



ELECTRICAL
BUSINESS SALES

Working capital when an electrical business changes hands

Follow the job, then follow the cash

2027 edition 9-minute read

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A practical guide with an electrical completion cash checklist

Images are illustrative.

The whole guide on one page

Start with the installation jobs still open at the proposed handover date. Then trace what customers owe, what you owe and what work remains.

The issue	What good looks like	Ask for
1. Date every balance	One dated picture of jobs and cash	Job list, bank entries and ledgers
2. Separate stock from unfinished work	Materials counted in one place	Stock count and job cost sheets
3. Read the invoice and retention together	Withheld sums visible inside debtors	Invoice list and release terms
4. Carry deposits and unpaid bills	Future work and its costs stay visible	Deposit list and supplier statements
5. Agree the completion definition	The same calculation on both sides	Written inclusions and exclusions

Use the two-page electrical completion cash checklist to record amounts, evidence and unresolved questions. It is a starting schedule for your accountant and solicitor.

Bring the missing schedule

Bring the balance you cannot yet explain to a free first conversation.

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Speak with Simon

Start with the job, not the bank balance

A cable delivery, an installation stage and a bank receipt can fall on different dates. Lay them beside one another before calling any balance spare cash.

For accounts prepared under FRS 102, accrual accounting applies except to cash-flow information. Recognition and payment are different questions [1].

Job stage	Find the evidence	Ask what remains
Before installation	Deposit receipt, cable order, delivery note	What has the customer paid for?
Work in progress	Job costs, stage terms, subcontractor bill	What is installed but not invoiced?
Inspection and handover	Test record, snag list, stage invoice	Is further inspection or remedial work open?
After handover	Debtor entry, retention terms, bank receipt	Which part is still unpaid?

Eldermere Electrical Services is invented and its figures are illustrative. The following pages use one snapshot of its jobs. No dates or payment periods are assumed for those jobs.

Eldermere Electrical Services

Illustrative example, not a real deal

The snapshot has £140,000 invoiced receivables, £40,000 separately unbilled work and £20,000 materials stock. It also has £70,000 trade payables and £30,000 customer deposits for future work.

1. Date every balance

Choose a date for your first schedule. Use it consistently across the installation job list, ledgers and bank records. Mark later receipts separately.

What good looks like

Pick an open installation invoice. Trace it from the job reference to the debtor list, then to any later bank receipt. Record a mismatch as a question, not as collected cash.

Eldermere Electrical Services

Illustrative example, not a real deal

Its £140,000 receivable balance means invoices still outstanding at the snapshot date. It does not mean £140,000 is sitting in the bank.

Document	Check at the chosen date
Installation job list	Stage reached and next invoice trigger
Debtor ledger	Invoice amount still outstanding
Bank statement	Receipt date and invoice allocation
Later receipt list	Evidence after the snapshot, kept separate

The buyer's view

The buyer needs to see whether a receipt belongs to this installation invoice, an older job or a deposit on new work. A bank total alone does not answer that question.

What to check

- ☐ Use the same date on every supporting schedule.
- ☐ Explain unmatched receipts and credit notes.
- ☐ Ask your accountant to reconcile timing differences.

2. Separate stock from unfinished work

Cable bought for an installation needs a clear home in the schedule. Show whether it is unused stock or already included in the cost of unfinished work.

What good looks like

Take a cable delivery through its purchase invoice, stores record and installation cost sheet. Ask your accountant to settle the carrying amount and classification. Count the same materials once.

Eldermere Electrical Services

Illustrative example, not a real deal

Its £20,000 stock is separate from the £40,000 unbilled work. The illustration assumes those two amounts do not contain the same materials.

Item to trace	Evidence to put beside it
Cable held in stores	Count, cost and intended job
Materials issued to an installation	Issue record and job cost entry
Unfinished installation	Work done, costs and next billing stage
Disputed variation	Written instruction and acceptance status

The buyer's view

The buyer needs the cost sheet and job status together. A cost incurred does not by itself show that a customer has accepted a variation or that an invoice can be raised.

What to check

- ☐ Separate invoiced work from work not yet billed.
- ☐ Identify disputed variations without assuming payment.
- ☐ List open inspection or remedial tasks beside the job.

3. Read the invoice and retention together

Government describes retention as a contractual amount withheld during a construction project and afterwards as security for performance or defects [2]. Read the actual terms for your installation jobs.

What good looks like

Reconcile each retained sum to its invoice and debtor entry. Put the release condition beside it, then identify the document needed to show that condition has been met.

Eldermere Electrical Services

Illustrative example, not a real deal

The £140,000 debtor balance already includes £20,000 retention. The rest is £120,000. Adding the retention to the full debtor balance again would count it twice.

Debtor component	Amount	Evidence question
Other invoiced receivables	£120,000	What remains unpaid and why?
Retention already included	£20,000	What controls release?
Total invoiced receivables	£140,000	Does this match the ledger?

The buyer's view

The buyer needs to distinguish a retained amount pending its contractual condition from an overdue invoice under dispute. The same debtor total can contain different collection questions.

What to check

- ☐ Ask your solicitor to read disputed release terms.
- ☐ Link any remedial list to the relevant installation.
- ☐ Keep collection dates as evidence or open questions.

4. Carry deposits and unpaid bills

Put the customer's advance beside the electrical work still to be done. Put materials invoices and subcontractor bills beside the costs that remain unpaid.

What good looks like

Choose an installation with a deposit. Match the receipt to the job, work completed and remaining commitment. Reconcile its supplier and subcontractor entries without treating a customer payment as proof of earned income.

Eldermere Electrical Services

Illustrative example, not a real deal

Its chosen schedule deducts £30,000 customer deposits for future work and £70,000 trade payables. Neither amount is deducted a second time elsewhere in the calculation.

