



HVAC  
BUSINESS SALES

# Why prices fall after "yes"

And what to show a buyer first

**2027 edition**   14-minute read

Prepared by Simon Read | Reads Advice Partners Ltd | [hvacbusinessforsale.co.uk](https://hvacbusinessforsale.co.uk)

A practical guide with an early disclosure list

Images are illustrative.

# The whole guide on one page

An offer is made on what you tell the buyer. Due diligence then sets it against your records. Where the two differ, the buyer has a reason to reopen the price. This guide covers five gaps a buyer can find in an HVAC business. The sixth chapter is about when to raise them.

| The gap                                             | What good looks like                                   | Have ready                                         |
|-----------------------------------------------------|--------------------------------------------------------|----------------------------------------------------|
| <b>1. Margins that do not reconcile</b>             | Job costs that add up to the accounts                  | A job sheet for every installation                 |
| <b>2. Tickets that lapse or sit with one person</b> | Company certificates in date, cover for every category | A calendar of every ticket and end date            |
| <b>3. Callbacks and warranty jobs</b>               | A register of installs, every open callback costed     | The callback list with a cost on each              |
| <b>4. Debts past their terms</b>                    | Every invoice aged against its own terms               | The aged list, with a reason beside each late debt |
| <b>5. Retentions counted as cash</b>                | Retentions on their own line, each with a release date | Job, main contractor, amount and date              |
| <b>6. The order you disclose in</b>                 | The gaps that matter raised before the offer           | Your early disclosure list                         |

Fill in the early disclosure list near the back as you go.

Our Pre-Sale Programme is for owners who want to close these gaps before a sale. A first conversation is free: **01285 704466**.

# Why a price moves after yes

An offer is a price for the business as you described it. Due diligence is the buyer reading your records to see whether they describe the same business. In an HVAC business that can mean job sheets, engineers' cards, the callback list and the debtor ledger.

Where the records say less than you did, the buyer has a reason to come back on price. What they can argue depends on where the gap sits.

| Where the gap is                   | How a buyer can treat it                         | In an HVAC business                   |
|------------------------------------|--------------------------------------------------|---------------------------------------|
| <b>In the yearly profit</b>        | Multiplied, if the price is a multiple of profit | A callback cost not yet in the profit |
| <b>In the cash and the debts</b>   | Pound for pound                                  | A retention not due for a year        |
| <b>In the right to do the work</b> | A condition, or a delay                          | A gas category only the owner covers  |

The first row works differently from the other two. If a cost looks as if it comes round every year, a buyer can take it off the profit. Where the price was worked out as a multiple of profit, the cost can be multiplied too.

We found no public figure for how often an agreed price changes, or by how much, so this guide gives none. It gives a list of places a buyer can look, and what to show first.

## Have beside you as you read

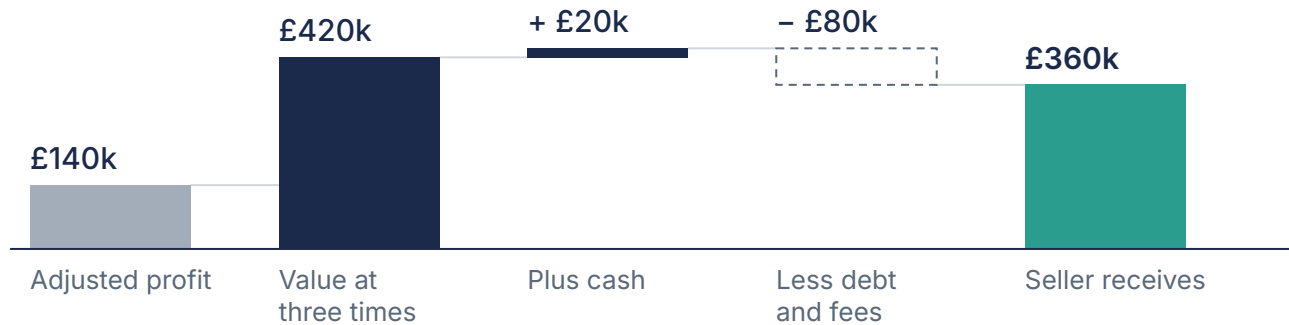
- ☐ Last year's installation job sheets.
- ☐ Every engineer's gas and F-gas card.
- ☐ The callback, aged debtor and retention lists.

# Meet Brackenfold Climate Services

We follow one business through the guide. Brackenfold is invented, and the figures for this business are illustrative, including the offer of three times its adjusted profit.

