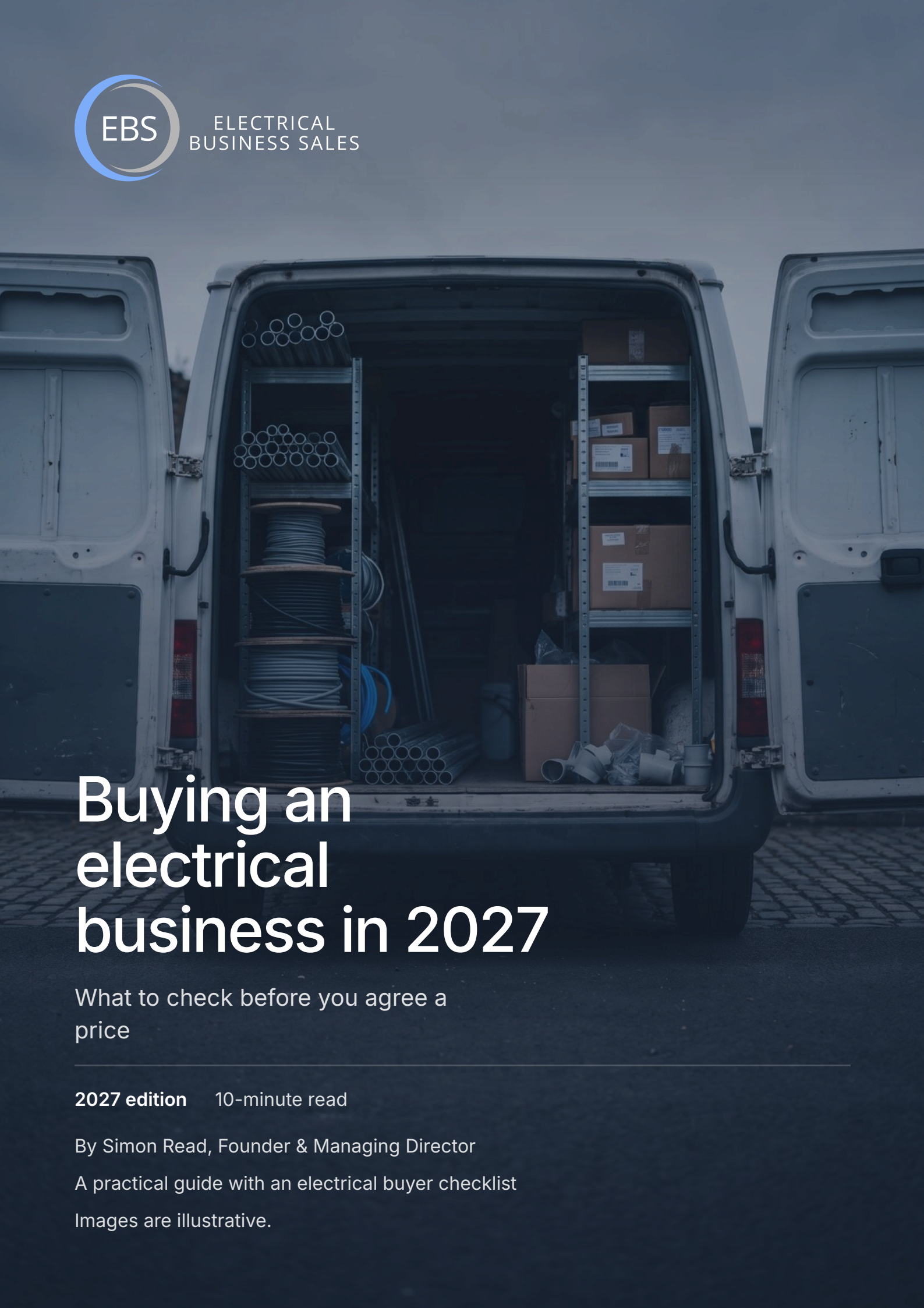




Buying an electrical business in 2027

What to check before you agree a
price

2027 edition 10-minute read

By Simon Read, Founder & Managing Director

A practical guide with an electrical buyer checklist

Images are illustrative.

The whole guide on one page

Start with the work the business can prove and deliver. Then connect it to the profit and cash behind your offer.

The check	What good looks like	Ask for
1. Separate signed work from repeat custom	Each income stream has its own evidence	Agreements, instructions and invoices
2. Find the people behind the capability	Tasks have competent cover	Role list and competence records
3. Ask the scheme before assuming continuity	Written answers for the proposed change	Entity, scope and issuer correspondence
4. Follow one job from quote to receipt	Technical and commercial records agree	Quote, variation, certificate and bank entry
5. Open the cash schedule	Retentions and unfinished work appear once	Debtors, job costs and deposit records
6. Test the profit behind your offer	Adjustments include replacement work	Accounts and an evidenced profit bridge

Use the two-page checklist to record the missing evidence, who will review it and the next action. A blank answer is a question to resolve, not a pass.

