Leveraged Buyout Business Plan

Irwell Pump Services | Manchester

DOCUMENT GUIDE

Contents

Manchester hypothetical service company acquisition | 3 October 2026 | Model 1.0

Decision document for the proposed founder and lender. All commercial values are planning assumptions. The target and all deal terms are hypothetical. Company diligence safe operating scope legal permissions finance and customer evidence remain acquisition gates. Funding and contracts remain uncommitted.

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01 / OVERVIEW

Executive summary

Irwell Pump Services is a proposed Manchester acquisition of a wholly hypothetical industrial pump maintenance company. The decision is whether a sponsor should investigate a £2.4 million cash free debt free share purchase, financed with £2 million equity and £1.2 million senior debt. There is no identified seller, financial history, signed customer work, financing commitment or validated price. This document is an illustrative acquisition and operating plan, not a valuation of a real company.

The operating offer is scheduled pump inspection and bounded repair for manufacturers and managed industrial premises. Nine paid technicians provide finite person hours; owner and lead time is reserved for management and supervision. January 2027 to December 2029 operations follow a paid December 2026 transition. A conditional year 3 exit is shown separately and never funds operations. Downside losses, funding gaps and signed exit deficiencies remain visible. Due diligence and committed liquidity must precede any acquisition.

Verified model 1.0 reports 2027 Base revenue £2,387,000, EBITDA £891,135, minimum unrestricted cash £589,210 and additional reserve funding £0. Downside minimum cash £-716,300 and reserve cure £866,300 make that counterfactual unfunded; closure or an explicit committed solution would be needed. Base conditional year 3 annualised return is 41.4%, wholly dependent on the unverified deal and exit assumptions.

02 / OVERVIEW

Business details

Irwell Pump Services is a planning name for a proposed UK acquisition group owning 100% of an English private service company. Proposed headquarters and workshop are in Greater Manchester, with ordinary weekday work inside a planned 60 minute travel catchment. No actual company incorporation, site lease or trade identity has been supplied. Values are pounds sterling and forecasts are calendar years 2027 to 2029.

The model combines acquisition opening balances and acquired operations on a consolidated management basis. Acquired receivables and payables are gross invoice balances; prior associated VAT is assumed already settled. Zero acquired cash, debt, VAT and tax balances require specific completion evidence. Cash free debt free does not mean tax free, pension liability free or free of claims. Statutory purchase allocation, lease accounting and deferred tax require advice.

Planning field	Scope
Acquisition	Shares close 1 Dec 2026 Base/Upside,1 Nov 2026 Downside
Operating forecast	36 months January 2027 to December 2029
Sponsor hold	37 months Base and Upside incl paid transition
Funding	Fixed proposed equity and senior term loan
Exit	Illustrative conditional share disposal not operating income

03 / OVERVIEW

Business concept and objectives

The proposed investment thesis is to buy an existing technician team and service infrastructure, then improve quoting, isolation documentation, job completion and collections. It does not rely on unverified cross selling, redundancies, free founder work or a multiple rerating. The assumed opening assets and team represent a transaction design, not claims about a target.

Before signing an offer, test service demand and normalized paid earnings against seller invoices, payroll, job logs, customer interviews and equipment condition. A practical operating goal is safe completed work inside finite hours and a funded cash reserve. A practical investment goal is a price and capital structure supported by due diligence. The model may be rejected without changing assumptions to manufacture a profitable deal.

04 / STRATEGY

Business model canvas

Customers pay for individually authorized completed pump service jobs. Parts are included in an assumed average quote; payroll and workshop costs continue even if requests disappear. Technicians, safe isolation processes, service documentation and reliable parts suppliers are the core resources. No annual subscription prepayment or speculative project backlog is recognized as revenue.

The sponsor provides equity and proposes a senior lender; neither is committed. Customer information, skills and workshop assets must survive the actual change of control. The owner manages credit and delivery rather than supplying unpriced technician capacity. The canvas separates customer value from acquisition returns: purchase consideration and debt principal are not operating expenses or customer sales.

Service business model canvas



Nine business model blocks for the proposed acquired service company.

05 / STRATEGY

SWOT and longer term goals

Potential strengths are a bounded service scope, paid finite team and repeatable inspection records. Weaknesses are hypothetical demand, an assumed opening asset base, concentration in one acquisition and a high goodwill balance. Industrial maintenance needs and customer dissatisfaction could create opportunities, but no such customer evidence has been supplied. Established OEM networks, unsafe work, parts inflation and leveraged cash commitments are threats.

The three year plan retains the same paid technician FTE. Any expansion, new machinery or special process approval must be added to the staffing, capex and liability schedules before it contributes sales. There is no guaranteed exit market or refinancing. A written acquisition stop rule is appropriate when customer retention, staff competence or available liquidity cannot be verified.

SWOT planning assessment

Strengths	Weaknesses
Bounded paid team safe scope	Hypothetical target and demand
Opportunities	**Threats**
Manufacturing work to validate	Claims debt staff loss competition

Qualitative acquisition strengths weaknesses opportunities and threats; no ordinal score.

06 / STRATEGY

TOWS strategy matrix

Use documented bounded repairs to seek manufacturer repeat orders, but require customer permissions and invoice evidence. Use supplier diversification and planned stock to reduce delivery interruption without treating stock as free working capital. Match the weakness of unknown customer retention with interviews and a downside cash model before the SPA.

Avoid relying on unverified owner qualifications, multiple expansion or tax shields to offset acquisition risk. A lower price or debt amount may be negotiated only through an explicitly revised funding and operating model. In the weak demand case, retain full paid employee costs and show when cash runs out. No assumed revolver or automatic sponsor cure prevents the deficit from being concealed.

TOWS acquisition actions

SO Test repeat orders with actual records	**WO** Require customer and target diligence
ST Document safe scope parts credit	**WT** Commit reserve or stop proposed deal

TOWS actions link the investment thesis to verification and cash discipline.

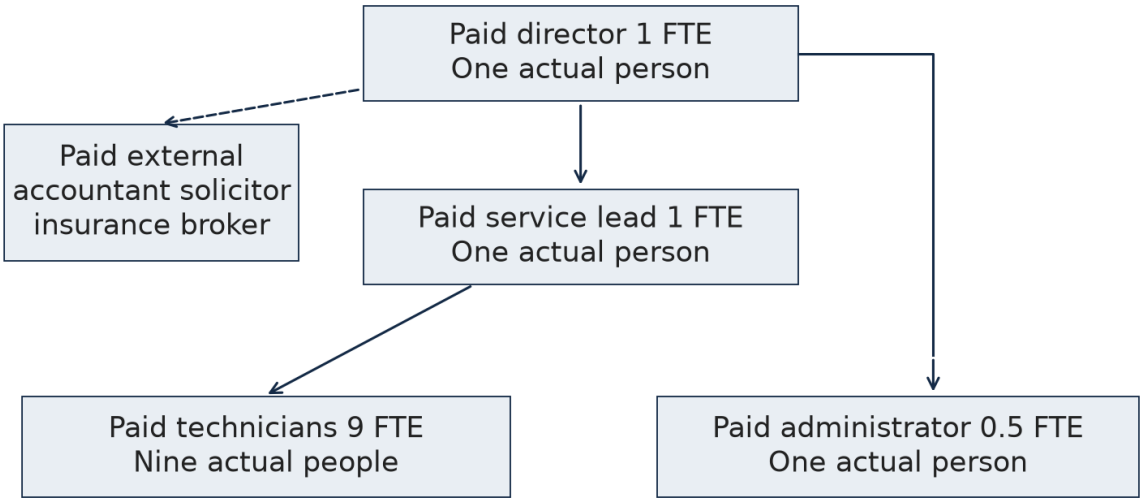
07 / PEOPLE

Owner and management

The proposed owner managing director is paid £60000 annual gross for one full time role. The service lead is paid £48000 and reports to the director; nine technicians report to the lead. The administrator is one actual person paid half of a £34000 full time salary. There are 12 actual people and 11.5 paid FTE. No named person, credentials or employment transfer documents exist.

The director owns customer credit, funder reporting, hiring and acquisition decisions; the lead owns safe job allocation, documentation and competence. Both are excluded from modeled technician billable hours. Paid external accountant, solicitor, insurance broker and lifting/waste specialists advise without being placed in the employee reporting chain. Their ordinary cost allowances and specific acquisition advice are separately budgeted.