## The offer Brackenfold's owner says yes to

Illustrative



£420,000 plus £20,000 cash, less £60,000 debt and £20,000 fees, is £360,000 before tax.

Brackenfold turns over £1.2m: £600,000 of installations, £420,000 of income from maintenance contracts and £180,000 of reactive call-outs. It has four engineers, and the owner is one of them.

The accounts show £180,000 profit after the owner's £40,000 pay. Allowing £80,000 to replace the owner's work leaves an adjusted profit of £140,000.

In our example a buyer offers three times that: a value of £420,000 for the business. It happens to be the same number as the maintenance income, and from here on £420,000 means the offer. The owner says yes.

Customers owe the business £120,000, which includes £40,000 of retentions. It completed 60 installations last year and six callbacks are still open.

**The question behind every chapter.** What will this buyer find between yes and completion that the owner could have shown them first?

Each of the next five chapters is one answer. None of them makes Brackenfold a bad business. Each is something the buyer can read in the records.

# 1. Margins that do not reconcile

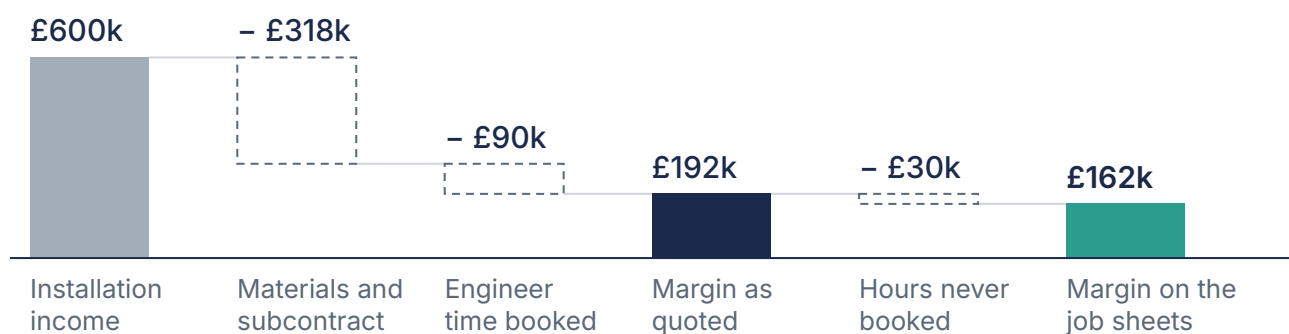
It is easy to quote an installation margin from memory. A buyer can rebuild it from the job sheets: equipment, refrigerant, subcontractors and every engineer hour, including the return visits to commission and snag.

## What good looks like

Job costs that add up to the figures in the accounts, job by job. The Companies Act already requires every company to keep accounting records that are sufficient to show and explain its transactions [1]. A buyer can ask the same of each installation.

## Brackenfold's installation margin, quoted and costed

Illustrative



£192,000 is 32% of £600,000 and £162,000 is 27%. The accounts do not change: the hours were paid for and sat in overheads.

### Brackenfold

Illustrative

The owner tells buyers that installations make 32%. Costed job by job, the 60 installations make 27%. Engineer time worth £30,000, spent on commissioning and snagging visits, was never booked to a job.

### What the buyer is thinking

I can live with 27%. What worries me is that you said 32% and your own job sheets say 27%.

## Check this

- ☐ Cost last year's installations job by job, with every return visit.
- ☐ Add the job margins up and set the total against the accounts.

## Rule of thumb

Quote the margin your job sheets show. If you cannot rebuild a figure from your records, do not quote it.

## 2. Tickets that lapse or sit with one person

The right to do gas and refrigerant work is held twice: by the company and by each engineer. A buyer can check both, and read the dates.

### What good looks like

In Great Britain a company that installs or services other people's stationary F-gas equipment needs a company certificate, renewed every three years, and each engineer working on it needs their own qualification [2]. Gas Safe registration stays with the legal entity when a business is sold, and each engineer's card lists their own work categories with start and end dates [3]. Evidence of gas competence accepted for registration must be less than five years old [4].

### Brackenfold

Illustrative

Two of the four engineers hold the F-gas qualification, and one of them is the owner. The owner alone covers one specialist gas category. The company F-gas certificate is due for renewal in eight months.

| Ticket                    | Have ready                 | A buyer can ask                     |
|---------------------------|----------------------------|-------------------------------------|
| Company F-gas certificate | Its renewal date           | Enough qualified staff without you? |
| Gas Safe registration     | The registered entity      | Is that the company I am buying?    |
| Each engineer's card      | Both sides, every category | Which end in the next year?         |

### What the buyer is thinking

A category only you hold will not make me walk away. I would rather ask about it before I offer.

