



ELECTRICAL
BUSINESS SALES

Why an electrical business price can fall after 'yes'

The evidence behind the offer

2027 edition 10-minute read

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A practical guide with an electrical offer evidence bridge

Images are illustrative.

The whole guide on one page

An agreed headline needs a clear set of assumptions. When a question appears, identify the record that settles it before discussing a change in price.

The question	What good looks like	Ask for
1. Write down what the offer assumes	Each assertion has a dated record	Offer, income split and contract list
2. Reconcile the profit being priced	Every adjustment and replacement cost explained	Accounts, invoices and owner task list
3. Finish the job paper trail	Work, approval and report status agree	Variations, certificates and open-job list
4. Separate cash timing from a loss	Retained sums appear once	Debtor schedule and release conditions
5. Check who carries the work forward	Customer and scheme questions have owners	Terms, scheme correspondence and role cover
6. Give each issue one route	The same cost is not deducted twice	One issue log checked against every schedule

Use the bridge on page 10 to record the evidence, possible effect and next action. Leave uncertain amounts blank until the responsible reviewer has checked them.

Bring the unresolved item

Bring your completed bridge to a free first conversation.

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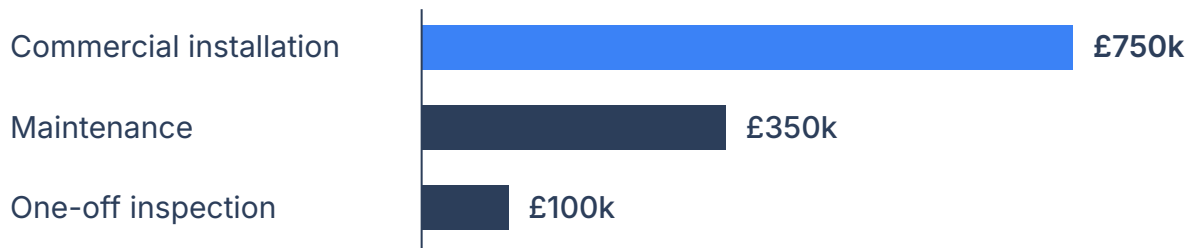
Speak with Simon

The figures we will follow

Eldermere Electrical Services is invented. Its figures are illustrative and do not describe a real deal.

Eldermere's £1.2m annual income

Illustrative



Maintenance income includes £250,000 under signed terms still in date and £100,000 outside them.

Eldermere Electrical Services

Illustrative example, not a real deal

Reported operating profit is £160,000. Removing a £20,000 isolated expense and £70,000 owner cost, then allowing £90,000 to replace the owner's work, leaves £160,000 adjusted profit.

At an illustrative three times adjusted profit, the operating-business value is £480,000.

Keep separate

What the example holds

Maintenance income	£350,000, including £250,000 under signed terms still in date
Operating working capital	£100,000 under the chosen schedule on page 7
Seller's cash	Not calculated; cash, debt, fees and agreed terms need separate evidence

Keep the £100,000 working-capital schedule separate from the value calculation. Ask the accountant and solicitor how the actual agreement treats each balance.

1. Write down what the offer assumes

Start with the offer and the supporting records as they stood when you said yes. A later question needs a clear starting point.

What good looks like

For each electrical service line, match the description to the evidence behind it. IET provides distinct installation, minor-works and condition-report forms [1]. Keep those records separate from signed customer instructions.

Offer assumption	Evidence to put beside it
Maintenance work continues	Signed terms, scope, dates and customer correspondence
Inspection work is booked	Instructions and access arrangements for each job
Installation work is complete	Applicable completion records and unresolved items

Eldermere Electrical Services

Illustrative example, not a real deal

Its £350,000 maintenance income includes £100,000 outside signed terms still in date. Describing all £350,000 as secured future work would change the proposition. Correct the description before discussing its effect.

What the buyer is thinking

Show the instruction behind the inspection booking. Then explain whether the customer has committed to another visit or has only used the business before.

What to check

- ☐ Save the offer version being reviewed.
- ☐ Mark each unsupported assertion and name its evidence owner.

