

(to read the entire article go to www.ClaringtonPromoter.ca click on ``Past Issues`` then scroll down to the December 2017 | Volume 7, Issue 4 and click on the photo of the Kendal Eagles to open the December edition and scroll to page 21).

The December article brought attention to the fact that the Province of Ontario defines firewood as an agricultural product and the processing and sale of agricultural products within the Oak Ridges Moraine is a permitted land use according to the Oak Ridges Moraine Act.

The Oak Ridges Moraine Act is a provincial statute and clearly states that municipal official plans and zoning by-laws shall not contain provisions that are more restrictive than those of the Act.

Therefore on that basis, the demands in Clarington By-law Department letter are unenforceable in a court of law.

Not surprisingly, I am pleased to report to you that the Municipality of Clarington has reversed its position threatening to take legal action against the Clarington landowners. The matter was finally resolved on January 2, 2018.

In an interview with the Clarington Municipal Clerk, Anne Greentree issued the following statement: “When Clarington’s Municipal Law Enforcement Division first received the complaint regarding the sale of firewood on the property, it was interpreted as a commercial operation, which is prohibited under existing zoning provisions for that property. Upon, further investigation and examination of agriculturally permitted uses on the property, Municipal Law Enforcement Staff determined that the sale of the firewood is actually permitted. As a result, staff contacted the property owner to advise him that he is not in violation of zoning regulations. Municipal Law Enforcement Staff conduct a thorough investigation on a case-by-case basis. In this instance, new information came to light that showed the owner was entitled to sell firewood on his property.”

So the land use issue has been resolved in favour of the landowners and they are satisfied with the outcome of the process. Fortunately for them they do not have to close their “firewood for sale” business.



For me the larger issue is how the initial complaint escalated to the point Clarington By-law Department was threatening court action to effectively shut down the landowners “firewood for sale” business.

Secondly, why it took more than seven weeks for the Municipality to determine the landowners were not in violation of zoning regulations.

I have a lot of respect for Clarington Municipal Staff and know from first-hand experience that they carry out their duties and conduct themselves in a professional manner, especially our Clarington By-law Officers whose role is to enforce our municipal by-laws.

By-law Officers generally do not act on petty, vexatious or revengeful complaints. Nor do they knowingly assist anyone with eliminating their competition.

Recall from my December 2017 article:

1. The Local Councillor revealed to me (without me asking) the name of the person who filed the complaint.
2. The individual who filed the complaint operates a “firewood for sale” business located outside Clarington in Pontypool, City of Kawartha Lakes.
3. The Councillor acknowledged doing business on a regular basis with the individual who filed the complaint.
4. The Individual identified to the Councillor that the property owner was competing with his business.
5. The Councillor advised that individual to file a complaint with the Municipality of Clarington.

In my opinion, assuming the By-law Officer investigating the complaint was aware of these important details, the file should have been closed soon after it was opened.

Council as a whole generally does not get involved in investigations conducted by By-Law Officers, and there is no suggestion that Council was aware of this situation.

The question that has yet to be answered is how involved was the Local Councillor in directing the investigation before and after the initial complaint was filed.

Up until last spring there was no mechanism in place for the general public to hold accountable our Members of Council for their actions or lack of actions.

In May of last year Bill 68 the Modernizing Ontario’s Municipal Legislation Act, 2017 changed all that.

One of the biggest changes introduced by the Bill is the requirement that all municipalities in Ontario have a Code of Conduct specific to Members of Council. Also, to either appoint an Integrity Commissioner, or make arrangements for the Commissioner of another municipality to fulfill the relevant duties.

One of the roles of the newly appointed Clarington Integrity Commissioner is to perform independent investigations with respect to the application of the new Council Code of Conduct.

Section 8 of the new Clarington Council Code of Conduct deals with “Conduct Respecting Staff” and states: “Every member acknowledges that staff operate under the direction of the senior municipal administration, and in accordance with the decision of Council, and are required to serve the Municipality as a whole and not the needs or desires of any individual member.”