### Check this

- ☐ Build a calendar of every certificate, category and end date.
- ☐ Mark each kind of work that only one person can do.

### Rule of thumb

Count who can do each kind of work without you. Where the answer is nobody, say so first.

## 3. Callbacks and warranty jobs

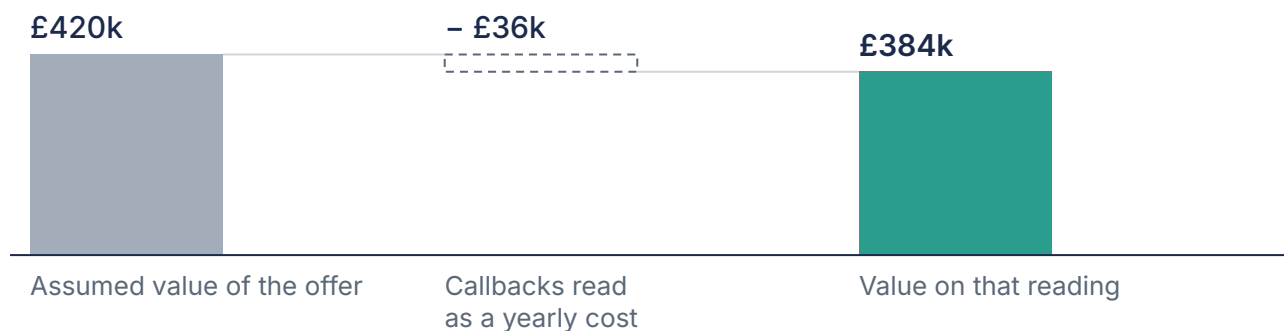
An installation can leave a promise behind it: a warranty, or a fault still to put right. An open callback is that promise being called in. In a sale, the question is who carries it afterwards.

### What good looks like

Every open callback costed, and the warranty on each install on file. In England and Wales the time limit for a claim on a simple contract is six years from when the cause of action arose, and twelve years on a deed [5]. For domestic customers, an MCS contractor must guarantee workmanship for at least two years [6]. After a sale, a Gas Safe registered business stays liable for correcting defects found at an inspection, including ones from before the sale [3].

### The same £12,000, found late

Illustrative



If the £12,000 is read as a yearly cost, the example's assumed three times turns it into £36,000. Shown early, the talk can be about £12,000.

#### Brackenfold

Illustrative

Six callbacks are open on last year's 60 installations. Putting them right will cost a further £12,000, and that cost is not yet in the profit.

#### What the buyer is thinking

Six callbacks on 60 jobs may be normal. If I find them myself, I may assume six every year.

### Check this

- ☐ List every open callback: job, fault and cost.
- ☐ List installs with no commissioning record.

### Rule of thumb

Work out open callbacks as a share of the year's installations, this year and last. Explain any rise.

## 4. Debts past their terms

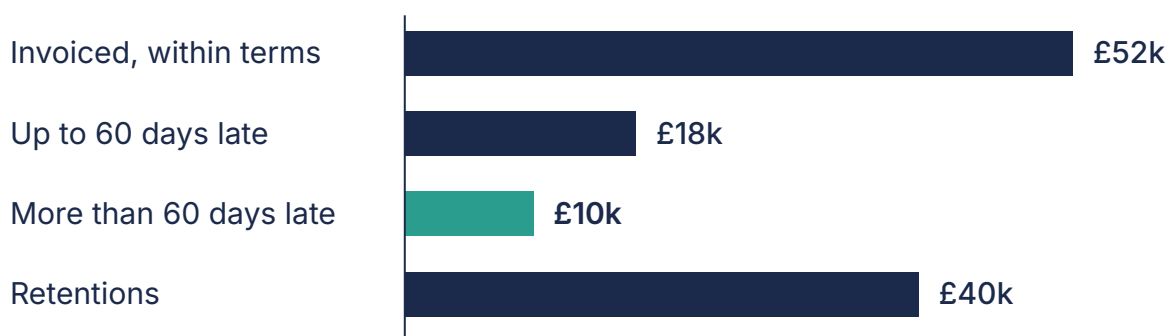
The debtor figure in your accounts is a promise of cash. A buyer can age every invoice against its own terms and ask about each one that is late.

