



SECURITY
BUSINESS SALES

Buying a security business in 2027

The checks before you agree a price

2027 edition 9-minute read

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A practical guide with a buyer evidence scorecard

Images are illustrative.

The whole guide on one page

Start with the work being sold. Then connect each activity to its people, permissions, customer terms and cost. A turnover total cannot answer those questions for you.

The check	What good looks like	Ask for
1. Match the licence to the work	The role and circumstances are checked against SIA guidance	Activity list, rota and named licence records
2. Read the scope of approval	Company approval and individual licences are checked separately	Current approval record and covered activities
3. Follow the customer agreement	Each continuity question has a written answer	Signed customer and monitoring terms
4. Map the team after completion	The proposed employer and service arrangements are clear	People schedule and employment advice
5. Price the work that remains	Owner duties and replacement costs appear in the same calculation	Profit bridge and role description

Use the two-page scorecard to record what you have actually seen. An empty answer becomes a question to resolve, not a pass.

Put your buying criteria in writing

Register as a buyer when you know which activities you want to own and which gaps you still need to resolve. Registration is free.

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Register as a buyer

Meet Alderfen Security Services

Alderfen Security Services is invented. Its figures are illustrative and do not describe a real sale.

Where Alderfen's £1.2m revenue comes from

Illustrative



£240,000 of the £360,000 maintenance income has signed terms still in date.

Maintenance income is £360,000. Only £240,000 of that income is supported by signed terms still in date. Keep the remaining £120,000 visible as a separate question.

Item	Chosen annual figure
Reported operating profit	£180,000
Owner pay included in that profit	£40,000
Cost of replacing the owner's work	£80,000
Adjusted profit	£140,000

The business combines staffed guarding with technical work. Before making an offer, list what it does itself, what a monitoring provider does and what response work it subcontracts. Do not infer a permission from the revenue category.

We will use the same records and figures through the checks. Your target needs its own evidence.

1. Match the licence to the work

A person's job title does not settle the licensing question. Start with the activity and the circumstances in which it is supplied.

What good looks like

SIA guidance distinguishes activities and circumstances. Supplying security operatives under a contract for services can require licences for operatives and relevant directors or managers. A person doing licensable front-line work needs the appropriate front-line licence, whatever their title [1].

Record	Question to settle
Guard rota	Who carries out each task, including relief cover?
Named licence record	Does the licence match the activity and remain current?
Director and manager duties	Do their actual roles require a front-line or non-front-line licence?
Subcontracted response	Who supplies the response and what evidence supports their role?

Alderfen's guarding work

Illustrative

The £600,000 guarding income identifies a revenue stream. Match its assignments to named people and the work each person performs.

The seller's side

Give the buyer a rota that connects names to assignments. Explain separately who fills an absence and who manages the service.

Use the SIA guidance to check the actual arrangement, including exemptions and in-house distinctions. Ask for advice where the activity is unclear [1].

2. Read the scope of approval

Treat an approval badge as the start of a check. Read the legal entity and activities behind it.

What good looks like

The Approved Contractor Scheme is voluntary company approval, separate from individual SIA licensing. It covers specified activities. Alarm installation and consultancy are outside its scope because the SIA does not license those activities [2].

What is offered	Evidence to examine
Staffed guarding	Company approval scope, if claimed, and the individual licence map
Alarm installation	The actual competence and certification evidence claimed for that work
Maintenance	Service scope and the issuer's written requirements where certification is claimed
Monitoring	Provider agreement and responsibilities of each party

Alderfen's mixed activities

Illustrative

Its £240,000 installation and reactive income sits beside guarding revenue. Do not mark that whole stream approved because an ACS record covers another activity.

The seller's side

Provide the record itself and identify the services it covers. Put any separate technical certification alongside it.

Ask each issuer what the proposed transaction changes. Record the answer for that issuer and that transaction; do not copy it across to another scheme.

3. Follow the customer agreement

Read the signed terms behind the service schedule. A history of invoices answers a different question from the terms governing future work.