Set your buying brief

Complete the checklist, then register as a buyer with your requirements and unresolved questions. You can ask for a free first conversation.

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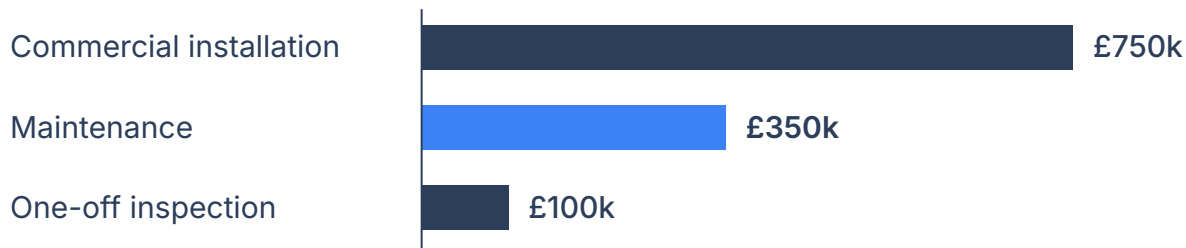
Register as a buyer

Meet Eldermere Electrical Services

Eldermere is an invented business. Its figures are illustrative, not a real transaction or evidence of market prices.

Eldermere's £1.2m annual income

Illustrative



$£750,000 + £350,000 + £100,000 = £1,200,000$. Signed terms still in date cover £250,000 within the maintenance total.

The maintenance total contains £250,000 under signed terms still in date and £100,000 without those terms. Keep the separate £100,000 of one-off inspection income out of the signed maintenance figure.

Starting figure	Amount	Question to resolve
Reported operating profit	£160,000	Which costs and income sit behind it?
Adjusted profit	£160,000	What explains the bridge back to the same total?
Illustrative business value	£480,000	What terms would an actual offer contain?
Operating working capital	£100,000	What definition and date would the parties agree?

The value uses only an illustrative three times adjusted profit. The working-capital figure is not an automatic addition to it. The following checks explain why a headline alone leaves important questions open.

1. Separate signed work from repeat custom

A familiar customer and a current agreement answer different questions. Put each type of electrical work on its own line before judging the income you are buying.

What good looks like

Match the maintenance schedule to signed terms, current dates, site scope and invoices. For inspection work, identify the report actually delivered: the IET publishes an Electrical Installation Condition Report separately from installation certificates [1].

Income description	Evidence to inspect	Unanswered question
Maintenance	Signed agreement and service history	What work and period are covered?
Repeat inspections	Customer instruction and report	Is the next instruction committed?
Installation order book	Accepted scope and variations	What remains to deliver and collect?

Eldermere Electrical Services

Illustrative example, not a real deal

Of its £350,000 maintenance income, £250,000 is under signed terms still in date. Calling the whole £350,000 signed work would overstate that evidence by £100,000.

The seller's side

Long customer relationships deserve to be understood. Give the seller room to show renewal history and explain gaps, while keeping that history separate from a current commitment.

What to check

- ☐ Ask your solicitor how the actual customer terms treat the proposed sale.
- ☐ Record landlord access arrangements and who can authorise the next job.

2. Find the people behind the capability

Ask who can estimate, supervise, inspect and resolve a difficult site question when the owner is no longer there. A headcount does not answer each of those questions.

What good looks like

Match people to tasks. HSE's Great Britain guidance ties competence to appropriate training, relevant experience and reassessment. Someone unable to demonstrate competence needs competent supervision [2].

Task	Evidence to request	Cover to establish
Complex installation	Relevant experience and reviewed work	Named technical lead
Inspection and reporting	Competence evidence and report review	Available competent reviewer
Estimating and variations	Recent quotes and approval trail	Person with commercial authority

Eldermere Electrical Services

Illustrative example, not a real deal

Its profit bridge removes £70,000 of owner cost and deducts £90,000 for replacement work. Test the duties behind both amounts; the replacement figure is a chosen cost, not a wage benchmark.

The seller's side

The owner may carry work that no job title captures. Ask them to walk through a difficult installation and show who handled each decision.

What to check

- ☐ Have a technical reviewer assess the evidence for each service line.
- ☐ Keep necessary supervision in place while any handover is tested.

3. Ask the scheme before assuming continuity

Record the registered legal entity, scheme, scope and named technical people. Take the proposed ownership and personnel changes to the issuer before treating a badge as settled evidence.