Balance	Evidence to obtain
Customer deposit	Receipt, agreed stage and outstanding work
Materials bill	Supplier invoice, delivery and ledger entry
Subcontractor bill	Work record, invoice and payment status
Inspection or remedial work	Task list, cost position and responsible person

The buyer's view

The buyer needs to know which installation commitments accompany the cash already received. The seller needs unpaid bills tied to the right job and accounting date.

What to check

- ☐ Ask your accountant about work done but not yet billed to you.
- ☐ Keep disputed costs visible until resolved.
- ☐ Match each deduction to a single supporting entry.

5. Agree the completion definition

Completion accounts are accounts prepared for the transaction's agreed completion calculation. Ask your advisers to put the actual definition and method in writing before using your schedule to discuss an adjustment.

What good looks like

Give both advisers the same dated electrical job schedules. Ask them to work the written definition through each balance, including retentions, unbilled work, deposits and exclusions.

Eldermere's chosen operating schedule	Amount
Invoiced receivables, including retention	£140,000
Add separately unbilled work	£40,000
Add materials stock	£20,000
Less trade payables	£70,000
Less deposits for future work	£30,000
Illustrative operating working capital	£100,000

Eldermere Electrical Services

Illustrative example, not a real deal

£140,000 + £40,000 + £20,000 less
£70,000 less £30,000 = £100,000.
This is a chosen operating definition,
not a target for your sale or cash
payable to the seller.

The buyer's view

Both sides need to know what stays
in the electrical business and what
the price already assumes. Cash,
borrowings and asset finance need
their own agreed treatment.

What to check

- ☐ Agree inclusions, exclusions, dates and dispute handling.
- ☐ Ask whether any adjustment is already reflected elsewhere.

What a public sale announcement can tell you

In April 2026, a UK building-services group announced completion of a management buyout covering two businesses [3]. Its services include electrical contracting [4].

The parent company's accounts for the year ended January 2026 use the small-group consolidation exemption. They record an average monthly 22 persons, including directors, employed by that individual company [5].

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

Public evidence	Your own evidence
A completed management buyout was announced	Your proposed transaction terms
Electrical contracting is among the services	Your installation and maintenance job mix
The parent reports a small-group exemption	Your dated debtor, job-cost and deposit schedules

What to check

Start with an installation you know well. Put its order, material costs, stage invoices, retained sum and unpaid bills on one sheet. Ask your accountant to resolve any gap before you repeat the exercise across the open jobs.

If acquisition funding is part of the discussion, Reads Commercial Finance is an introduction route. Partner brokers assess, advise on and arrange finance.

Complete the checklist and identify the balance that still lacks a document.

Electrical completion cash checklist

Business and schedule date belong on the first line. Add the amounts marked Add, take off those marked Less, then enter the result yourself. The PDF does no sums.

Business and schedule date

Operating balance	Add or less	Amount	
Invoiced receivables, including retention	Add	£	
Separately unbilled work	Add	£	
Materials stock, not also in unbilled work	Add	£	
Trade payables	Less	£	
Customer deposits for future work	Less	£	
Working capital under this chosen definition	Total	£	

Excluded balances and questions for your accountant

Count retention inside invoiced receivables once. Keep stock separate from unbilled work. These example categories need your accountant's review and your transaction's agreed definition.

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.

Evidence and timing checks

Use the same business and schedule date as the first sheet. Record the document, date or unanswered question against each item. Tick only when checked.

Business and schedule date

Check	Document, date or question	Checked
Installation stage and next invoice trigger		☐
Retained amount and release condition		☐
Stock not also in unbilled work		☐
Disputed variation and acceptance status		☐
Deposit and remaining work		☐
Materials and subcontractor bills		☐
Open inspection or remedial tasks		☐
Agreed completion inclusions and exclusions		☐

Unresolved balance, person to ask and next action

Ask your accountant to confirm the classifications and your solicitor to check the agreed completion wording. Carry unresolved items into that discussion.

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. Financial Reporting Council: FRS 102, September 2024 edition, paragraph 2.48 and accrual-basis glossary. UK and Republic of Ireland entities applying FRS 102. Used for the distinction between accrual accounting and cash flow, not completion terms.
2. Department for Business and Trade: Late payments consultation: tackling poor payment practices, launched July 2025. UK policy consultation; used only for its description of construction retention, not proposals, rates or release periods.
3. Yee Group: Management buyout secures future growth for Yee Group and Cool Services, April 2026. UK target-side announcement of completed MBO; a separate legal completion day is not supplied.
4. Yee Group: Services, undated. UK multi-disciplinary contractor, including electrical contracting. The announcement does not establish a comparable turnover, price, multiple or working-capital arrangement.
5. Yee Group Limited: Accounts for the year ended January 2026, filed at Companies House at the end of September 2026. Note 1.1 uses the small-group consolidation exemption and presents the individual company. Note 3 records 22 average monthly persons including directors for that company in that year. This is not the combined Yee Group/Cool Services workforce, full-time equivalents, electricians or completion-day headcount. The period precedes the MBO announcement. No turnover, transaction price or finance terms are inferred. The smaller-group description is an inference from these accounts and the completed-MBO announcement.

Checked Oct 2026. We review every guide after the Autumn Budget in October 2026. Accounting treatment and transaction terms need review against your own records and agreement.

The example. Eldermere Electrical Services is invented. It is not a Reads client or a real sale. Its chosen balances demonstrate one calculation, not market evidence or prescribed accounting treatment. No universal working-capital target, payment period, retention right or tax outcome is asserted. The images in this guide are illustrative.

Bring the balance you cannot explain



A good starting point is one dated schedule and the documents behind it. Bring the gap to a free first conversation with Simon.

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