Paid employee reporting and external support



Solid lines show employee reporting; dashed lines show paid external advisers.

08 / PEOPLE

Owner and key personnel profiles

Required director capabilities are commercial service management, cash collection, employer duties and lender reporting. Required lead capabilities are pump maintenance supervision, permit and isolation control and competence assessment. Technicians need verified skills for the actual pump and work environment; paperwork does not substitute for demonstrated safe competence.

The administrator schedules jobs and invoices, records parts, follows receivables and keeps personal data controlled. Actual experience, qualifications, right to work, contracts, salaries and employee consultation duties are acquisition gates. The share transfer is modeled as continuity of the same employer; legal advisers must assess any restructuring or employment change. No fictitious founder biography or certified team is presented.

Role	Evidence required
Director	Management references paid contract cash controls
Service lead	Supervision isolation permits and competence assessment
Technicians	Skills matrix equipment-specific training safe work evidence
Administrator	Scheduling invoicing privacy and credit procedures

09 / MARKET

Target customers

Initial target customers are manufacturers, warehouses with serviceable process or circulation pumps and industrial facility managers within the travel catchment. The payer must approve a bounded work order and provide safe access, machine history, isolation responsibility and an identified credit contact. Work involving hazardous fluids, explosive atmospheres, confined space entry or major pressure-system commissioning is excluded.

The model treats requested work as an unverified monthly job count, not a measured customer population. Revenue is recognized only on completed jobs. Large pumps requiring cranes or specialist lifting are accepted only with separately arranged competent support and a quote covering it; there is no hidden free service capacity. Public utilities or long framework procurement routes are not assumed launch customers.

10 / MARKET

Segmentation targeting and positioning

Segment by pump duty, access risk, repeat maintenance need, travel time and payer credit rather than by an invented customer score. Target ordinary industrial service orders that can be safely scoped in six technician person hours on average and collected on the assumed terms. Decline work outside proven competence or beyond available hours.

Position the proposed business around clear permitted scope, documented isolation, transparent parts and completion evidence. Do not promise round the clock response with a weekday paid roster. Retaining a customer requires actual successful work and consent to future contact; the forecast does not assume a free inherited customer list or automatic contract renewal.

Segmentation targeting positioning

Segment	Target	Position
Pump duty access risk payer credit	Permitted jobs within paid hours	Scoped safe weekday service records

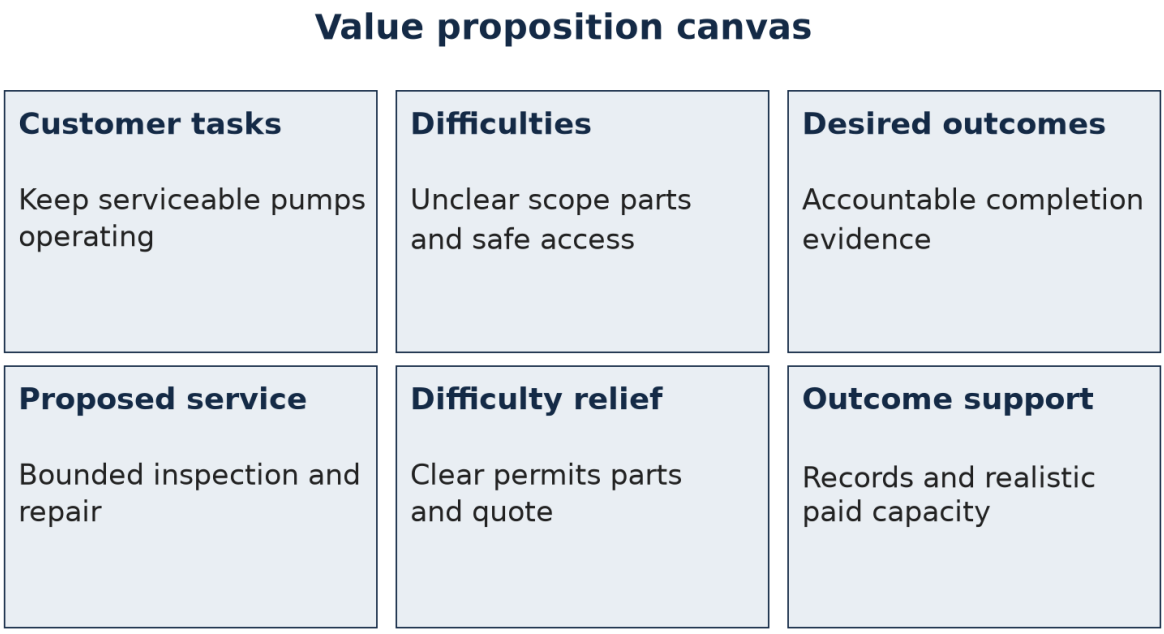
Categorical segmentation targeting and positioning for bounded industrial service work.

11 / MARKET

Value proposition canvas

Facility managers need functioning pumps, accountable maintenance records and predictable planned downtime. Potential difficulties include unclear work scope, uncertain parts lead times and unsafe interventions. The proposed response is a scoped quotation, documented isolation responsibility and a completion record with parts and tests identified.

The jobs and price inputs are not verified customer willingness to pay. Evidence should come from interviews and actual service records, including work the team must refuse. The canvas does not promise energy savings, failure prevention or certification without a qualified scope and measured result. Claims from OEM service websites establish alternatives, not the target’s performance.



Customer tasks difficulties and desired outcomes mapped to a proposed service response.

12 / MARKET

Market size and trends

Manchester inward investment material S 14 describes manufacturing and engineering activity, which provides a reason to investigate a service business. It does not count accessible pumps, annual maintenance spending or companies willing to hire this team. A credible pound value for TAM or SAM was not established from the available primary sources.

Define TAM as qualifying UK industrial pump servicing spending in 2027, SAM as qualifying spending inside the Manchester catchment and permitted scope, and SOM as won safe orders within paid capacity. The forecast is a capacity-limited sales plan, not a validated share of TAM. Acquisition diligence must identify actual job history and customer concentration before any market-size claim.

Market scope and evidence limits

TAM	UK qualifying pump service spend in 2027	**UNKNOWN**
SAM	Manchester catchment and permitted work	**UNKNOWN**
SOM	Safe won jobs within nine paid technicians	**PLANNING**

Scope diagram. TAM and SAM pound values unknown; SOM is unverified planned completed work, not measured share.

13 / MARKET

PESTLE analysis

Political and legal context includes UK work equipment duties, employer obligations and acquisition disclosure requirements. Economic exposure includes customer industrial spending, financing prices and parts inflation. Social context includes paid technician retention and reliable safe work. Technology includes job records, pump diagnostics and OEM-specific parts compatibility.

Environmental considerations include oily waste, efficient routing and repairs that remain safe and economical. No carbon saving is calculated. Each factor has an operating action: verify permits and insurance, stress debt and collections, pay for competence, control equipment/data and use authorized waste support. FRC 2026 changes require a statutory accounting review beyond the simplified management model.



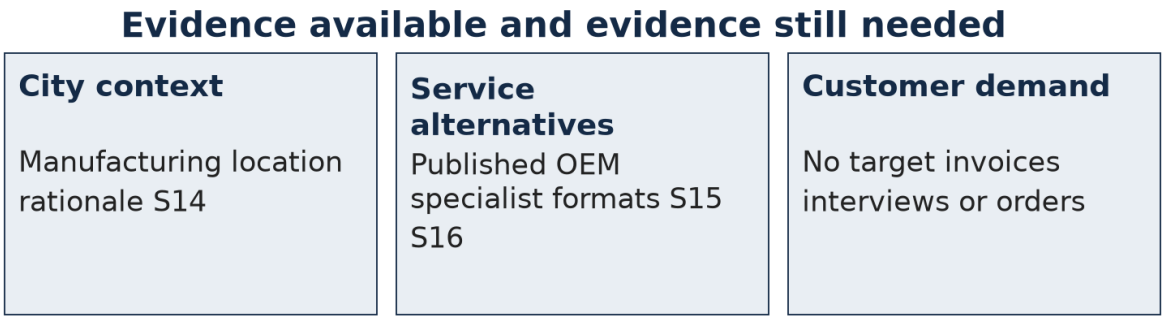
Six aligned PESTLE panels with operational responses and source boundaries.