What good looks like

For NICEIC Approved Contractors, changed business details require prompt notice, within 30 days. Continued certification is discretionary; confirmation under rule 11.2 carries an undertaking and responsibility for previous work [3].

Ask the issuer

Put beside the answer

What does this proposed change require?

Current entity and scheme details

Who will hold the technical role?

Named person and evidence of competence

What conditions remain outstanding?

Written response and action owner

Eldermere Electrical Services

Illustrative example, not a real deal

The model does not assume which registrations Eldermere holds. Leave each scheme row open until the seller supplies it and the relevant issuer answers.

The seller's side

A seller can show a current certificate without knowing what the proposed transaction changes. Agree who will put the exact question to the issuer.

What to check

- ☐ Where a NICEIC Qualified Supervisor leaves, check rule 11.5: prompt notice, a declaration within 30 days naming competent supervision, and an accepted replacement within 120 days [3].
- ☐ Ask every other issuer separately; do not apply NICEIC's answer to it.

4. Follow one job from quote to receipt

Choose a completed installation with a scope change. Follow its references through the job file rather than reading a certificate in isolation.

What good looks like

NICEIC's surveillance evidence includes work lists, specifications, drawings, certificates or reports, complaints and competence records [3]. Use the applicable records to test the seller's account of the job.

Stage	Match the record	Resolve the gap
Quote and instruction	Site, scope and accepted price	Who authorised the work?
Variation and completion	Change approval and applicable certificate	Is any work or record outstanding?
Invoice and receipt	Invoice reference and bank entry	Was a balance withheld or disputed?

Eldermere Electrical Services

Illustrative example, not a real deal

Select a job within its £750,000 installation income. Trace the actual job references and amounts without assuming that every quoted variation became an agreed invoice.

The seller's side

Site records can sit with different people. Request a connected file, then give the seller a clear list of the missing links.

What to check

- ☐ Have a technical reviewer identify the right certificate or report [1].
- ☐ Ask which edition of the standard applies. IET's preceding A2+A3 version remains valid until October 2026; Amendment 4 is a 2026 transition, not a new 2027 start [4].

5. Open the cash schedule

Ask what is owed, what is still unbilled and what work has already been paid for. Keep those questions separate from the profit total.

What good looks like

Trace retained sums to their contract and release evidence. Government describes retention as money withheld during a construction project and afterwards as security for performance or defects [5].

Eldermere's chosen operating schedule	Add or subtract
Invoiced receivables, including £20,000 retention	+ £140,000
Unbilled work in progress	+ £40,000
Materials stock, outside work in progress	+ £20,000
Trade payables	– £70,000
Customer deposits for future work	– £30,000
Illustrative operating working capital	£100,000

The retention is already inside receivables. Adding it again would double count it. Check each deposit against the work still owed to the customer.

The seller's side

An unpaid balance needs an explanation, not an automatic write-off. Ask for the agreed terms, correspondence and evidence of collection after the schedule date.

What to check

- ☐ Reconcile the schedules to one date with the accountant.
- ☐ Ask advisers to agree the deal's working-capital definition and treatment of cash, debt and asset finance.

6. Test the profit behind your offer

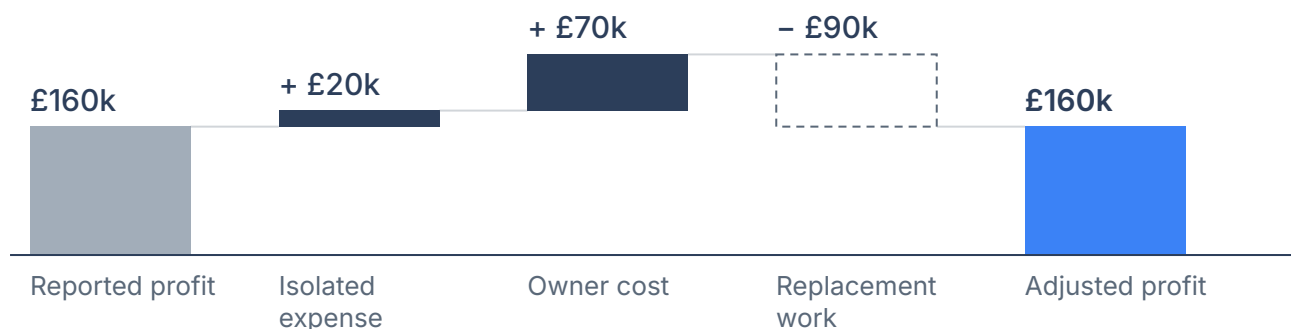
Eldermere's adjusted profit equals its reported profit, but the adjustments still matter. Read each step before using the total.

What good looks like

Connect accounts to records and cash schedules. FRS 102 uses accrual accounting except for cash-flow information, so recognised income is not the same thing as cash received [6].