### What good looks like

Debts listed by age against each contract's terms, with a reason beside anything late. If no payment date was agreed, the law treats a business invoice as late 30 days after the customer gets it, or after the work is delivered if that is later. Businesses can agree more than 60 days only if it is fair to both [7].

### What Brackenfold's £120,000 owed is made of

Illustrative



£52,000, £18,000 and £10,000 of invoiced work make £80,000. With £40,000 of retentions that is £120,000.

#### Brackenfold

Illustrative

Of the £120,000 owed, £80,000 is invoiced work. £52,000 is within its terms, £18,000 is up to 60 days late and £10,000 is older. The oldest is a £6,000 invoice a customer disputes over a commissioning snag.

#### What the buyer is thinking

An old debt does not put me off. Tell me which ones you expect to collect and why, and I will not have to guess.

### Check this

- ☐ Age every invoice against its own terms.
- ☐ Write the reason beside each late one.
- ☐ Show the cash received since the accounts date.

### Rule of thumb

Add up what is past its terms as a share of what you are owed. Know the reason for every pound of it.

## 5. Retentions counted as cash

A main contractor can hold back part of an installation's price until the defects period ends. It can sit in your debtors beside the 30-day invoices, but is not due on those terms.

### What good looks like

Retentions on their own line, each with a release date and the main contractor's name. A 2017 government consultation reported survey data putting the average retention at 4.8% of contract value, and described half as customarily held until a defects period, typically 12 to 24 months, ends [8].

### Brackenfold

Illustrative

Of the £40,000 of retentions, £16,000 is due for release within 12 months and £24,000 after that. All of it is inside the £100,000 of working capital.

| Working capital                 | Amount    | A buyer can ask                       |
|---------------------------------|-----------|---------------------------------------|
| Invoiced work                   | £80,000   | How much is past its terms?           |
| Retentions due within 12 months | £16,000   | What is each release date?            |
| Retentions due later            | £24,000   | Is the main contractor still trading? |
| Stock                           | £30,000   | How much of it is refrigerant?        |
| Less owed to suppliers          | (£50,000) |                                       |
| Working capital                 | £100,000  |                                       |

### What the buyer is thinking

I can count a retention once I can see its release date.

A Bill before Parliament would cap payment terms at 60 days, with limited exemptions, and ban retentions in construction contracts. In October 2026 it is not law, and no start date has been set [9].

### What to check

- ☐ For each retention: job, main contractor, amount and release date.
- ☐ Does any release wait on a seasonal commissioning visit or an open snag?

## 6. The order you disclose in

The same weak spot can be a fact you explained or a surprise the buyer found. Which one it becomes depends on when you raise it.

### One order for raising each gap

- 1 **Before you go to market**  
Fill in the list. Fix what a few months can fix.
- 2 **Before the offer**  
Raise the gaps that change the profit, the cash or the right to do the work.
- 3 **At heads of terms**  
When the price and main terms are written down, agree how each gap is treated.
- 4 **In due diligence**  
Hand over the evidence for every line on the list.
- 5 **Before you sign**  
Go through the list with your solicitor.

### What good looks like

Anything that needs a third party's written answer is raised first. Gas Safe's policy says that where a new registration is required after a business is sold, no gas work can be carried out until it is granted [3]. Ask Gas Safe in writing what your sale needs.

### What the buyer is thinking

Tell me early and I can price it once. If I find it late, I may start wondering what else is in there.

This order is general information, and raising a gap early does not guarantee the price holds. Your solicitor will advise how each item is recorded in the sale contract.

### What to check

☐ Which gaps change the profit, the cash or the right to do the work?

☐ Who holds the evidence for each one?

# What the public record shows

Two public records of firms in this trade changing hands are below, each in its own terms.

In January 2026 Nordic Climate Group announced the acquisition of Allcool (NW), a refrigeration, air-conditioning and service company based near Blackpool, founded as a family-run business in 1977, with 40 employees. The announcement said the managing director will continue to lead the business, and that the company will continue under its own name and from its current site [10].

Companies House shows that on 26 June 2025 KSX Holdings became a person with significant control of Elite Pacific, holding 75% or more of its shares, and that the four persons listed before it ceased that day. Elite Pacific's registered office is in Wakefield, and its website describes air conditioning and refrigeration work [11].