14 / MARKET

Local demand and evidence

S 14 is city manufacturing context. S 15 and S 16 show that established suppliers provide maintenance and repair alternatives. HSE S 10 to S 12 establish equipment safety and maintenance context. None establishes orders for Irwell Pump Services, a price of £1400 or an observed pump maintenance budget.

No seller customer register, tender award, customer interview or signed order was supplied. Before an offer, request 24 months of invoices and job logs, identify customer concentration, reconcile time sheets to completed jobs and interview a lawful sample of customers. The demand chart distinguishes available context from missing commercial evidence rather than fabricating survey results.



Evidence categories, not invented observations or demand measurements.

Evidence	Available conclusion
Manchester industry context	Reason to investigate; no accessible demand count
OEM service offers	Existing alternatives and differentiated scope
Target customer invoices	Not supplied
Customer interviews and orders	Not supplied

15 / MARKET

Competitors and positioning

KSB authorized service partners S 15 describe trained original-parts service and emergency availability. Sulzer S 16 describes specialist pump services. These are established alternative formats with broader capabilities; the plan does not imply either has a particular Manchester share, quote or performance rating.

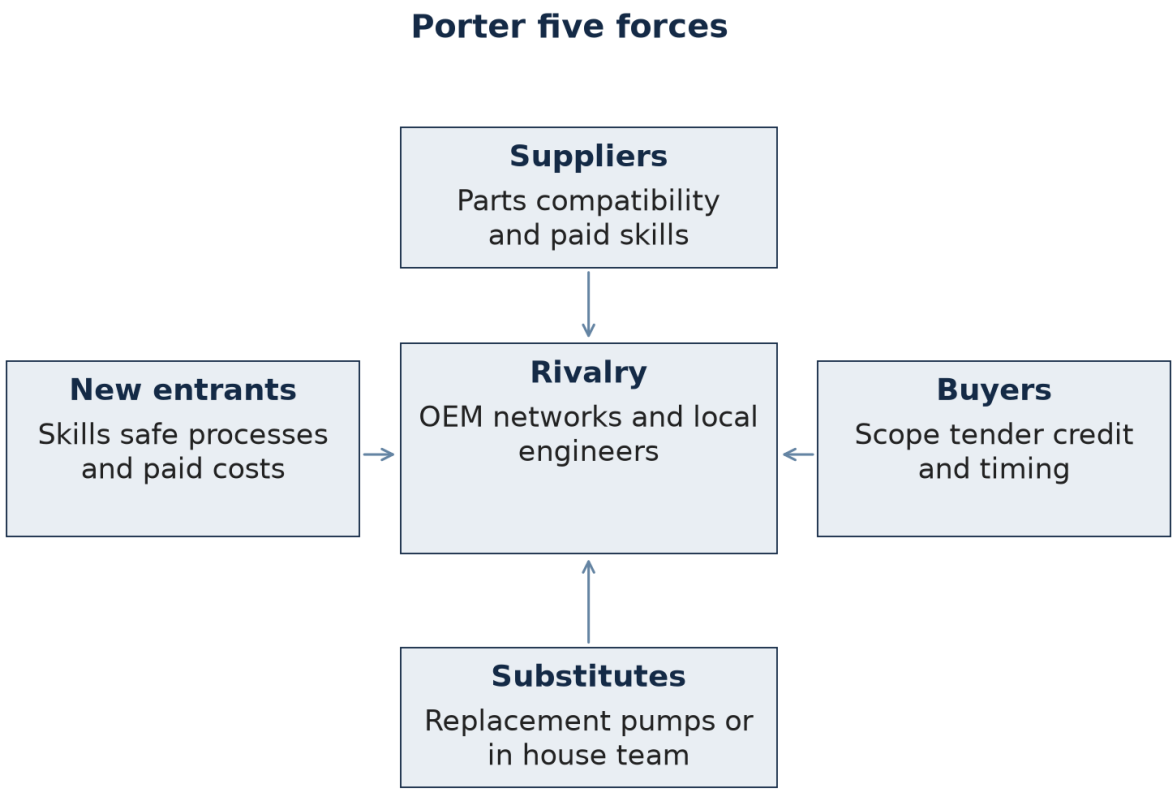
The proposed company offers bounded weekday service through a finite local team. Its potential distinction is clarity of safe scope and job documentation, which remains to be demonstrated. An OEM may be preferable where proprietary parts, warranty or system expertise is essential. Price competition and customer in-house maintenance remain genuine alternatives.

16 / MARKET

Porter five forces

Rivalry is central: national/OEM networks and local engineers compete for service work. Buyers can delay work, use in-house staff or tender multiple quotes. OEM-specific parts and technician skills can give suppliers bargaining power. Entry requires employer/safety duties and competence, while a paid team and workshop create meaningful costs.

Substitutes include replacement pumps, internal engineers and OEM service contracts. Respond through safe scope, traceable parts, customer credit discipline and evidence of actual service outcomes. No numeric force rating or competitor score was measured. Debt does not create a competitive advantage and must be serviced even when demand is weak.



Rivalry at the centre with buyer supplier entry and substitute forces around it.

17 / MARKET

Strategy canvas

Compare formats by stated scope rather than rating quality. OEM networks can provide manufacturer-specific parts and broader support; a proposed local operator focuses on scoped weekday repairs and documented customer isolation. In-house teams provide internal availability but have their own staffing and competence costs.

This is a categorical comparison of service commitments, not a scored strategy survey. The proposed company has not demonstrated any superior price, speed or quality. A useful customer interview asks which scope is needed and which evidence would justify switching. Do not turn website wording into fabricated ordinal ranks.

Strategy canvas by stated service scope

Format	KSB partners S15	Sulzer S16	Irwell proposed
Manufacturer expertise	Published authorized	Published specialist	No OEM claim
Emergency service	Published offer	Check actual scope	Not promised
Weekday bounded work	Broader service	Broader service	Proposed focus
Comparable price	Not obtained	Not obtained	Planning quote
Measured quality rank	Not measured	Not measured	Not measured

Categorical scope commitments only; no invented ordinal competitor ratings.

18 / OPERATIONS

Location and premises

The assumed workshop is inside Greater Manchester with a planned 60 minute customer travel catchment. It requires lawful industrial use, safe access, storage, ventilation, power, fire controls, lifting arrangements and space for nine technicians' equipment. No actual address, lease quote, rent-free incentive or landlord consent is supplied.

Monthly net overhead £20000 includes premises costs and other operating allowances. Statutory lease accounting after FRS 1022026 changes is not represented by the management rent expense convention. An actual lease must be assessed separately for cash terms, liabilities, deposits, rates and required capital work before the acquisition funding is considered sufficient.

19 / OPERATIONS

Equipment and resource plan

The hypothetical acquired PPE is £400000 net at completion with 60 months assumed remaining life. It represents service vans £180000, workshop test/lifting equipment £120000 and tools/IT £100000. Condition, ownership, finance interests, suitability and remaining lives are unverified. No amount implies a current supplier quote or market value.

The model budgets £36000 net annual maintenance capex in four quarterly additions with a separate positive life input. Ready assets depreciate during the paid transition. Fractional lives cap at zero. Major expansion, disposal proceeds, new cranes or free replacement assets are excluded and would require a separately funded revised plan.

Assumed acquired resource GBP	Net amount
Service vans	180,000
Workshop test and lifting equipment	120,000
Tools and IT	100,000
Total initial PPE	**400,000**

20 / OPERATIONS

Service and product strategy

The quoted job is an authorized bounded pump inspection and repair using an assumed average parts allowance. It excludes pressure-system commissioning, hazardous fluid processes, ATEX work, confined spaces, electrical design, unlimited call-outs and full plant rebuilding. Work requiring specialist support is separately scoped and paid or declined.

Each work order states machine identity, symptoms, safe access, isolation owner, permitted tasks and acceptance evidence. Completed work is billed; no service credit or speculative backlog is recognized. The price is an average planning input, so an actual mix of jobs must be tested rather than promised at the same fixed price.

21 / OPERATIONS

Pricing and job economics

The Base average completed job earns £1400 net and consumes £420 net parts before a 3% repeatwork factor. Repeatwork also consumes technician hours without earning extra revenue. Six person hours times 1.03 makes 6.18 hours per paid completed job. Direct parts contribution precedes paid payroll, overhead, debt, tax and maintenance investment.

