Search Fund Business Plan

Irwell Search | Manchester | October 2026

DOCUMENT GUIDE

Contents

Irwell Search business proposal and financial model version 1.0

Decide whether to fund a paid search and investigate a conditional acquisition. Search statements cover January 2027 to December 2029. A separate target illustration covers 60 operating months after closing. No funding, target or permissions are secured.

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01 / PROPOSAL

Executive summary

Irwell Search Ltd is a proposed Manchester company seeking one profitable recurring business services acquisition in the United Kingdom. It requests £550,000 search equity for a paid search starting January 2027. No investor commitment, target, founder track record or verified trading record has been provided.

Base assumes acquisition in June 2028. The operating illustration is a separate five year target forecast beginning the following month. Approval depends on independently verified target earnings, financing, legal permissions and liquidity. Downside ends after 24 months without an acquisition and exposes lost search capital. Base minimum active search cash is £129,648. Downside has a £114,233 reserve funding gap and is not an executable funded search.

02 / PROPOSAL

Business details

The proposed search company is a private limited company with Manchester as its working base. It pays a full time searcher and analyst. A separate acquisition holding company would own a single target if investors and lenders approve a transaction.

Search capital is equity, not revenue or client money available for unrelated commitments. Target shares, acquisition debt and operating cash belong to the conditional acquisition structure. The plan keeps these accounts separate and does not present invented consolidated historical results.

03 / PROPOSAL

Business concept and objectives

Find one established B2B service company with recurring contracts, low physical inventory and a credible transition from its current owner. Exclude regulated financial advice, clinical care, businesses dependent on public subsidy, speculative property and distressed turnarounds.

The planning funnel is 20 initial company reviews each month, three management conversations and one deeper review each quarter. These are workload goals. Conversion into a signed transaction is unverified. After acquisition the searcher becomes a paid operator and must preserve customer service before seeking growth.

04 / STRATEGY

Business model canvas

The search stage spends investor capital on selection and due diligence. It generates no service sales, management fee or guaranteed return. Value depends on acquiring and operating a suitable business at a sustainable price.

Investors approve capital deployment. Sellers need a credible buyer and funded completion. Employees and customers need continuity. The proposed economics separate search investors, new acquisition investors and the operator ownership incentive rather than counting equity subscriptions as sales.

Business model canvas

Partners Investor board sellers counsel lenders paid specialists	**Activities** Screen verify negotiate acquire operate	**Resources** Paid search team and risk equity
Value Accountable proposed owner operator	**Relationships** Evidence confidentiality informed investment approval	**Channels** Reviewed introductions and direct outreach
Customers Investors sellers and future target customers	**Costs** Paid search separate target purchase and operations	**Economics** No search sales conditional ownership and exit

Author planning framework. Figures and qualitative assessments are hypotheses unless identified as sourced facts.

05 / STRATEGY

SWOT and longer term goals

A narrow recurring service focus can make diligence manageable. The proposed owner operator structure gives clear accountability. Neither team qualifications nor sector expertise has yet been verified, which weakens the case for immediate fundraising.

A small paid team has limited bandwidth and only one acquisition outcome. Overpayment, missed liabilities and acquisition failure can exhaust the entire search budget. The long term goal is one well governed company with cash funded service capacity, not a portfolio expansion financed by optimistic valuations.

SWOT and longer term goals

Strength Focused criteria accountable operator	**Weakness** Unverified credentials one acquisition concentration
Opportunity Potential seller succession subject to evidence	**Threat** No deal overpayment customer loss debt stress

Author planning framework. Figures and qualitative assessments are hypotheses unless identified as sourced facts.

06 / STRATEGY

TOWS strategy matrix

Use disciplined screening and an independent investment committee to reject attractive looking targets with weak earnings evidence. Begin seller succession conversations early and ask for contract, payroll and bank data before expensive diligence.

Counter limited experience with paid legal, accounting and sector advisers under scoped mandates. Stop the search when funded runway is insufficient. Avoid increasing leverage merely to preserve a proposed deal price.

TOWS strategy matrix

Strength opportunity Screen succession fit before costly diligence	**Weakness opportunity** Verify operator skills hire paid specialists
Strength threat Limit price leverage and commitment conditions	**Weakness threat** Stop search before cash runs out

Author planning framework. Figures and qualitative assessments are hypotheses unless identified as sourced facts.

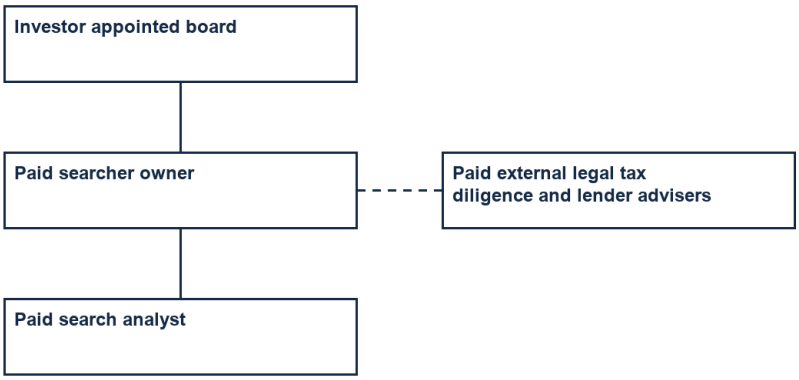
07 / PEOPLE

Owner and management

The searcher reports to an investor appointed board and leads screening, owner discussions and adviser coordination. The analyst reports to the searcher and maintains source records and the pipeline. Both receive paid preparation and search salaries.

External legal, financial due diligence, tax and lender advisers have contracted deliverables and no internal reporting line. Post acquisition the searcher salary moves to the target model. The target employee count is a modelling hypothesis and is not a claim about an identified business.