In this situation, I believe an investigation is warranted.

Road Hockey Tournament

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Teams are comprised of four to seven players, including a goalie, with open and girls’ divisions for ages 6-8, 9-11, 12-14, 15-17, 18+ and even a 40+ division based on registration. Registration is \$175 per team, which includes a participation package for each player, three games guaranteed and a complimentary BBQ lunch. Games are 24 minutes (2 x 12 mins halves) long, with playoff rounds and championship games for teams that advance. Games get underway at 9 a.m., with the day wrapped up by 5 p.m.

“It really does provide great value,” noted Brown of everything that’s included for the day. “A lot of the teams return to the tournament because they had such a great time the year before.”

Among the many prizes available through generous donations, one that is sure to draw a lot of interest for one lucky team will be a suite that can accommodate up to 14 people for an Oshawa Generals’ regular season game during the 2018-2019 regular season. How cool is that?

Registering a team is quite easy. Contact Brad Kelly at the Big Brothers Big Sisters office, 905-623-6646. Email

brad.kelly@bigbrothersbigsisters.ca, or stop by the office located at 23 Scugog St. in Bowmanville, Monday to Friday between 9 a.m. and 5 p.m. Registration forms are available at the office, or online at www.bigroadhockey2018.eventbrite.com.

The fundraising event helps Big Brothers Big Sisters of Clarington provide mentoring programs to more than 500 children in the community. In addition to the traditional ‘Big’ and ‘Little’ matches, the organization provides a number of individual and group mentoring programs in schools, as well as a seven week summer camp.



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NURSING HOME NEGLECT

Providing care to the elderly can be a demanding and difficult job and there are many fine care providers at Ontario's nursing homes. The residents of nursing homes and long-term care facilities are among Ontario's most vulnerable

residents, and as the province's population ages, the size of this demographic is set to grow dramatically. Unfortunately, some residents of Ontario's old-age homes are already subject to neglect and abuse. In my office we have recently seen a significant increase in cases like this including deaths. Nursing home abuse and neglect can take many forms. It can include physical violence, emotional abuse, medical neglect, social isolation, and failing to assist the resident with their basic needs.

There are many different examples of these types of abuse and neglect. For example, if a staff member within a nursing home intends to cause harm to the resident, it would certainly constitute abuse. Neglect of a resident can include failing to provide adequate safety measures or failing to properly care for their medical conditions, mobility issues, or cognitive issues. Failing to provide adequate food or water or failing to provide a clean and safe environment for the resident to live will also constitute neglect. Where a resident also does

not have proper assistance with bathing and other types of hygiene care, the nursing home may be found liable for their neglect. A resident being ignored by staff members of the nursing home, or a resident who is left alone without access to socialization is a victim of social and emotional neglect. It is important that friends and family members visit their loved ones to ensure they are being well cared for within the nursing home. Common signs of abuse and neglect that family should watch out for include:

- Weight loss, which could possibly be the result of malnourishment, or illness
- Bruises or other unexplained sores that could have resulted from falls or abuse
- Withdrawn behaviour or a depressed mood
- Changes in personal hygiene
- Exhibiting pain behaviours when sitting or lying down, which may be the result of bed sores

When visiting a loved one, it is also important to look around the common areas of the nursing home. Do other residents seem happy and well cared for? Are there any trip-and-fall or slip-and-fall hazards around the nursing home? It is also important that family members participate in care plan meetings to ensure that all of the emotional and physical needs of their loved one are being addressed.

While some family members are not able to visit their loved ones as much as they like, commu-

nication with the nursing home is vital. Ask for frequent updates from staff. If your inquiries go unanswered, it can be a red flag.

If you think there may be a problem there are provincial authorities to possibly investigate and personal injury lawyers can help guide you through the process.

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