Nine technicians at 40 weekly paid hours and 75% billable availability provide 1170 monthly person hours, yielding 189 whole jobs. Lead and owner add no field capacity. Quotes must reflect actual parts, travel, job risk and authorized support. The plan does not imply that £1400 is an observed competitor quote or that six hours fits every customer pump.

Base planning measure	Value
Net completed job price GBP	1,400
Net parts with repeatwork GBP	433
Contribution before payroll overhead GBP	967
Hours including repeatwork	6.180
Maximum completed jobs	189

22 / MARKET

Competitor scope comparison

Published provider offers show capabilities, not like-for-like prices. KSB S 15 describes authorized OEM expertise, parts and emergency support. Sulzer S 16 describes broader specialist pump services. The proposed local company has no authorization claim or round the clock roster.

Request comparable scope-priced quotes before treating the average job price as attainable. Original parts, equipment size, access, tests and response hours change the job economics. No price leaderboard or quality rank is included because a defensible matched-scope sample was not collected.

Format	Published or proposed scope
KSB authorized network S 15	OEM parts expertise maintenance and emergency offer
Sulzer S 16	Specialist rotating equipment pump services
Proposed Irwell service	Bounded weekday work unverified customer evidence
Customer in-house team	Alternative requiring actual competence and capacity

23 / MARKET

Brand and customer experience

The planning brand should communicate a clear industrial service scope, not a false association with an OEM or accreditation body. Customer onboarding records authority to commission work, machine access, site rules, safety contacts and credit terms. The completion record identifies work done, parts used and limits of testing.

A documented complaints process distinguishes new defects from contracted work and preserves customer statutory/contractual rights. Repeatwork is budgeted rather than hidden in technician capacity. Any response-time promise, warranty, insurance or qualification claim must be verified before appearing in sales materials. No website work or publishing is part of this package.

24 / MARKET

Sales channels and process

Initial channels are lawful direct contact with industrial facility managers, referrals from existing relationships verified in diligence and scope-specific requests for quotes. No purchased mailing list, undisclosed inherited order book or assumed public framework award supports the forecast.

Qualify the machine and payer, review safe scope, estimate parts and hours, approve credit, obtain a written work order and schedule inside available capacity. Invoice after documented completion and follow aging receivables. Immediate collection and remaining invoice lag are separate inputs. Acquisition-date receivables are collected once without booking revenue again.

25 / MARKET

Launch marketing

Monthly marketing £1000 is included in the £20000 net recurring overhead allowance; it is not added as another cash cost. Allocate £400 to facility-manager visits,£350 to trade directories and local professional materials and £250 to lawful customer follow-up. These are unquoted planning amounts, not measured acquisition costs per customer.

During the paid transition, the same monthly overhead is carried even though no earned jobs are assumed. The owner tracks inquiry source, safe qualified scope, quoted hours, accepted jobs and collected invoices. Customer permission and privacy duties apply. Stop channels that create unsafe or unprofitable work rather than adding unfunded technicians.

Included monthly marketing GBP	Budget
Facility-manager visits	400
Directories and trade materials	350
Lawful customer follow-up	250
Total included in overhead	1,000

26 / MARKET

Retention and ongoing sales

Retain customers through documented safe jobs, traceable parts, clear acceptance and consistent invoicing. Follow-up should use actual maintenance requirements and customer consent. No contractual renewal, subscription advance or free repair entitlement is assumed.

Growth is a planning request path capped by the same paid team. The model does not turn unserved requests into future revenue. If repeatwork grows or billable availability falls, completed jobs and cash change before any new recruitment. Customer concentration and work-order continuity at change of control need actual contracts and interviews, not a generic retention percentage.

27 / OPERATIONS

Daily operations and suppliers

The lead checks permits and isolation before assigning work. Technicians carry approved tools, document parts and work performed, and stop work outside competence or site safety. The administrator schedules jobs, updates stock, sends invoices and follows credit. The owner reviews cash, claims, customer concentration and funder reporting.

Net stock purchases equal consumption plus required stock less available stock, floored at zero. Opening stock can be used; it is not purchased twice. New eligible parts invoices carry 20% VAT and the assumed supplier-credit fraction is paid one month later. Opening gross supplier payables are paid month 1 without rebooking expense or input VAT. Supplier terms and stock realizability require diligence.

28 / OPERATIONS

Sustainability practices

Repair may extend equipment use, but a pump should be replaced when safe economical repair cannot be justified. Route planning limits avoidable travel and stock control limits obsolete parts. Oil, contaminated parts and waste are handled through appropriately authorized contractors; offsite waste transport requires an actual compliance review.

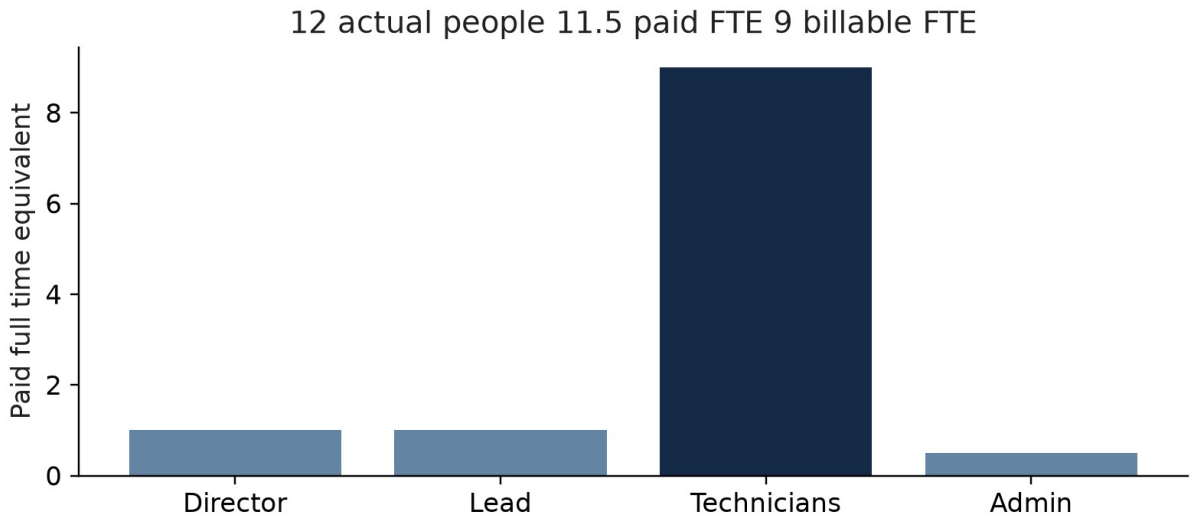
No carbon reduction, energy saving, circular-economy certificate or environmental accreditation was measured. Customers receive the limits of any efficiency claim. Workshop environmental liabilities, historic contamination, waste contracts and insurance remain purchase diligence gates because a share acquisition can retain liabilities that a cash free debt free price description does not remove.

29 / PEOPLE

Staffing and training

There are 12 actual paid people and 11.5 FTE. The director and service lead each have one full time role; nine technicians provide nine full time roles; one administrator is half time. All are paid throughout the transition and all forecast months, including a zero-job case. Employer NI and qualifying pension are calculated per actual person rather than per pooled FTE.

Base loaded payroll is approximately £43190 monthly before annual growth. The payroll holds current researched bands into future years as assumptions, with no Employment Allowance. Paid leave, travel, training, record keeping and supervision reduce technician availability through a 25% haircut. No free founder labor, intern labor or contractor team expands capacity.



Actual people paid FTE and billable technician FTE are distinct. Only nine technicians generate field hours.

Paid role	People	Paid FTE	Annual gross GBP
Owner managing director	1	1.00	60,000
Service lead	1	1.00	48,000
Technicians	9	9.00	324,000
Administrator	1	0.50	17,000

30 / PEOPLE

Staff skills and fair work

Document actual skills, right to work, paid contracts, working hours, holiday, safe equipment and grievance procedures. The service lead verifies competence for the actual machine and environment. A share acquisition normally retains the employer, but any actual reorganization, transfer or employment change needs legal advice. No named team has been assessed.

S 3 and S 4 support current employer NI and qualifying pension inputs; rate/band changes require a rebuild. Pension eligibility, director assessment and individual contracts require payroll advice. Owner net retention 70% is a household illustration, not a personal tax calculation. Retention goals do not justify unpaid transition work or dangerous overtime.