Search reporting and paid external support



Author planning framework. Figures and qualitative assessments are hypotheses unless identified as sourced facts.

08 / PEOPLE

Owner and key personnel profiles

No founder biography, qualifications, investment record or references were supplied. The hiring specification requires documented commercial management experience, financial literacy, communication skills and willingness to operate the acquired company.

The analyst needs spreadsheet, document control and diligence coordination competence. Before investor approval obtain references, conflicts declarations and proof of relevant sector exposure. Do not substitute the model for the judgment of a qualified board and specialist advisers.

09 / MARKET

Target customers

The search company has three constituencies: experienced investors considering illiquid risk capital, owners willing to sell a suitable company and the future target customers whose retention supports cash flow. None has been validated through interviews.

Target companies should have recurring B2B contracts, a diversified customer base and transferable management processes. A £5 million annual revenue illustration is used for financial testing. It does not imply that such a business is currently for sale in Manchester or at the proposed valuation.

10 / MARKET

Segmentation targeting and positioning

Segment UK lower middle market businesses by recurring revenue, customer concentration, capital needs, owner succession and regulatory complexity. Prioritise service businesses that can provide reconciled earnings and assignable contracts.

Position Irwell as a proposed long term owner operator with clear financing conditions and respectful staff transition. Competitive claims require evidence; no seller has endorsed this positioning and no funded bid is ready.

Segmentation targeting and positioning

Segment	Target	Position
UK recurring B2B service businesses	Willing sellers auditable earnings manageable capital	Proposed accountable owner operator evidence first

Author planning framework. Figures and qualitative assessments are hypotheses unless identified as sourced facts.

11 / MARKET

Value proposition canvas

Sellers may want succession certainty, fair value and protection of customer relationships. Investors want credible earnings, governance and disciplined downside control. Employees want clear roles and a stable paid operating plan.

The offer is a diligence led acquisition with a named future operator, paid specialists and explicit closing conditions. It does not promise an unchanged workforce, a guaranteed valuation or capital protection. Those decisions depend on verified business needs and negotiated contracts.

Value proposition canvas

Seller jobs Transfer company and sustain customer continuity	**Seller pains** Unfunded buyer uncertain diligence disruption	**Investor gains** Evidence governance and explicit risk limits
Offer Single conditional acquisition and paid operator	**Pain relief** Funded search independently verified closing	**Employee gains** Paid delivery plan clear reporting

Author planning framework. Figures and qualitative assessments are hypotheses unless identified as sourced facts.

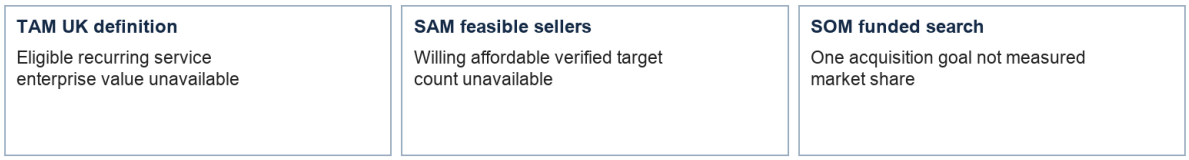
12 / MARKET

Market size and trends

TAM is the number and aggregate enterprise value of UK businesses meeting the recurring service definition. SAM further requires willing sellers, acceptable diligence and an affordable financing structure. No defensible count or transaction dataset has been supplied.

SOM is one completed acquisition within the funded search period, a goal rather than measured market share. The scope diagram marks market estimates unavailable. General company population statistics would overstate the number of eligible willing sellers and are not used to justify conversion.

Market size and trends



Author planning framework. Figures and qualitative assessments are hypotheses unless identified as sourced facts.

13 / MARKET

PESTLE analysis

Financing conditions and business confidence affect deal timing. Wage costs and customer procurement budgets affect the target cash flow. Cybersecurity and data quality can determine whether contracts and financial records are reliable.

Financial promotion and fund manager rules require legal analysis of the actual structure. Employment, pensions and tax obligations continue after acquisition. Environmental and safety liabilities must be inspected even for an asset light business. No permissions or exemption is assumed.

PESTLE analysis

Political Business finance conditions affect execution	**Economic** Debt rates wages and customer budgets	**Social** Owner succession staff and customer continuity
Technology Cyber security and reliable financial records	**Legal** Promotion AIF perimeter employment and tax	**Environment** Inspect liabilities no assumed green premium

Author planning framework. Figures and qualitative assessments are hypotheses unless identified as sourced facts.

14 / MARKET

Local demand and evidence

Manchester is a working base, not proof of target or investor demand. Plan 20 seller or intermediary conversations and 15 investor diligence conversations during preparation and the first quarter. Record the source, date, decision maker and permission to retain information.

No interviews, pipeline entries or letters of intent exist in the supplied evidence. The decision gate is a funded search and a documented target pool. Track responses separately from qualified targets; an email reply is not an acquisition probability.

Local demand and evidence

Seller research	Investor research	Decision gate
20 future discussions no current target mandates	15 future discussions no committed capital	Validate target pool team legal route and funding

Author planning framework. Figures and qualitative assessments are hypotheses unless identified as sourced facts.

15 / MARKET

Competitors and positioning

Alternatives for sellers include trade buyers, private equity firms, management buyouts and retaining ownership. Investors can allocate to diversified funds or direct deals instead. These archetypes compete on price, certainty, governance and operating involvement.

No named competitor price or performance evidence is asserted. Irwell should compete through a credible funded process and manageable transition plan. A higher bid unsupported by target cash flow destroys rather than creates the operating opportunity.