What good looks like

Use this evidence test: match the legal customer, supplier, service, current dates and relevant transaction wording. Then obtain a written answer to each unresolved continuity question from the party that can answer it.

Record	What to mark
Customer agreement	Parties, work covered, dates and relevant transaction clauses
Monitoring agreement	Provider, charges, service responsibilities and proposed change
Subcontracted response terms	Named provider, obligations and arrangements after completion
Renewal correspondence	What has been agreed, by whom and on what terms

Alderfen's maintenance book

Illustrative

£240,000 of its £360,000 maintenance income has signed terms still in date. The other £120,000 remains outside that description. Review both groups.

The seller's side

Show the buyer the current agreement and the correspondence that changes it. Explain a missing signature or an expired term directly.

This is a document check, not an assumption that every contract needs consent or transfers automatically. Put the actual answer in the completion action column.

4. Map the team after completion

Make the proposed structure explicit before deciding what happens to staff, rotas and responsibilities.

What good looks like

The government overview says TUPE can apply to business transfers and service-provision changes. A business transfer requires a change in employer identity. Assess the proposed arrangement with employment advice [3].

Question	Evidence to take to your adviser
Who employs each person now?	Employer identity and employment records
Who will employ them afterwards?	Proposed transaction structure
Is a contracted service changing provider?	Customer service arrangements and assigned work
Who covers the first rota?	Named roles, availability and relevant permissions

Alderfen's service boundaries

Illustrative

Map people against guarding, maintenance and installation work. Include the monitoring provider and subcontracted response in a separate supplier list rather than treating everyone as Alderfen staff.

The seller's side

Explain how the rota works, including weekend escalation. Give the buyer accurate records and agree how sensitive staff information will be handled.

Do not treat every share sale as a TUPE transfer or assume every worker transfers. The government overview includes conditions and exclusions; your adviser needs the actual structure and assignments [3].

5. Price the work that remains

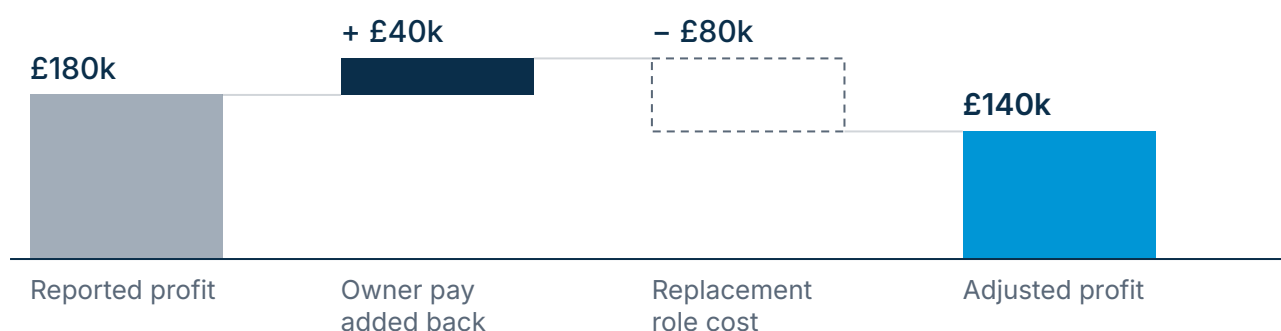
Describe the owner's duties before adjusting profit. Removing pay without costing the work gives you an incomplete calculation.

What good looks like

Use this reconciliation test: start with reported profit, identify the pay already charged, then deduct the evidenced cost of the duties that still need doing. Count each cost once.

Cost the owner's work once

Illustrative



£180,000 plus £40,000 less £80,000 leaves £140,000. All figures are illustrative.

Alderfen's value exercise

Illustrative

At the sole illustrative assumption of three times adjusted profit, £140,000 produces £420,000 of business value. That exercise does not establish an agreed price.

The seller's side

Explain time spent on rotas, customer contact and operational decisions. Show what has already been delegated and what remains.