31 / OPERATIONS

Legal and insurance requirements

S 10 and S 11 identify work equipment maintenance, competence and isolation duties. S 12 concerns lifting planning and examination. The proposed service excludes specialist environments until scoped approvals and competent support exist. Obtain appropriate employers liability, public/product liability, professional advice where applicable, motor and workshop cover; S 13 identifies the general employers liability minimum.

Acquisition legal advice must verify shares, title, employees, contracts, debt releases, pension/tax/environmental liabilities and authority for security. Borrower identity, guarantees, group cash access, debt pushdown and distribution restrictions remain open. FRC S 7 informs fee/goodwill context, but this model does not certify statutory consolidated purchase accounting, leases, deferred tax or effective interest.

32 / OPERATIONS

Opening roadmap

Assumed shares complete 1 December 2026 Base/Upside with one paid month, or 1 November 2026 Downside with two paid months. No transition jobs or inherited profits are invented. Funding, full payroll, recurring overhead, drawn debt interest and ready-asset amortisation are included. If two months are selected, closing and the sponsor hold move accordingly before January 2027.

Do not close merely to meet the forecast date. Require seller evidence and inspections, binding finance, documented staff/site competence and sufficient reserve funding. After completion, validate customer continuity and invoice collections before accepting more work than available hours. Any actual delay must flow through payroll, interest, asset lives, opening balances and return timing.

Gate	Evidence before commitment
Target	Financial statements invoice/job/payroll reconciliations
Legal	Shares liabilities consents and completion agreement
Operations	Staff competence safe site permits assets and suppliers
Finance	Signed equity/debt cash access reserve and covenant terms
Completion	Actual cash-free debt-free and tax/VAT opening balance proof

33 / GOVERNANCE

Risks and management actions

The largest risk is that no real target or customer evidence supports the assumed purchase economics. Goodwill is vulnerable to impairment and the simplified model excludes potential fair-value and deferred-tax changes. Parts, safety claims, staff departure, collection delays and customer concentration can invalidate the planned cash generation. Debt service and paid employees persist when jobs disappear.

A negative cash forecast represents an unfunded counterfactual, not permission to continue trading while unable to pay creditors. Stop and seek competent solvency advice and an explicitly committed cure before further obligations. No future sale, cash sweep reversal, revolver or automatic sponsor top-up fills a gap. Signed negative exit equity is shown separately from limited-liability sponsor cash proceeds.

Risk	Action
Unsupported acquisition economics	No binding offer before invoice earnings and liability diligence
Unsafe or out-of-scope jobs	Verified isolation permits and competence stop rule
Collection or demand stress	Committed reserve and explicit downside cure requirement
Debt or covenant failure	Obtain actual lender definitions monitor and negotiate early
No exit market or negative equity	Retain operating obligations no assumed refinancing

34 / GOVERNANCE

Research and evidence

Primary sources were checked 3 October 2026. Government, regulator and HSE pages support selected tax, employer and safety context. FRC S 7 supports directly attributable combination costs and finite goodwill amortisation context. Manchester investment material is promotional location context; OEM pages describe competing service formats. None validates acquisition price, inherited demand, wages, equipment condition or finance terms.

Every commercial/deal input is a sponsor planning assumption. No actual target histories, competitor prices, ordinal scores or committed financing are invented. Retained research identifies source boundaries; actual statutory reporting, tax relief, loan security, customer contracts, insurance and completion balances require specialist review.

S1 https://www.gov.uk/tax-buy-shares
S2 https://www.gov.uk/hmrc-internal-manuals/stamp-taxes-shares-manual/stsm013010
S3 https://www.gov.uk/guidance/rates-and-thresholds-for-employers-2026-to-2027
S4 https://www.thepensionsregulator.gov.uk/en/business-advisers/automatic-enrolment-guide-for-business-advisers/automatic-enrolment-earnings-threshold
S5 https://www.gov.uk/corporation-tax-rates
S6 https://www.gov.uk/guidance/restriction-on-corporation-tax-relief-for-interest-deductions
S7 https://media.frc.org.uk/documents/FRS_102_September_2024_Redacted_edition_UkckFQ0.pdf
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S9 https://www.gov.uk/submit-vat-return
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S13 https://www.gov.uk/employers-liability-insurance
S14 https://www.investinmanchester.com/wp-content/uploads/2026/02/Adv_Manufacturing_Factsheet_2025.pdf
S15 https://www.ksb.com/en-gb/supremeserv/ksb-service-partners
S16 https://www.sulzer.com/en/services/rotating-equipment-services/pump-services

35 / GOVERNANCE

Quotes and assumptions

Obtain a seller financial and tax pack, completion accounts, bank/debt confirmations, receivable recoverability, payable and warranty liabilities, parts counts, PPE title/condition, customer contracts and legal/environmental review. Obtain staff contracts and skills evidence and scope-priced premises, insurance, parts and support quotes.

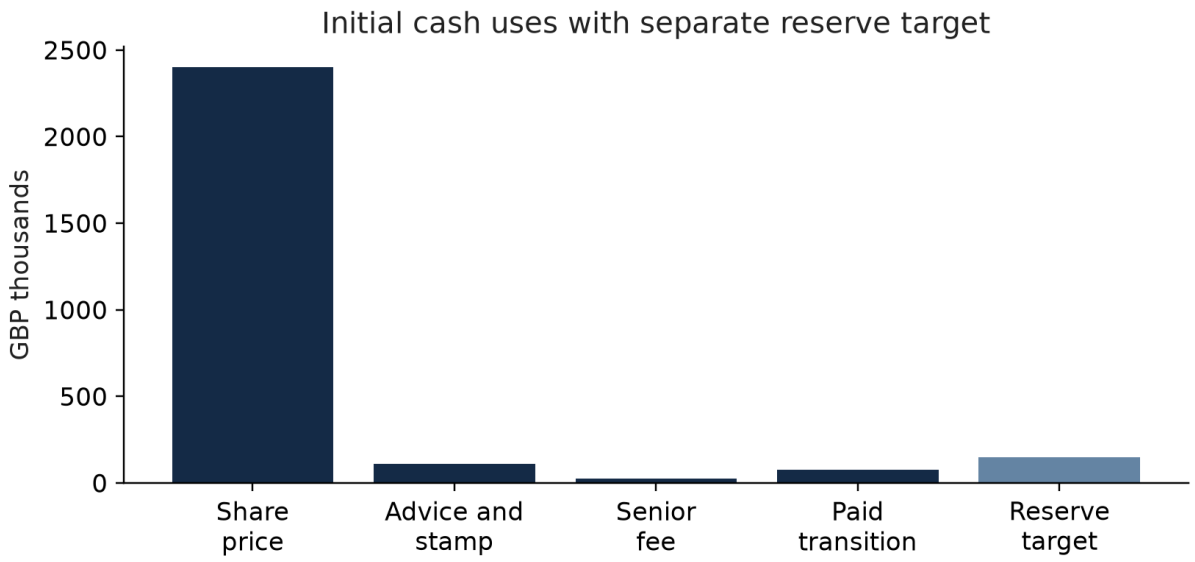
Finance evidence must specify borrower, amount, rate, fees, payment dates, cash sweep, security, guarantees, maturity and covenant definitions. Entry price is a sponsor assumption rather than an observed EBITDA multiple. Exit multiples are unquoted hypotheses. No historic tax loss, capital allowance, acquisition-interest tax shield, group-relief transfer, dividend or refinancing benefit is assumed by default.

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Startup costs and funding

The proposed acquisition is funded by fixed £2 million sponsor equity and £1.2 million senior term debt in every main case. The model does not solve for equity as a plug. Share consideration £2.4 million is cash free debt free, with actual opening net asset and tax settlement evidence still needed. Loan and equity are wholly uncommitted.

Cash uses include share stamp duty, acquisition advice, loan fees and full paid transition payroll, gross overhead and drawn debt interest. Existing acquired assets are part of the share price and are not paid for again. The £150000 reserve is a target rather than a cash expense. Additional funds needed are reported but never automatically injected.



Initial cash uses from verified acquisition and transition schedules. Reserve target is separate.

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Itemized startup costs

Share duty uses 0.5% of consideration rounded up to the nearest £5. The share price itself has no modeled VAT; gross acquisition advice is assumed not recoverable and included with duty in goodwill as directly attributable combination cost. Senior fee is a separate management deferred asset amortised over its stated life, with remaining fees written off when the loan is fully repaid; cash is paid once at closing.