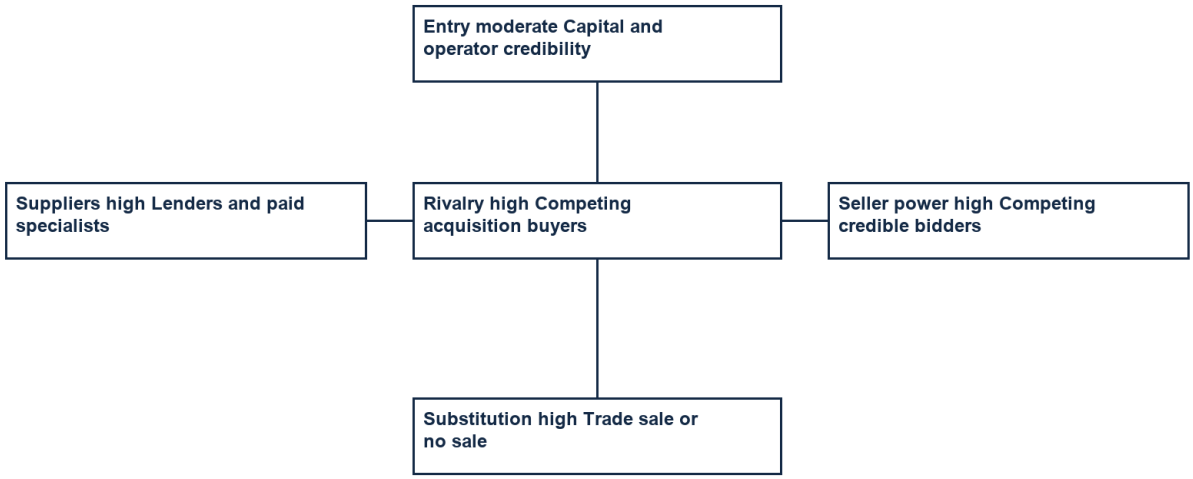
16 / MARKET

Porter five forces

Seller bargaining power can be high when credible bidders compete. Specialist diligence providers and lenders can constrain timing. Entry is feasible for well funded searchers, but operating credibility and relationships take time.

Substitutes include strategic sales and no sale. Rivalry may increase purchase prices. Responses are a disciplined entry valuation, financing commitments before binding completion and a willingness to abandon a transaction when evidence deteriorates.

Porter five forces author assessment



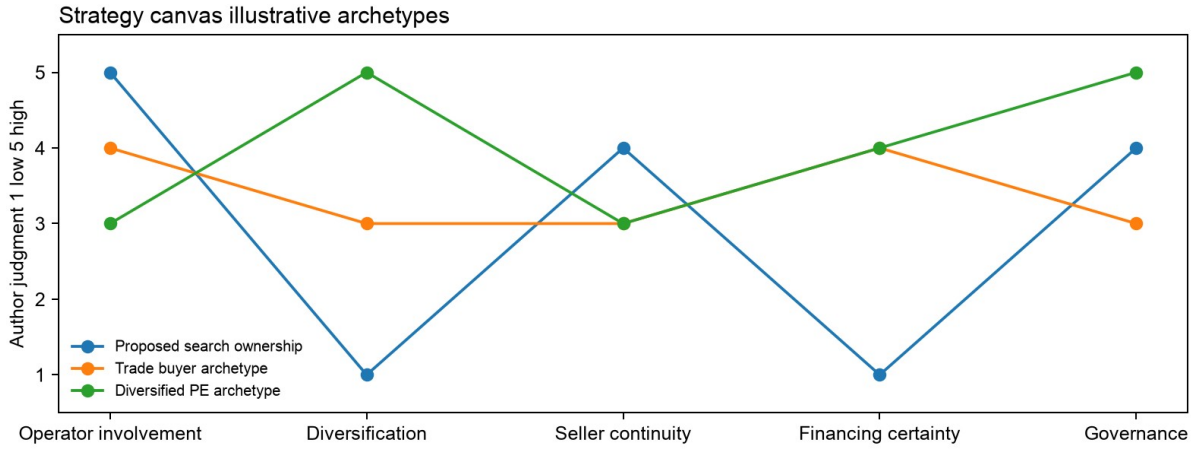
Author planning framework. Figures and qualitative assessments are hypotheses unless identified as sourced facts.

17 / MARKET

Strategy canvas

The strategy chart compares proposed search ownership, a trade buyer and diversified private equity as illustrative archetypes. Scores are author judgments on operating involvement, diversification, seller continuity, financing certainty and governance.

The chart is not a ranking of actual firms. Irwell has low diversification and unproven financing certainty; those weaknesses must remain visible. Validation requires direct seller feedback and actual financing offers.



Author planning framework. Figures and qualitative assessments are hypotheses unless identified as sourced facts.

18 / OPERATIONS

Location and premises

Use a small Manchester coworking office with remote access to the data room. Search overhead covers workspace, travel, insurance, software and administration within a gross monthly allowance. No premises lease or price quote has been supplied.

Travel to targets only after a useful preliminary review. The acquired target location is unknown and may differ from the search base. Target occupancy costs are included in a separate overhead hypothesis rather than copying the search office budget.

19 / OPERATIONS

Equipment and resource plan

Budget £8,000 gross for laptops, secure storage and office equipment before the search. Depreciate over 36 months, with remaining carrying value conservatively written off at search completion or shutdown. Equipment is not assumed to create acquisition equity.

Maintain controlled data room access, backups, signed confidentiality agreements and a register of downloaded documents. Advisory budgets cover professional work; there is no unpaid specialist assumption. Obtain actual insurance and software quotations before contracting.

20 / OPERATIONS

Acquisition product strategy

The product is one acquisition and a funded operating transition. Entry criteria include repeat revenue, acceptable customer concentration, auditable cash earnings, transferable contracts and manageable legal and environmental liabilities.