2. Reconcile the profit being priced

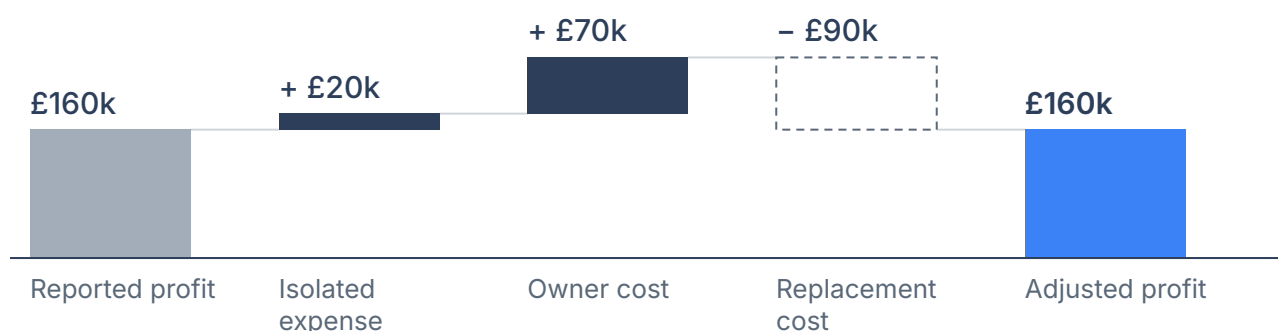
Put the accounts beside the proposed adjustments. A difference in profit needs explaining before anyone applies a value assumption to it.

What good looks like

FRS 102 accounts use accrual accounting, apart from cash-flow information [2]. Start with the recorded result and trace each proposed adjustment to its document. Profit and cash receipts need separate checks.

Eldermere's adjusted profit bridge

Illustrative



Illustrative: £160,000 + £20,000 + £70,000 less £90,000 = £160,000.

Eldermere Electrical Services

Illustrative example, not a real deal

The £20,000 isolated expense is assumed to be evidenced and non-recurring. The £90,000 replacement cost covers work that remains after removing the owner's £70,000 cost. Both judgements need support in a real sale.

What the buyer is thinking

Who will price installations, organise site decisions and collect outstanding invoices after you leave? Put the duties beside the replacement-cost estimate.

What to check

- ☐ Match the isolated expense to its invoice and explanation.
- ☐ List the owner's remaining duties against the replacement estimate.
- ☐ Ask the accountant whether any open-job cost is already in profit.

3. Finish the job paper trail

An unsigned variation or an unfinished report is a question to resolve. Start with what was ordered, what was done and what remains.

What good looks like

NICEIC's Approved Contractor surveillance evidence includes work lists, relevant drawings, specifications, certificates and reports [3]. For a participating business, use those records to build the job trail.

Record gap	Check before assigning an amount
Unsigned variation	Who instructed it, what changed, and what approval exists?
Inspection-report backlog	Was the inspection done, and which report or review remains?
Unfinished installation	Which work, certificate or customer acceptance is outstanding?

Eldermere Electrical Services

Illustrative example, not a real deal

Its £40,000 unbilled work is separate from invoiced receivables. A query about a variation must first be matched to that schedule. No additional variation value or report-backlog cost is assumed here.

What the buyer is thinking

Show what remains on each electrical job and who can finish it. A missing document and unperformed work need different follow-up questions.

What to check

- ☐ Have a competent technical reviewer identify the outstanding task.
- ☐ Have the accountant locate any cost or provision already recorded.
- ☐ Ask the solicitor what the actual customer terms require.

4. Separate cash timing from a loss

For a retained sum, put the payment condition beside the debtor entry. Record whether the question is timing, a dispute or an unsupported balance.

What good looks like

Government describes construction retention as a contractual amount held during a project and afterwards as security for performance or defects [4]. Read the actual release conditions; do not substitute a presumed payment date.

Eldermere's chosen operating schedule	Amount
Invoiced receivables, including £20,000 retentions	£140,000
Unbilled work, separate from invoices	£40,000
Materials stock, separate from unbilled work	£20,000
Less trade payables	£70,000
Less customer deposits for future work	£30,000
Illustrative operating working capital	£100,000

What the buyer is thinking

Which retained sums have a documented release condition? Show any dispute correspondence and the work needed to answer it.

What to check

- ☐ Keep the £20,000 retention inside the £140,000 receivables once.
- ☐ Record the evidence for any disputed amount without inventing a loss.
- ☐ Ask how the agreed completion calculation treats the balance.

5. Check who carries the work forward

Separate customer relationships, technical responsibilities and scheme certification. Each needs its own evidence and answer.

What good looks like

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

Continuity question	Evidence owner
What does a change in ownership mean for certification?	Scheme contact, using the proposed facts
Who will supervise the relevant electrical work?	Business and technical reviewer
What do customer terms say about the proposed sale?	Solicitor, reading the actual signed terms

Eldermere Electrical Services

Illustrative example, not a real deal

The £90,000 replacement estimate does not prove scheme acceptance or customer consent. Put the cost estimate beside the role plan, then obtain the separate answers.