Eligible recurring transition overhead VAT is a credit, not immediate cash recovery. Full paid payroll and interest have no VAT. Ready tangible PPE, goodwill and deferred fees amortise through the paid transition, creating noncash opening losses. Acquired gross receivables/payables have prior VAT assumed settled; zero acquired tax/VAT balances must be proved separately.

Initial cash use GBP	Base planning
Cash free debt free share price	2,400,000
Share stamp duty rounded to five pounds	12,000
Direct acquisition advice gross	100,000
Senior arrangement fee cash	24,000
Paid transition payroll	43,190
Transition overhead net	20,000
Transition overhead eligible VAT	2,600
Transition senior interest cash	9,000
Total initial cash uses	**2,610,790**
Fixed sponsor equity proposed	2,000,000
Fixed senior term debt proposed	1,200,000
Total proposed funding	**3,200,000**
Opening unrestricted cash	**589,210**

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Owner personal survival budget

The owner receives £60000 annual gross for a full time paid management role. Illustrative 70% net retention gives £3500 monthly take-home, matching an assumed £3500 household requirement. No actual personal budget or outside income was supplied. This is not a personal tax calculation.

Housing £1500, utilities and communications £300, food £500, transport £300, insurance £200, other £300 and savings £400 comprise the planning budget. There is no shareholder dividend in operating cash flow. Any actual greater household need must flow through revised paid salary and employer costs rather than through an unmodeled withdrawal.

Monthly household GBP	Amount
Housing	1,500
Utilities communications	300
Food	500
Transport	300
Insurance	200
Other	300
Savings	400
Required take home	**3,500**
Illustrative owner net	3,500
Estimated surplus	**–**

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Financing terms and security

The proposed senior debt costs 9% annual interest in Base on beginning monthly face principal. Debt is drawn at completion and interest is paid through the transition. There are three forecast months principal grace, then original principal divided by 60 equal mandatory monthly amounts. An annual December 50% excess-cash sweep applies after mandatory service and the reserve test, capped at debt remaining.

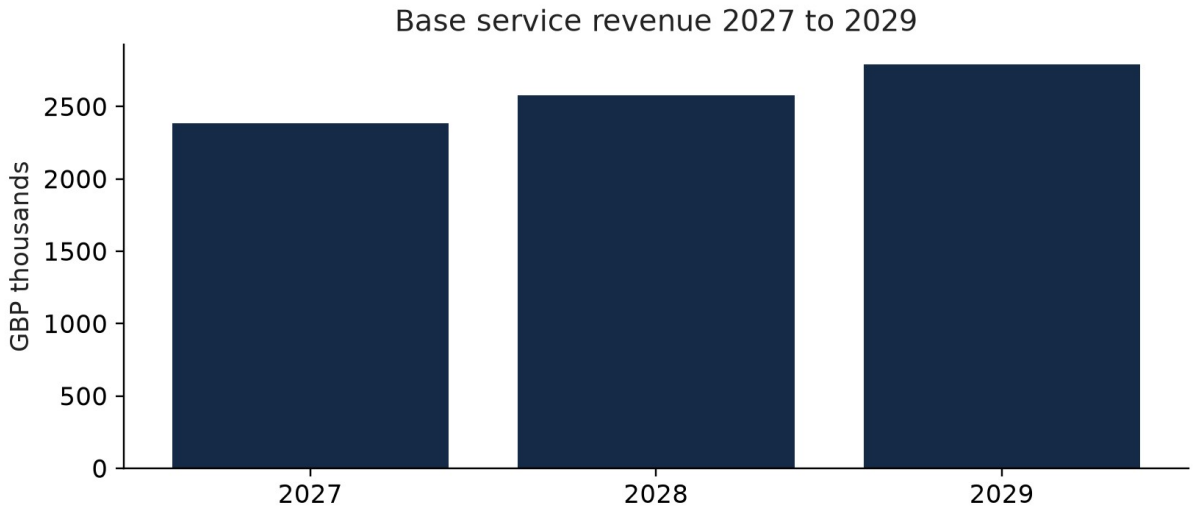
The waterfall has no average-debt circularity, revolver, new draw, sponsor plug or guaranteed refinancing. The loan may continue beyond 2029 if not swept down. Actual borrower/cash access, security, guarantees, restricted distributions, covenants and fee effective-interest accounting require documentation. Published interest restriction guidance S 6 is not proof of deductibility; the tax proxy defaults to no acquisition-interest deduction.

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Revenue forecast and capacity

Requested jobs rise linearly from 130 to 155 per month in 2027 Base, then 5% annual growth. Completed whole jobs are the lesser of requested whole jobs and finite capacity. Nine technician FTE provide 1170 monthly person hours at 75% availability; six hours per job plus 3% repeatwork caps 189 jobs. Owner and lead supply no billed technician hours.

Net revenue is completed jobs times assumed average price £1400, with 3% annual price growth. New invoices carry 20% VAT. Ten percent is collected immediately and the rest one month later; opening acquired receivables are collected separately once. Unserved requests are not backlog revenue. No prepayments, signed inherited orders or automatic new technicians are assumed.



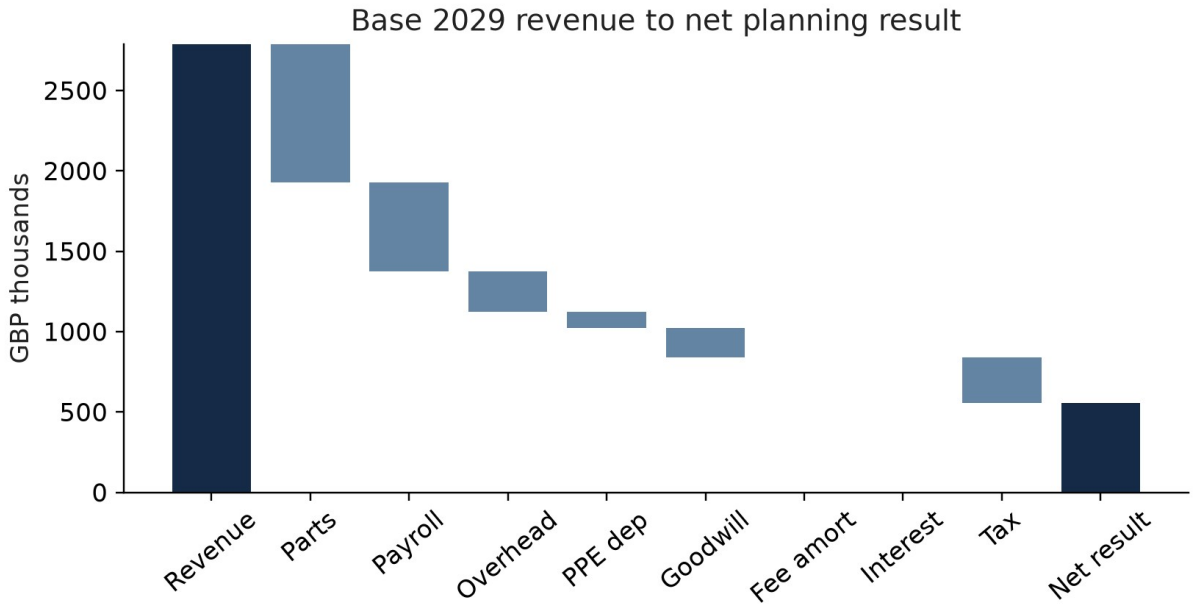
Base annual completed-job service revenue from the verified 36 monthly model.

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Costs and projected profit

Base monthly loaded payroll is £43190.14, including paid owner, service lead, nine technicians, administrator, employer NI and pension. Net overhead £20000 includes premises £6000, vehicle fuel/upkeep £3500, utilities £1800, insurance £1800, IT £1200, marketing £1000, adviser/admin £1700, training £1500 and other £1500. Charged eligible VAT applies to an assumed 65% overhead fraction.

Parts £420 per completed job are increased by 3% repeatwork and annual cost growth. All book tangible depreciation, goodwill and finance-fee amortisation are noncash. The conservative 25% tax proxy adds them back, assumes no capital allowances or fee relief and no acquisition-interest deduction by default. Actual statutory allocation, deferred tax, lease rules and tax eligibility remain gates.



2029 revenue to net planning result includes all paid team and acquisition financing costs.