Reject dependence on founder relationships that cannot transfer, unfunded pensions or unsupported adjusted EBITDA. No cross sell, add on acquisition or second platform is included in the model. Any expansion requires a new approved investment case.

21 / OPERATIONS

Pricing and transaction economics

The Base illustration uses £7 million enterprise value and a cash free debt free purchase of shares with specified normal working capital. Closing cash uses also include £300,000 gross deal fees and £700,000 target cash.

Proposed financing is £4 million new equity, £3 million senior debt and £1 million subordinated seller consideration. Search equity conversion is a negotiated ownership credit, not fresh cash available to pay the seller. The model rejects a sources and uses gap and shows target debt service explicitly.

22 / OPERATIONS

Competitor price comparison

No market transaction multiples or current target quotations were supplied. The entry multiple is calculated from the hypothetical first year operating EBITDA and shown as a model output, not as a verified market comparable.

Request reconciled historical earnings and a relevant independent transaction dataset before valuing a real target. Compare net debt, working capital, deferred consideration, warranties and fee scope as well as headline enterprise value.

23 / COMMERCIAL

Brand and seller experience

Use the Irwell name as a working identity pending availability checks. Explain the operator plan, diligence timeline, confidentiality and conditions in plain language. Do not use unverified team claims or describe investor capital as secured.

Give sellers one accountable contact and a dated request list. Tell investors when target information is missing. A fair process avoids promising completion before regulatory, financing and investment committee conditions are met.

24 / COMMERCIAL

Sourcing channels and process

Source through adviser introductions and legally reviewed direct owner outreach. The analyst records sector fit and evidence, while the searcher reviews management and succession. Counsel reviews investment communications before circulation. [S1 S2]

A target advances from screen to signed confidentiality agreement, preliminary earnings review, non binding offer and scoped diligence. Only investors can approve binding capital commitments. High response volume is not a substitute for appropriate targets.

25 / COMMERCIAL

Launch marketing

Search overhead includes £1,000 monthly for company research, communications and adviser relationship work within the £6,000 Base total. Preparation legal and launch advice is separately £20,000 gross. No broad retail investment campaign is planned.

The £3,000 monthly diligence budget is a cash allowance, not a quoted recurring mandate. A live transaction has £300,000 conditional acquisition fees. Change scope and funding together rather than pretending unused marketing money covers specialist costs.

Retention and continuing value

After acquisition retain customers by protecting contract delivery and learning the existing service process. Review contract renewals, collection performance, complaints and customer concentration each month. The target forecast assumes stable customer numbers with annual price growth.

Growth is a hypothesis and cannot replace lost customers automatically. Obtain documented retention rates and customer consent where required. The target model has a capacity gate: customer demand above funded delivery capacity makes the operating scenario unavailable for approval.

27 / OPERATIONS

Daily operations and suppliers

The searcher and analyst each work a planned 40 hour week. Allow 12.5% for paid leave, sickness and training, then reserve 10 hours a week per role for administration and governance. The remaining 50 effective hours a week support 20 screens at six hours each month.

Quarterly deeper review uses paid specialist advisers. Target operations separately assume 20 paid staff at 35 hours a week and 85% productive availability. A service workload of 35 hours per customer per month is an explicit test, not a measured staffing requirement.

Daily operations and suppliers

Search workload	Paid available capacity	Target workload
20 screens times six hours 120 monthly hours	50 effective hours weekly 217 monthly hours	35 hours per customer monthly unverified hypothesis

Author planning framework. Figures and qualitative assessments are hypotheses unless identified as sourced facts.

28 / OPERATIONS

Sustainability practices

Review actual target energy, travel, waste, safety and environmental liabilities before investment. Use remote preliminary meetings to avoid unnecessary travel and require supplier documentation for material obligations.

Do not label an acquisition environmentally beneficial without a baseline. The target has no carbon revenue, green subsidy or environmental premium in its valuation. Cost savings require measured operating changes and approved budgets.

29 / PEOPLE

Staffing and training

Pay the searcher £6,000 and analyst £3,000 gross monthly during active search, with annual 3% growth. Fund three paid preparation months for the searcher and one for the analyst. Employer NI and pension allowances are additional cash costs. [S3 S4]

Target operations replace search salary with an £8,000 monthly operator salary and 20 staff at £3,500 monthly each. Both payroll bases are disclosed. Hire or retain qualified target management after verified role mapping; the illustration does not claim these people already work for a target.

30 / PEOPLE

Staff skills and fair work

Training covers confidentiality, conflicts, financial record verification, seller communications and disciplined document handling. Paid leave is included in reduced search availability and target productive capacity.

Minimum wage compliance requires actual hours, ages and payroll review. Employer NI uses 15% above £5,000 annual per employee and pension allowance 3% of full gross. These are future continuation assumptions; no Employment Allowance or special relief is taken. [S3 S4]

31 / COMPLIANCE

Legal and insurance requirements

Before raising or communicating investment terms, obtain UK counsel advice on financial promotion restrictions, the AIF perimeter, manager authorisation or registration, and any exemptions. A small private structure does not by itself remove regulatory obligations. [S1 S2]

Obtain D&O, professional indemnity, cyber and target operational cover quotes. Counsel must review share purchase, security, seller subordination, employment transfer issues, data protection and tax. This plan is a diligence document and not an approved public investment invitation.

32 / EXECUTION

Opening roadmap

October to December 2026 is paid preparation. January 2027 starts the search only after equity is committed and the legal route is established. Review funded runway monthly and approve deeper diligence through a board decision.

Base plans June 2028 completion; Upside December 2027; Downside December 2028 shutdown without acquisition. The target forecast begins the next month and runs for 60 operating months. These dates are conventions, not announced transactions.

33 / RISK

Risks and management actions

The principal risks are no acquisition, overpayment, target financial misstatement, key customer loss, lender refusal and insufficient search runway. Stop discretionary commitments when the search cash floor is breached and report the unfinanced gap immediately.