Eldermere's profit bridge

Illustrative



$£160,000 + £20,000 + £70,000 \text{ less } £90,000 = £160,000$. Illustrative three times adjusted profit gives £480,000 business value.

The £20,000 expense is assumed isolated. The £90,000 replacement cost pays for duties that continue. Ask for evidence of both rather than accepting the net result alone.

The seller's side

Give the seller space to explain an adjustment and supply its record. Then identify the exact assumption you accept or still need to test.

What to check

- ☐ Reconcile the bridge to the accounts with your accountant.
- ☐ Keep the illustrative £480,000 business value separate from an actual offer, its conditions and seller cash.

A public succession example, and its limits

A UK group offering electrical work alongside other trades announced completion of a management buyout in April 2026. The announcement covered two businesses, with existing senior leaders taking ownership as the founder retired [7].

The parent company's accounts for the year ended January 2026 state that its group qualified as a small group. They use that qualification for the exemption from consolidated accounts. The individual company employed an average monthly 22 persons, including directors [8].

This is smaller-group succession evidence, not a price or turnover comparison.

What the evidence establishes	What you still need for your purchase
Completion was announced	Your own proposed transaction and conditions
Existing leaders took ownership	Named people and evidence of continuing capability
A small-group accounting exemption was used	Your target's actual scale and service mix

Ask your seller who will deliver the work after the proposed change. Record the evidence still needed in the checklist.

If funding is part of the question, Reads Commercial Finance is an introduction route only. Keep any unarranged funding separate from money you can evidence.

Electrical buyer checklist

Use this two-page checklist before progressing an offer. On this page record the document requested, what you inspected and the question left open. Add reviewer and action details on the next page. There is no pass score.

Business and review date

Document requested	Inspected result	Unresolved question
Agreements and income schedule		
People and competence records		
Scheme and issuer correspondence		
Quote to receipt job file		
Cash and job balance schedules		
Accounts and profit bridge		

Additional document requested, result and question

Type your answers in and save a copy, or print the page and fill it in by hand. Nothing you enter is sent to us.

Electrical buyer checklist: reviewers and actions

Use the same business and review date as the first page. Name the person reviewing each open question and the next action. Decide which missing evidence must be resolved before you progress an offer.

Business and review date

Check	Responsible reviewer	Next action and date
Agreements and income		
People and competence		
Scheme continuity		
Quote to receipt		
Cash and job balances		
Profit bridge		

Evidence required before progressing an offer, and why

Type your answers in and save a copy, or print the page and fill it in by hand. Nothing you enter is sent to us.

Sources and validity

1. IET: Model forms for BS 7671, page date not displayed. UK standard. Separate A4 installation, minor works and condition-report forms; no forms reproduced.
2. HSE: Working with electrical equipment, updated Apr 2025. Great Britain. Competence section only, not the older standards example elsewhere on the page.
3. NICEIC: Approved Contractor scheme rules, version date not displayed. Sections 11 and 12. These are this scheme's conditions, not universal certification-transfer rules or permission to work without competent supervision.
4. IET: Ensure you are up to date with BS 7671, page date not displayed. UK national installation standard. A4 publication and preceding-version transition; no blanket equipment replacement duty inferred.
5. Department for Business and Trade: Late payments consultation, launched July 2025. UK construction context. Descriptive retention paragraph only; proposals are not treated as enacted law and no release period is assumed.
6. Financial Reporting Council: FRS 102, September 2024 edition, paragraph 2.48 and accrual-basis glossary. Applies to FRS 102 accounts; it does not establish acceptance of these illustrative adjustments or deal definitions.
7. Yee Group: Management buyout announcement, April 2026; company activities, page date not displayed. UK multi-disciplinary contractor. Yee Group and Cool Services announced a completed MBO; no separate legal completion day or transaction price established.
8. Yee Group Limited: Accounts for the year ended January 2026, approved September and filed September 2026. Note 1.1: small-group exemption; individual-company statements. Note 3: average monthly persons including directors, 22. The target's privacy policy identifies the filing entity. The 22 is not combined workforce, full-time equivalents, electricians or completion-day headcount. This reporting period precedes the MBO announcement; no turnover, price, finance terms or post-deal outcome is inferred.

Checked Oct 2026. We review every guide after the Autumn Budget in October 2026. Take the actual technical records, accounts and transaction terms to the relevant qualified advisers.

The example. Eldermere Electrical Services is invented, not a Reads client or a real sale. Its figures and three-times value assumption teach arithmetic, not market prices. No tax, financing or seller-proceeds calculation is supplied. Images are illustrative.

Put the unanswered questions in your buying brief



Complete the checklist, then register as a buyer with the electrical business you want to find. Ask for a free first conversation about the evidence still needed.

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