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Profit and loss forecast

Annual flows sum the 36 linked months. Parts consumed differ from purchased stock and supplier cash. Paid employment and overhead persist even with zero completed jobs. Goodwill and financing fee amortisation affect book profit but not operating cash directly. Interest is paid and expensed; principal and sweep are financing cash.

Corporation tax uses annual cumulative true-ups and an explicitly simplified loss proxy. Current book depreciation and amortisation are added back; no assumed tax basis or acquired historic losses is transferred. A flat 25% budget is conservative where small-profit or marginal relief might apply, and is not a computed statutory return. Actual loss ownership and acquisition debt deduction must be validated.

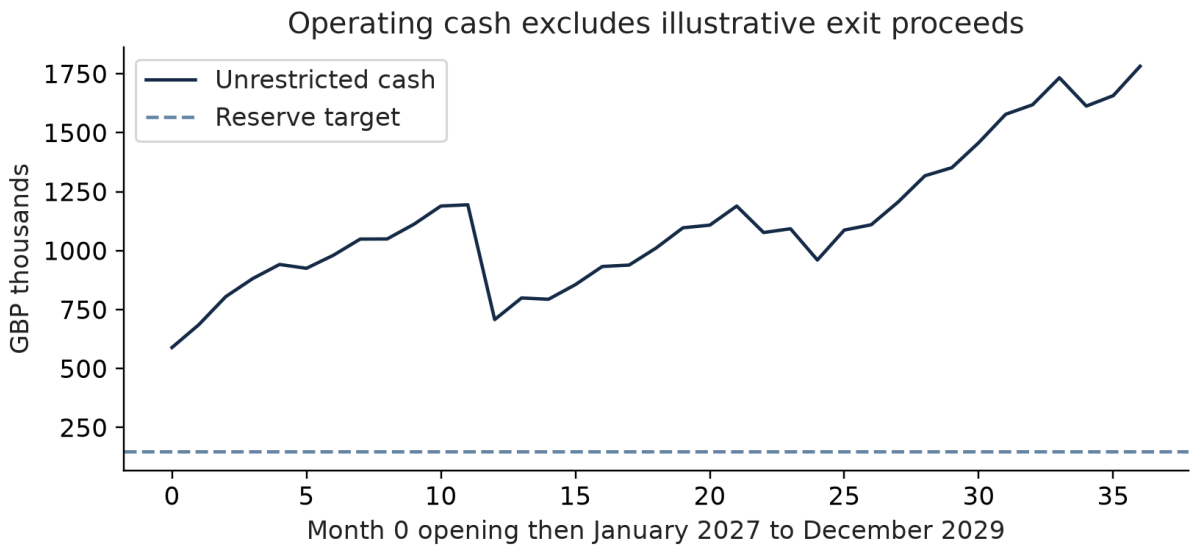
GBP	2027	2028	2029
Net service revenue	**2,387,000**	**2,579,738**	**2,789,318**
Net parts consumed including repeatwork	737,583	797,139	861,899
Contribution before payroll overhead	**1,649,417**	**1,782,599**	**1,927,419**
Paid payroll including owner	**518,282**	**534,122**	**550,419**
Recurring overhead net	240,000	247,200	254,616
EBITDA	**891,135**	**1,001,277**	**1,122,384**
Tangible depreciation	83,300	90,599	98,117
Goodwill amortisation	186,200	186,200	186,200
Financing fee amortisation	4,800	18,800	–
Senior interest	102,600	31,698	–
Profit before tax	514,235	673,980	838,067
Corporation tax provision	206,986	250,319	280,596
Net profit or loss	**307,249**	**423,660**	**557,471**

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Cash flow and financial position

Cash starts with fixed sources less actual acquisition and paid transition uses. Gross customer collections include acquired invoices without new revenue. Gross parts cash settles acquired payables without rebooking costs or VAT, then follows new invoice credit terms. VAT accrues from actual eligible invoices, not parts consumed or fee asset amortisation.

Quarter VAT is paid in the second month after quarter end, matching a month-based approximation to the normal 1 month 7 day deadline; negative refunds use a separate unguaranteed lag. Corporation tax is paid inOctober following the December year end. Capex and mandatory principal precede the December optional sweep. Cash can become negative; there is no hidden financing cure.



Monthly unrestricted operating cash excludes any illustrative exit proceeds.

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Cash flow forecast months one to six

The first half year includes opening acquired receivable collection and month 1 acquired payable settlement. Acquired invoice cash does not become new revenue, expense or VAT. Beginning principal interest is paid every month, with mandatory repayments after the stated forecast grace.

Stock consumption can reduce acquired inventory before new purchases are needed. Eligible input VAT follows purchases and capex rather than consumed parts. The first quarter claim incorporates eligible transition overhead VAT. Optional sweeps are December only; they cannot repair earlier negative cash.

GBP	Jan 27	Feb 27	Mar 27	Apr 27	May 27	Jun 27
Opening unrestricted cash	**589,210**	**686,260**	**805,070**	**881,399**	**941,465**	**925,160**
Gross customer collections	271,840	218,736	222,096	225,456	228,984	233,856
Gross parts supplier cash	100,000	25,136	60,176	70,600	72,028	73,326
Paid payroll cash	43,190	43,190	43,190	43,190	43,190	43,190
Gross overhead cash	22,600	22,600	22,600	22,600	22,600	22,600
Senior interest cash	9,000	9,000	9,000	9,000	8,850	8,700
Signed VAT cash	–	–	–	–	78,621	–
Corporation tax cash	–	–	–	–	–	–
Operating cash flow	97,050	118,810	87,130	80,066	3,695	86,040
Maintenance investment cash gross	–	–	(10,800)	–	–	(10,800)
Mandatory principal financing cash	–	–	–	(20,000)	(20,000)	(20,000)
Optional sweep financing cash	–	–	–	–	–	–
Closing unrestricted cash	**686,260**	**805,070**	**881,399**	**941,465**	**925,160**	**980,400**

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Cash flow forecast months seven to twelve

The same paid staff, invoice, stock, supplier and tax schedules continue. Annual growth begins in the following January. Quarterly maintenance additions create cash investment and their own capped depreciation schedules. Loan principal is capped at remaining balance.

December excess cash is tested after all current operating, investment and mandatory debt payments. The optional sweep keeps its fraction of cash above the reserve, capped at remaining face debt. It is a planning lender term, not a signed obligation. Future exit proceeds are never added to the operating bank balance.

GBP	Jul 27	Aug 27	Sep 27	Oct 27	Nov 27	Dec 27
Opening unrestricted cash	**980,400**	**1,049,042**	**1,049,570**	**1,112,134**	**1,189,222**	**1,194,457**
Gross customer collections	237,216	240,576	244,104	248,976	252,336	255,864
Gross parts supplier cash	74,234	75,272	76,700	77,998	78,906	80,334
Paid payroll cash	43,190	43,190	43,190	43,190	43,190	43,190
Gross overhead cash	22,600	22,600	22,600	22,600	22,600	22,600
Senior interest cash	8,550	8,400	8,250	8,100	7,950	7,800
Signed VAT cash	–	70,585	–	–	74,454	–
Corporation tax cash	–	–	–	–	–	–
Operating cash flow	88,642	20,529	93,364	97,088	25,235	101,940
Maintenance investment cash gross	–	–	(10,800)	–	–	(10,800)
Mandatory principal financing cash	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Optional sweep financing cash	–	–	–	–	–	(557,799)
Closing unrestricted cash	**1,049,042**	**1,049,570**	**1,112,134**	**1,189,222**	**1,194,457**	**707,799**

Financial position summary

The planning balance contains signed unrestricted cash, gross trade receivables, net parts stock, recoverable VAT, tangible PPE, goodwill and deferred financing fees. Liabilities contain gross supplier payables, VAT, tax and face senior debt. Equity is contributed sponsor cash plus retained losses/profits, with opening noncash transition amortisation included.

Every month reconciles; no balance plug is used. This is a management acquisition/consolidated planning basis. Actual purchase fair values, contingent and tax liabilities, deferred tax, leases and effective-interest net-debt presentation may materially differ. A negative cash asset denotes an unfunded counterfactual rather than an available overdraft or statutory bank asset.