Do not close with a financing gap, customer workload above paid capacity or debt service unsupported by target cash. There is no automatic investor top up, refinancing, subsidy or disposal proceeds in operating cash. Exit value is an illiquid hypothesis and cannot pay monthly expenses.

34 / EVIDENCE

Research and evidence

Official sources were reviewed 3 October 2026 for UK legal, payroll and tax context. They establish constraints rather than investor demand, acquisition multiples or target performance. Search and target financial values are author assumptions.

S1 FCA financial promotions https://www.fca.org.uk/firms/financial-promotions-and-adverts/approving-financial-promotions
S2 FCA AIFMD https://www.fca.org.uk/firms/aifmd-uk
S3 HMRC payroll https://www.gov.uk/guidance/rates-and-thresholds-for-employers-2026-to-2027
S4 Pension regulator https://www.thepensionsregulator.gov.uk/document-library/automatic-enrolment-detailed-guidance/4-pension-schemes-under-the-employer-duties
S5 HMRC corporation tax https://www.gov.uk/corporation-tax-rates
S6 HMRC VAT https://www.gov.uk/vat-rates
S7 HMRC holding company VAT https://www.gov.uk/hmrc-internal-manuals/vat-input-tax/vit40600

35 / EVIDENCE

Quotes and assumptions

No paid adviser quotation, loan term sheet, customer contract, seller mandate, team reference or investor subscription was provided. Replace financial hypotheses with diligence evidence before approval. The scenario names describe planning inputs, not predicted probabilities.

Target tax is a conservative 25% reserve on positive monthly pretax profit, paid the following month without loss relief. This is a planning payment convention, not a statutory tax calendar. Search suppliers and fees are gross with no VAT recovery; target eligible operating costs and capex use 20% VAT with quarterly settlement the following month. [S5 S6 S7]

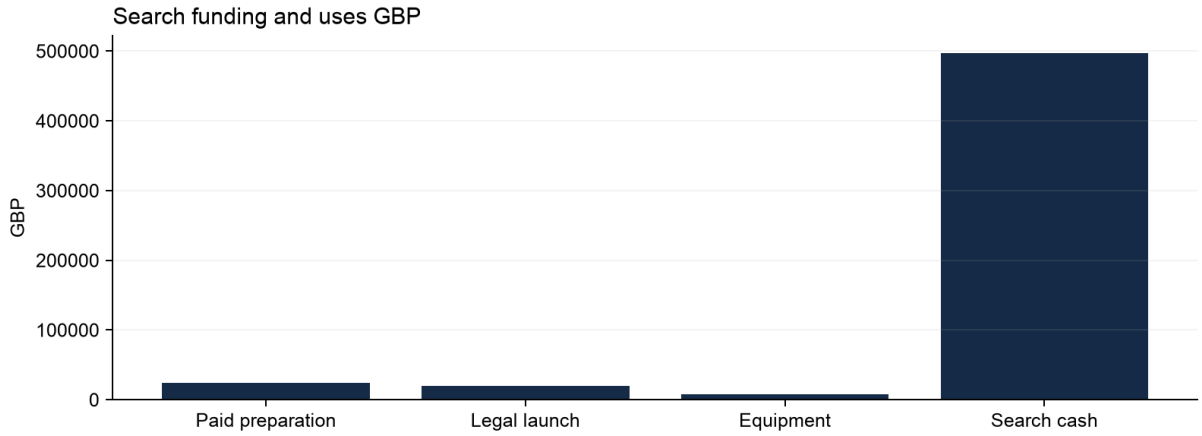
36 / FINANCE

Startup costs and funding

Proposed £550,000 search equity must be funded before October 2026 paid preparation. Initial cash uses are £52,530, including £24,530 paid setup payroll. Opening January 2027 search cash is £497,470.

The £50,000 active cash floor is a decision policy, not restricted custody. Search company costs are gross with no VAT recovery and no tax benefit. New acquisition equity is separate and is never assumed available to fund search losses.

Search funding use or source	GBP
Paid preparation payroll	24,530
Legal and launch gross	20,000
Total preopening expense	**44,530**
Equipment gross capital	8,000
Total initial cash uses	**52,530**
Proposed search equity	**550,000**
Opening search cash	497,470
Initial requirement with cash floor	**102,530**
Initial funding gap	–



37 / FINANCE

Itemized startup costs

Preparation pays the owner three months from October to December 2026 and the analyst one month in December. Payroll includes employer NI and a pension allowance. Legal and launch advice is £20,000 gross and equipment £8,000 gross.

Base paid setup gross wages are £21,000. NI uses the annual £5,000 threshold prorated to paid months. Equipment has a 36 month useful life, but remaining value is conservatively written off at search completion or shutdown. No residual sale receipt is assumed.

Paid preparation component	GBP
Owner three months gross	18,000
Analyst one month gross	3,000
Employer NI	2,900
Pension allowance	630
Total paid preparation payroll	**24,530**

38 / FINANCE

Owner personal survival budget

Search salary is £6,000 gross monthly, included in the search cash costs, with 3% annual growth. The household example assumes 70% net retention and is not a personal tax calculation. It requires actual household and payroll information.

Illustrative £4,200 take home supports a £3,700 monthly household requirement and £500 surplus. After completion target CEO salary replaces search salary. After no-deal shutdown no later household income is funded. Equity incentive value cannot pay household bills before an actual disposal.

Monthly household assumption	GBP
Searcher gross salary	6,000
Assumed net retention	70%
Illustrative take home	**4,200**
Housing utilities	1,800
Food travel	700
Personal commitments	700
Savings contingency	500
Total required household budget	**3,700**
Illustrative surplus	**500**

39 / FINANCE

Financing terms and security

Conditional Base sources and uses both total £8,000,000. Cash free debt free EV is £7 million, of which £1 million is deferred seller consideration and £6 million seller cash. New cash sources of £7 million cover seller cash, £300,000 fees and £700,000 target cash.