Ask for the owner role description and the basis of the replacement cost. Keep contractual price, cash, debt and working-capital terms in their own schedules. Do not add a balance just because it appears in the accounts.

What a public example can tell you

In March 2026, a listed security group announced completion of its acquisition of a Poole electronic security and locksmith firm from its owner-manager [5].

Disclosed scale [5]	Detail
Revenue	£1.04m for the year ending December 2025
People	12 staff
Premises	One trading outlet
Main activity	Electronic security, with specialist locksmith services

That revenue is close to Alderfen's illustrative £1.2m. It makes this a useful owner-managed business example by scale. Its service mix differs from a guarding-led firm, so similar revenue does not establish comparable operations or value.

A security integrator's own history also records a management buyout in 2021 [4]. Use that as evidence of an ownership route.

Use the example as a question

- ☐ Which people would run the business after completion?
- ☐ What customer and supplier arrangements support that plan?
- ☐ Which unanswered item could change your decision to proceed?

Gather more evidence or decide the target is not right for you before closing those questions.

Security buyer evidence scorecard

Use both sheets for one target. Write the evidence reference and named person for each activity. Record the actual expiry or review date where one applies; otherwise write why it does not apply.

Target business and review date

Activity	Evidence seen	Named person	Expiry or review
Staffed guarding			
Alarm installation			
Maintenance			
Monitoring provider			
Subcontracted response			

Approval scope, employer identity and profit evidence to check

Keep this sheet with the completion actions on the next sheet. No total or colour score replaces a missing answer.

Type your answers in and save a copy, or print the page and fill it in by hand. Nothing you enter is sent to us.

Security buyer completion actions

Carry over each unresolved question from the first sheet. State what must be answered, who will obtain the answer and the action needed before completion. Add the agreed date in the action field.

Target business and review date

Activity	Unresolved question	Completion action, owner and date
Staffed guarding		
Alarm installation		
Maintenance		
Monitoring provider		
Subcontracted response		

Decision after checking the evidence, including reasons to pause

Use the final notes for the decision you can make once the evidence arrives, including whether to pause or walk away.

Type your answers in and save a copy, or print the page and fill it in by hand. Nothing you enter is sent to us.

Sources and validity

1. Security Industry Authority: Find out if you need an SIA licence, updated Jan 2026. UK private security; activity, circumstances, exemptions and in-house distinctions matter. Alarm installation is not itself an SIA-licensed activity.
2. Security Industry Authority: Learn about our Approved Contractor Scheme, published Aug 2020. Voluntary company approval for specified activities, separate from individual licensing.
3. UK Government: Business transfers and takeovers. Overview of TUPE, business transfers and service-provision changes. Apply the territorial rules, conditions and exclusions to the actual transaction with employment advice.
4. Ansador: Company history. Records a management buyout led by Alex Davey in 2021. The page does not establish price, funding, earnings, exact completion day or a deal at the example firm's size.
5. Croma: Acquisition of Southern Security Services, issuer regulatory announcement hosted by Investegate, March 2026. Completion was announced that day; the legal completion day is not separately identified. The disclosed scale and service mix support the comparison, not a value multiple, financing conclusion or guaranteed handover outcome.

Checked Oct 2026. We review every guide after the Autumn Budget in October 2026. Legal, employment and technical treatment depends on the transaction; take advice on yours.

The example. Alderfen Security Services is invented, not a Reads client or a real sale. All figures are chosen teaching inputs, not market evidence. Replacement cost is not a wage benchmark. Three times adjusted profit is an illustrative assumption only.

The checks. Contract and issuer continuity are questions for the actual documents and parties. The reconciliation and scorecard are practical exercises, not prescribed transaction terms or an industry pass mark. Images are illustrative.

Start with the work you want to own



Complete the scorecard before making assumptions about the target. When you are ready, register your buying criteria.

Registration is free. A free first conversation can help you explain your criteria and the questions still open.

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