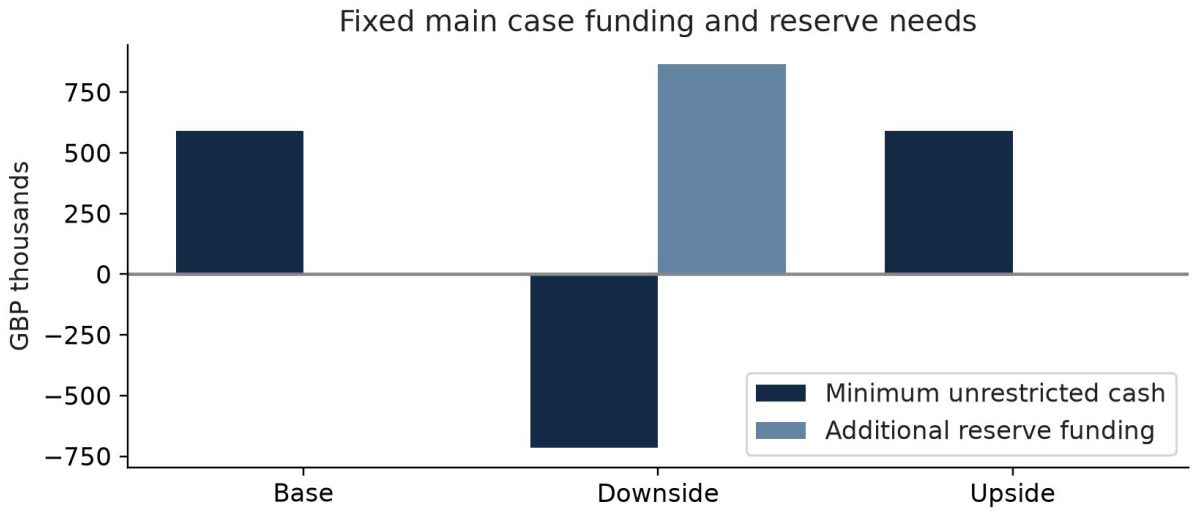
GBP	2027	2028	2029
Closing unrestricted cash	**707,799**	**960,308**	**1,781,855**
Gross trade receivables	234,360	252,292	272,694
Net parts inventory	33,527	36,092	39,010
VAT receivable	–	–	–
Net tangible PPE	346,033	292,514	232,590
Net goodwill	1,660,283	1,474,083	1,287,883
Deferred financing fee asset	18,800	–	–
Total assets	**3,000,802**	**3,015,290**	**3,614,032**
Gross parts supplier payables	40,621	43,578	47,088
VAT payable	78,518	85,257	92,741
Corporation tax payable	206,986	250,319	280,596
Senior face debt	462,201	–	–
Total liabilities	**788,326**	**379,154**	**420,425**
Sponsor contributed equity	**2,000,000**	**2,000,000**	**2,000,000**
Retained earnings	212,476	636,136	1,193,607
Total equity	**2,212,476**	**2,636,136**	**3,193,607**
Liabilities and equity	**3,000,802**	**3,015,290**	**3,614,032**

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Break even and scenarios

Monthly EBITDA threshold equals paid payroll and recurring overhead divided by net job price less parts including repeatwork. It excludes debt, tax, depreciation, fees and capex; compare it with finite completed-job capacity. Base, Downside and Upside retain fixed proposed sources but change demand, price, collections, costs and financing assumptions. Frozen case captures flag stale after an input edit; active schedules and range-backed charts recalculate.

The conditional year 3 exit is separate: annual EBITDA times assumed multiple, less sale fees and face debt, plus signed unrestricted cash and a working capital true-up. The assumed peg is acquired gross receivables plus net stock less gross payables (£250000). Exit operating receivables plus stock less payables is compared with that peg. Signed VAT and tax payable are separate assumed completion deductions, not universal debt-like rules. This price true-up concerns assets/liabilities transferred and is not another operating cash flow. Actual SPA definitions, unrestricted cash access and guarantees are unknown. The signed equity bridge and settlement deficiency remain visible. Limited-liability proceeds can be zero without implying lenders or other creditors are repaid. Annualised sponsor return uses the full hold including transition, no intermediate dividends and no personal disposal tax. Native model sensitivity captures re-run operating/exit and debt/rate combinations; reserve cure is reported rather than funded.

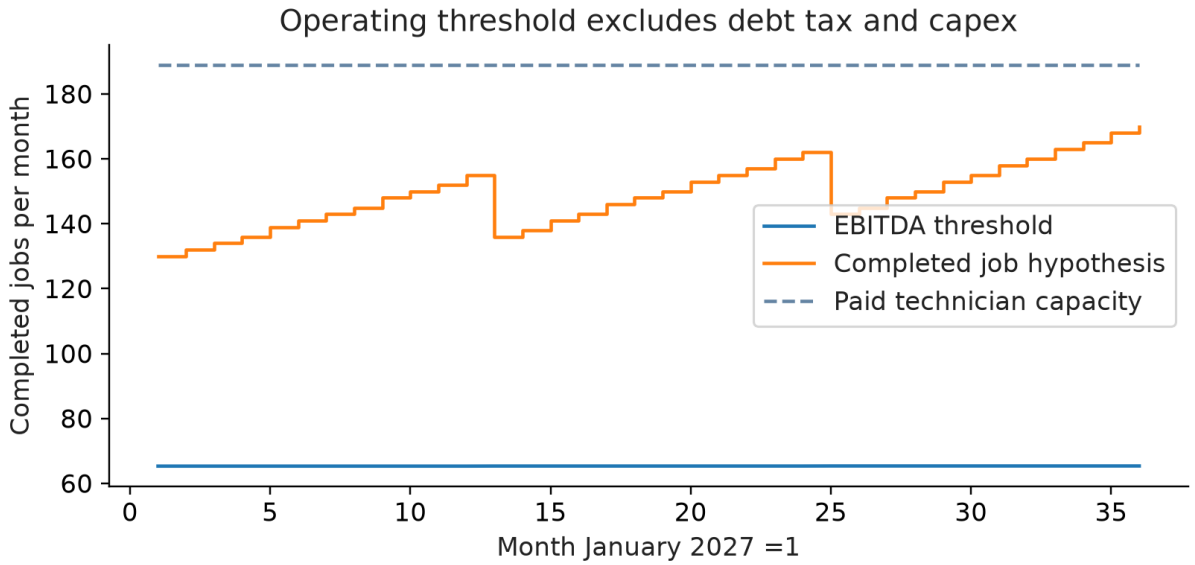


Minimum unrestricted cash and additional reserve funding required from verified cases.

GBP except jobs and returns	Base	Downside	Upside
2027 net revenue	2,387,000	1,354,500	2,903,250
2029 EBITDA	1,122,384	(39,885)	1,711,127
Minimum unrestricted cash	589,210	(716,300)	590,210
Additional equity for reserve	**–**	**866,300**	**–**
2029 closing unrestricted cash	1,781,855	(716,300)	3,073,372
Exit operating working capital	264,616	342,649	305,962
Assumed working capital peg	250,000	250,000	250,000
Exit VAT deduction assumed	92,741	32,908	121,093
Exit tax deduction assumed	280,596	–	427,782

GBP except jobs and returns	Base	Downside	Upside
Exit completion price true up	(358,721)	59,741	(492,913)
Signed exit equity bridge	**5,822,881**	**(1,316,215)**	**10,126,528**
Exit settlement deficiency	–	1,316,215	–
Sponsor MOIC	2.91	–	5.06
Annualised return percent	41.4	(100.0)	69.2
Dec 2029 threshold jobs	65.37	97.70	60.71

Operating capacity threshold



Base monthly EBITDA threshold in completed jobs compared with finite paid technician capacity. Excludes debt service tax and capex. From verified model 1.0.

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Model guide and completion

Select 1 Base 2 Downside 3 Upside in Inputs. Blue numeric inputs are editable and typed active/shared calculation guards reject blanks, text, out-of-range values and fractional selectors. Blank inactive-case inputs do not block a valid selected case. Zero operating requests produce zero jobs and revenue while full paid staff, transition costs and debt continue. Positive fractional asset lives cap at zero.

Transaction, Operations, Costs, AssetsDebt and Statements feed Summary and Returns. Cases and Sensitivity are frozen integrated re-run captures with type-sensitive stale-input checks; they are not live Excel Data Tables. The LBO reference workbook/design/builder informed sources/uses, waterfall and exit bridge; this is a new UK monthly model, not an imported template. Retained JavaScript, independent scalar/native tests and exact-hash page manifests reproduce the package. It remains an illustrative screen until target, demand, finance, legal, tax and statutory reporting evidence is supplied.