Senior debt is a proposed £3 million at 8% with equal principal over 60 months. Seller debt is proposed £1 million at 7%, interest only for 24 months, then 36 principal instalments. Security over group assets and shares, subordination and intercreditor terms require lender approval. No agreed personal guarantee, refinancing or top up is assumed. Existing target debt is assumed zero and must be explicitly refinanced or deducted from seller consideration if diligence identifies any.

Conditional acquisition line	GBP
Target enterprise value	7,000,000
Acquisition fees gross	300,000
Target funded opening cash	700,000
Total acquisition uses	**8,000,000**
New investor cash equity	4,000,000
Senior new bank debt	3,000,000
Seller deferred consideration	1,000,000
Total financing sources	**8,000,000**
Sources less uses	–
Unfinanced requirement	–
Search cash returned	129,648
Search spent at risk	**420,352**
Noncash ownership credit	**630,527**

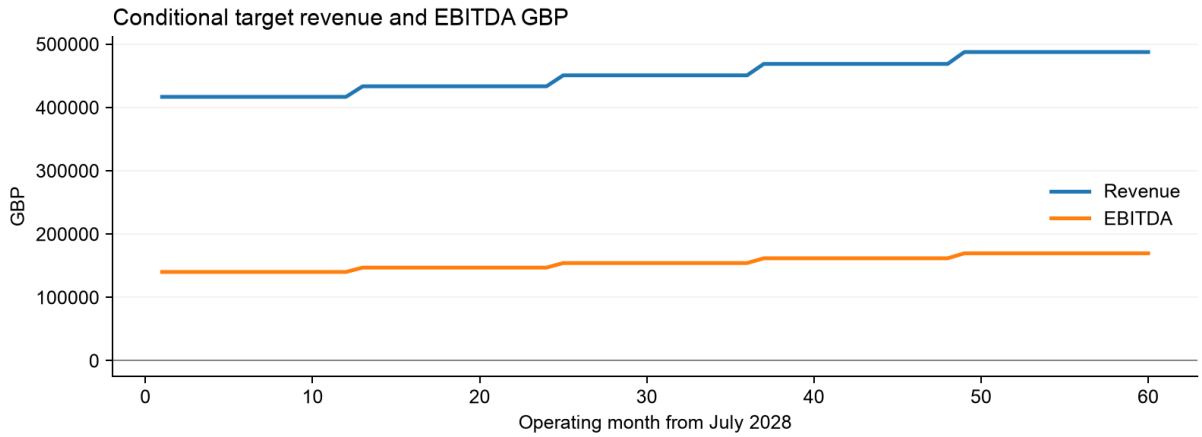
40 / FINANCE

Revenue forecast and capacity

The search company has no revenue. The separate target hypothesis has 50 customers at £8,333.33 net monthly price, £5 million first year revenue, and 4% annual price growth. Twenty paid staff support 73.7 customer capacity with 35 weekly hours, 85% availability and 35 monthly delivery hours per customer.

Customer counts, workload and prices are unverified. Revenue is capped at paid service capacity; any unsatisfied customer shortfall prevents approval. No automatic employee hiring or free founder delivery supports growth. Target operating dates are July 2028 to June 2033 in Base, after the conditional June 2028 acquisition.

Target annual GBP	Hold 1	Hold 2	Hold 3	Hold 4	Hold 5
Revenue net VAT	5,000,000	5,200,000	5,408,000	5,624,320	5,849,293
Non payroll direct cost	1,750,000	1,820,000	1,892,800	1,968,512	2,047,252
Paid target payroll	1,088,730	1,121,864	1,155,993	1,191,145	1,227,352
Overhead net VAT	480,000	494,400	509,232	524,509	540,244
EBITDA	**1,681,270**	**1,763,736**	**1,849,975**	**1,940,154**	**2,034,444**



41 / FINANCE

Costs and projected profit

Search payroll in 2027 is £125,940. Overhead is £6,000 and diligence £3,000 each active month; end legal costs are £15,000 Base. Search cash spending stops after the event. The full equipment balance is depreciated or impaired.

Base search cash spent at risk is £420,352; unused cash of £129,648 is returned to search investors at completion. No search company fair value gain, acquisition fee income or tax credit offsets expenses. Negative cash is an unfinanced requirement, not a loan.

Search company GBP	2027	2028	2029
Paid payroll	125,940	64,882	–
Overhead gross	72,000	36,000	–
Diligence gross	36,000	18,000	–
End legal cost	–	15,000	–
Total cash expense	**233,940**	**133,882**	**–**
Depreciation	2,667	1,333	–
Equipment impairment	–	4,000	–
Net search loss	**(236,607)**	**(139,215)**	**–**

Profit and loss forecast

Conditional target first year EBITDA is £1,681,270 after £1,088,730 paid payroll, direct costs and overhead. First year net profit is £978,077, rising to £1,365,114 in hold year five under the stated assumptions.

Target employee and operator salaries are both paid. Employer NI is 15% above the prorated £5,000 annual employee threshold; pension allowance is 3% full gross. Interest is charged on opening balances. A conservative 25% positive monthly pretax profit reserve is paid the next month without losses carried forward or interest limitation adjustments. Actual tax requires advice.