What the buyer is thinking

Can the named people carry out the proposed roles, and what confirmation is still missing? A budget line alone does not answer that.

What to check

- ☐ Send each issuer the precise proposed change.
- ☐ Ask the solicitor to identify the customer-contract questions.
- ☐ Keep unresolved answers visible before agreeing detailed terms.

6. Give each issue one route

Use one issue reference across the profit bridge, operating balances and offer discussion. Ask each reviewer where the effect is already recorded.

What good looks like

Trace each electrical job record into the accounts and proposed deal treatment. Ask advisers to read the agreement alongside the FRS 102 accounting record [2].

Item	Route to investigate
Unsupported profit adjustment	Reconcile the profit calculation
Retention collection question	Review the debtor evidence and agreed treatment
Unfinished certificate or report	Identify the task, cost and existing accounting entry
Customer or scheme uncertainty	Obtain the responsible party's answer

Eldermere Electrical Services

Illustrative example, not a real deal

Its £480,000 illustrative operating-business value is not a completion statement. Do not subtract a job cost from adjusted profit and then subtract it again from that value without reconciling the two treatments.

What the buyer is thinking

Show where the issue is recognised already. Then explain the proposed treatment, with the accountant and solicitor checking the same record.

A multi-disciplinary contractor with electrical work announced completion of a management buyout involving two businesses in April 2026 [5] [6]. The parent company's accounts for the year ended January 2026 record 22 average monthly persons employed, including directors [7]. They use the small-group exemption from consolidated accounts. Together, the records provide a smaller-group succession example.

Electrical offer evidence bridge

Use one row per issue in your electrical business offer. Record what was assumed, the evidence inspected and the possible route: profit, operating balance, unfinished work or terms. Leave an unverified amount blank.

Business, offer date and version

Issue to check	Assumption, evidence and amount	Possible route; already counted?	Reviewer and next action
Variation			
Report backlog			
Retention			
Owner duties			
Scheme or customer terms			
Other issue			

Treatment agreed, where recorded and unresolved double-counting questions

Before agreeing a treatment, have the accountant and solicitor check where it is already recognised. Write the responsible reviewer and next action in the last column. This sheet makes no automatic calculation.

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 national installation standard; separate A4 installation, minor-works and condition-report forms. Document distinction only, not technical instructions.
2. Financial Reporting Council: FRS 102, September 2024 edition, paragraph 2.48 and accrual-basis glossary. Applies to accounts prepared under FRS 102. Does not establish accepted add-backs or sale terms.
3. NICEIC: Approved Contractor Scheme Rules, sections 11 and 12.3, version date not displayed. This scheme only; no rule for another issuer is inferred. Recheck the applicable rules before a transaction.
4. Department for Business and Trade: Late payments consultation, launched July 2025. Descriptive construction-retention passage only; proposals, percentages and release periods are not used as current law.
5. Yee Group: Management buyout secures future growth for Yee Group and Cool Services, April 2026. UK target-side completion announcement covering both businesses; separate legal completion day not supplied.
6. Yee Group: Company website, page date not displayed. Electrical contracting alongside other services; a multi-disciplinary contractor, not a pure electrical comparable.
7. Yee Group Limited: Accounts for the year ended January 2026, approved September and filed September 2026. Notes 1.1 and 3: individual-company statements using the small-group consolidation exemption; 22 average monthly persons including directors employed by this company. The target's privacy policy confirms the legal identity. The count is not the combined Yee/Cool Services workforce, full-time equivalents, electricians or completion-day staffing. Smaller-group succession is an inference from the filed group qualification and completed-MBO announcement; turnover, profit, price, finance terms and financial comparability are not established.

Checked Oct 2026. We review every guide after the Autumn Budget in October 2026. Tax, legal, accounting and technical treatment depends on the business and agreement in front of you, so take advice on yours.

The example. Eldermere Electrical Services is invented, not a Reads client or a real sale. Its figures and the three-times value assumption teach the arithmetic; they are not market evidence. Contract quality and replacement cost are illustrative inputs. The images are illustrative.

The method. The bridge is a practical evidence test, not a prediction of a discount or a substitute for technical and transaction advice. No universal completion-account definition or cash proceeds is calculated.

Bring the question behind the price



Bring your completed bridge to a free first conversation. Start with the electrical job, balance or responsibility that still needs an answer.

There is no obligation to go further.

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