Neither record gives a price, or says whether a price moved. The announcement names what was to continue: the managing director, the name and the site. The register shows only who took control and when.

| Brackenfold's gap              | Amount         | Raised with                    |
|--------------------------------|----------------|--------------------------------|
| Hours never booked to installs | £30,000 a year | Job sheets for all 60 installs |
| Open callbacks                 | £12,000        | Six job records, each costed   |
| Debts past their terms         | £28,000        | The aged list, with reasons    |
| Retentions                     | £40,000        | A release date for each        |
| Specialist gas category        | Owner only     | A training plan with dates     |

## Ask about our Pre-Sale Programme

It is for owners who want the figures, the tickets and the records ready before a sale. Bring your completed list to a free first conversation.

**01285 704466**

**See the Pre-Sale Programme**

# Early disclosure list

One line for each weak spot a buyer can find in your records. Write the evidence you hold, when you will raise it and who owns it. Tick the box once the buyer has seen it.

## Your business

| Weak spot a buyer can find | Evidence you hold    | Raise it when        | Who owns it          | Seen                     |
|----------------------------|----------------------|----------------------|----------------------|--------------------------|
| Installation margin by job | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> |
| Unbooked engineer hours    | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> |
| Company F-gas ticket       | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> |
| Gas Safe registration      | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> |
| Gas work only one can do   | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> |
| Tickets ending in a year   | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> |
| Open callbacks, costed     | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> |
| Uncommissioned installs    | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> |
| Installs under warranty    | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> |
| Debts past their terms     | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> |
| Disputed invoices          | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> |
| Retention release dates    | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> |
| <input type="text"/>       | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> |

## What you will fix before a sale, and by when

A line with no evidence is the first thing to fix. Type into the PDF and save it, or print it.

# Sources and validity

1. [Companies Act 2006, section 386](#). UK.
2. Environment Agency and Defra: [Company certification to work with F gas; Qualifications to work with F gas](#). Great Britain. A company that services only its own equipment needs no company certificate, and some mobile equipment is outside it.
3. Gas Safe Register: [Registration Policy, February 2026](#), section 26.1 and glossary. A buyer who moves the engineers and customers to its own registration is covered by section 26.2.
4. Gas Safe Register: [Becoming registered](#).
5. [Limitation Act 1980, sections 5 and 8](#). England and Wales.
6. MCS: [The MCS Contractor Standard, Part 1, Issue 4.2](#), clause 4.4.2, which applies when dealing with domestic customers. A certification scheme, not law.
7. GOV.UK: [Late commercial payments](#). Business transactions; public authorities have a 30-day rule.
8. Department for Business, Energy and Industrial Strategy: [Retention payments in the construction industry](#), October 2017.
9. Department for Business and Trade: [Commercial Payments Bill overview](#); UK Parliament: [Commercial Payments Bill \[HL\]](#). Proposed. Third reading in the Lords is listed for 20 October 2026.
10. Nordic Climate Group: [announcement, 15 January 2026](#).
11. Companies House: [Elite Pacific Limited, persons with significant control and company overview](#); Elite Pacific: [company website](#).

**Checked 12 October 2026.** We review every guide after the Autumn Budget on 28 October 2026. Tax, legal and technical treatment depends on the deal in front of you, so take advice on yours from your own solicitor or accountant.

**What this guide does not say.** We found no public figure for how often an agreed price changes between offer and completion, or by how much, and we give none. The guide describes how gaps can be treated. It does not say what any buyer will do, and it is not legal advice.

**The example.** Brackenfold Climate Services is invented. It is not a Reads client or a real sale. Its figures, the views given for its buyer and the multiple of three are there to show the arithmetic and are not market evidence. The two public records show who took control and, in one, what the buyer announced. Neither is evidence of a price. The images in this guide are illustrative.

# Bring the list, gaps and all



You do not need a tidy business for a first conversation. Bring your early disclosure list with the lines you are least sure of.

A first conversation is free, and there is no obligation to go further.

**Simon Read**  
Managing Director

**01285 704466**

[enquiries@hvacbusinessforsale.co.uk](mailto:enquiries@hvacbusinessforsale.co.uk)  
[hvacbusinessforsale.co.uk](http://hvacbusinessforsale.co.uk)



Prepared by Simon Read | Reads Advice Partners Ltd | [hvacbusinessforsale.co.uk](http://hvacbusinessforsale.co.uk)  
The Alliston Centre, Stroud Rd, Cirencester GL7 6JR  
01285 704466  
Part of the Reads M&A Advisory Group  
A division of Reads Advice Partners Ltd, Company No. 12124192