Target annual GBP	Hold 1	Hold 2	Hold 3	Hold 4	Hold 5
Revenue	5,000,000	5,200,000	5,408,000	5,624,320	5,849,293
Direct cost	1,750,000	1,820,000	1,892,800	1,968,512	2,047,252
Paid payroll	1,088,730	1,121,864	1,155,993	1,191,145	1,227,352
Overhead	480,000	494,400	509,232	524,509	540,244
EBITDA	**1,681,270**	**1,763,736**	**1,849,975**	**1,940,154**	**2,034,444**
Depreciation	89,167	109,533	130,715	152,743	175,653
EBIT	**1,592,103**	**1,654,202**	**1,719,261**	**1,787,411**	**1,858,791**
Bank interest	218,000	170,000	122,000	74,000	26,000
Seller interest	70,000	70,000	59,306	35,972	12,639
Pretax profit	**1,304,103**	**1,414,202**	**1,537,955**	**1,677,438**	**1,820,152**
Tax reserve	326,026	353,551	384,489	419,360	455,038
Net profit	**978,077**	**1,060,652**	**1,153,466**	**1,258,079**	**1,365,114**

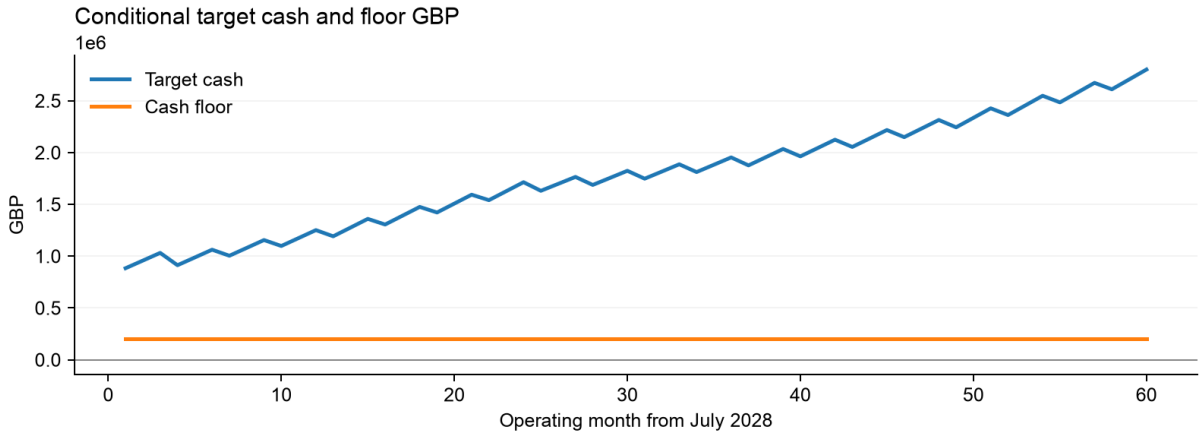
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Cash flow and financial position

Base target minimum closing cash is £883,439 against a £200,000 policy floor. Fifth year closing cash is £2,801,006. There are no dividends, automatic revolving credit, acquisition exit proceeds or cash plugs in operating cash.

The acquired £600,000 gross receivables and £240,000 gross payables settle in the first operating month. New invoices and supplier costs settle one month later in Base. VAT is on an invoice basis and the previous quarter balance is paid the following month; opening £60,000 net VAT liability is included. Capital spending is 2% net revenue plus VAT. Debt principal is cash financing, not profit expense.

Target annual GBP	Hold 1	Hold 2	Hold 3	Hold 4	Hold 5
Customer collections gross VAT	6,100,000	6,220,000	6,468,800	6,727,552	6,996,654
Suppliers paid gross VAT	2,693,000	2,768,840	2,873,675	2,982,526	3,095,548
Paid payroll cash	1,088,730	1,121,864	1,155,993	1,191,145	1,227,352
Tax reserve paid	298,590	351,264	381,696	416,462	452,073
VAT quarter settlement	460,500	550,740	573,751	597,712	622,662
Capex gross VAT	120,000	124,800	129,792	134,984	140,383
Interest and principal	888,000	840,000	1,114,639	1,043,306	971,972
Net cash change	**551,180**	**462,491**	**239,254**	**361,417**	**486,663**
Closing target cash	**1,251,180**	**1,713,671**	**1,952,926**	**2,314,343**	**2,801,006**



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Cash flow forecast months one to six

January to June 2027 are the first six actual search calendar months. Opening cash is after paid preparation and equipment. Payroll, overhead and diligence are paid monthly. There is no customer receipt, investor refund or acquisition financing in this schedule.

Amounts are GBP and negative cash changes use parentheses. Workbook search schedules cover all 36 months. The separate target schedule covers all 60 operating months and remains zero in the no-acquisition case.

Search GBP	M1	M2	M3	M4	M5	M6
Opening cash	497,470	477,975	458,480	438,985	419,490	399,995
Payroll	10,495	10,495	10,495	10,495	10,495	10,495
Overhead	6,000	6,000	6,000	6,000	6,000	6,000
Diligence	3,000	3,000	3,000	3,000	3,000	3,000
End legal	–	–	–	–	–	–
Capital return	–	–	–	–	–	–
Net cash change	**(19,495)**	**(19,495)**	**(19,495)**	**(19,495)**	**(19,495)**	**(19,495)**
Closing search cash	**477,975**	**458,480**	**438,985**	**419,490**	**399,995**	**380,500**

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Cash flow forecast months seven to twelve

July to December 2027 continues the Base search, with opening cash linked to the previous close. Upside assumes a December 2027 event and returns remaining cash after paying its end legal cost. The table shows the selected Base case.

Search case comparisons are captured snapshots. Changing an input updates the selected live build and flags comparisons stale. The 24 month Downside case breaches funded runway; the company must stop sooner or secure additional capital before making those commitments.

Search GBP	M7	M8	M9	M10	M11	M12
Opening cash	380,500	361,005	341,510	322,015	302,520	283,025
Payroll	10,495	10,495	10,495	10,495	10,495	10,495
Overhead	6,000	6,000	6,000	6,000	6,000	6,000
Diligence	3,000	3,000	3,000	3,000	3,000	3,000
End legal	–	–	–	–	–	–
Capital return	–	–	–	–	–	–
Net cash change	**(19,495)**	**(19,495)**	**(19,495)**	**(19,495)**	**(19,495)**	**(19,495)**
Closing search cash	**361,005**	**341,510**	**322,015**	**302,520**	**283,025**	**263,530**

Financial position summary

The target opening balance sheet has £700,000 cash, £600,000 gross receivables, £400,000 fixed assets and £6.3 million residual goodwill. Liabilities include £240,000 payables, £60,000 VAT and £4 million acquisition debt. £4 million new cash equity and £300,000 opening fee expense reconcile the balance.

Goodwill is purchase EV less the specified net tangible assets. It is a planning residual, not an IFRS purchase price allocation or assurance of recoverability. Search conversion creates investor allocation units and does not add target cash, book equity or goodwill. No acquired historical debt, cash or undisclosed liability is assumed.

Target closing GBP	Hold 1	Hold 2	Hold 3	Hold 4	Hold 5
Cash	1,251,180	1,713,671	1,952,926	2,314,343	2,801,006
Receivables gross VAT	500,000	520,000	540,800	562,432	584,929
Net fixed assets	410,833	405,300	382,745	342,488	283,821
Goodwill residual	6,300,000	6,300,000	6,300,000	6,300,000	6,300,000
Total assets	**8,462,014**	**8,938,971**	**9,176,471**	**9,519,263**	**9,969,756**
Payables gross VAT	223,000	231,440	240,203	249,302	258,750
VAT reserve	133,500	139,080	144,890	150,941	157,241
Tax reserve	27,436	29,722	32,515	35,413	38,378
Bank and seller debt	3,400,000	2,800,000	1,866,667	933,333	–
Total liabilities	**3,783,936**	**3,200,242**	**2,284,276**	**1,368,989**	**454,368**
New cash equity	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Retained earnings	678,077	1,738,729	2,892,195	4,150,274	5,515,388
Total equity	**4,678,078**	**5,738,729**	**6,892,195**	**8,150,274**	**9,515,388**
Liabilities plus equity	**8,462,014**	**8,938,971**	**9,176,471**	**9,519,263**	**9,969,756**
Balance difference	–	–	–	–	–

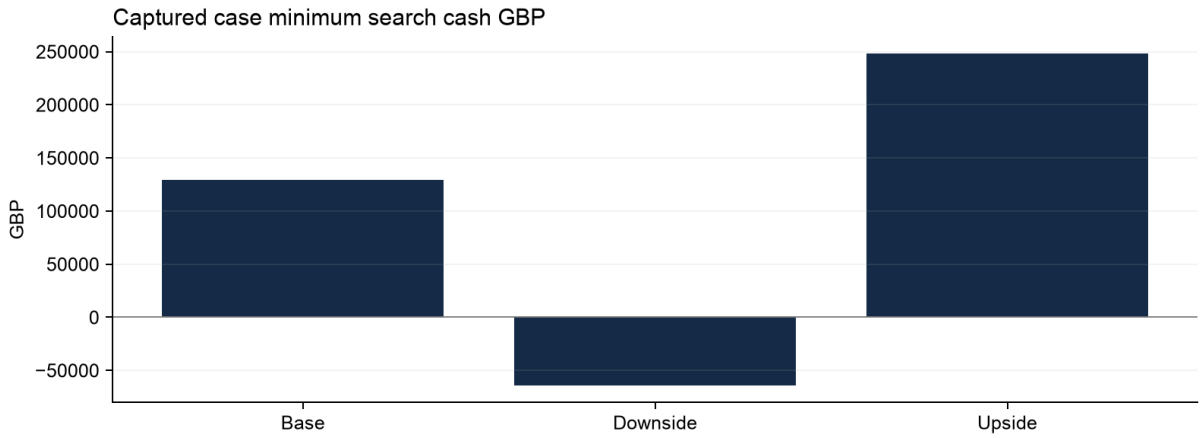
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Break even and scenarios

Base investor combined cash return multiple is 2.24x and annual dated return 17.0%, entirely hypothetical. Search investors hold 10.89%, new investors 69.11% and fully vested operator 20%. Spent search capital earns a negotiated 1.5x allocation credit; unused returned cash earns no conversion credit.

The operator maximum 20% is assumed fully vested only at the 60 month exit in successful cases. Unvested interests revert pro rata to investors; no preference waterfall is included. Exit uses last 12 months EBITDA times 5, less 2% selling cost and all debt, plus cash less VAT and tax reserves. Downside has no deal, a £64,233 cash deficit and £114,233 reserve funding gap. Its commitments are unfinanced and the entire £550,000 subscribed search capital is at risk. Cash loss is not paid through invented funding.

Captured case	Search cash min GBP	Search gap GBP	Investor MOIC	Annual return
Base	129,648	–	2.24x	17.0%
Downside	(64,233)	114,233	0.00x	Total loss
Upside	248,530	–	3.65x	29.4%



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Model guide and completion

Inputs F5 selects 1 Base, 2 Downside no deal or 3 Upside. Active inputs feed live search, acquisition and target calculations. Missing selected numeric drivers make dependent results unavailable; missing unselected drivers leave valid selected results live but mark Cases stale. Zero remains valid.

To refresh comparisons preserve Excel changes by copying desired Base Downside Upside inputs into retained source driver arrays FIRST. Rebuilding replaces inputs with those source values. Source version 1.0 reviewed 3 October 2026. Combined investor XIRR uses October 2026 search funding, acquisition equity net unused search cash at closing, and exit proceeds after 60 operating months. Operator proceeds have no invented IRR because no cash contribution is assumed.