



FABPLUS LIMITED

No. NI039545 • Generated: 24 Apr 2026 • Active

TARGET CLASSIFICATION

Viab! Platform Asset

REVENUE (LATEST)

£20.8m

Net Income: £2.0m

ROE %

27.2%

ROA: 14.6%

DEBT TO EQUITY

0.00x

NWC Peg: -£1.5m

EST. EBITDA

£2.1m

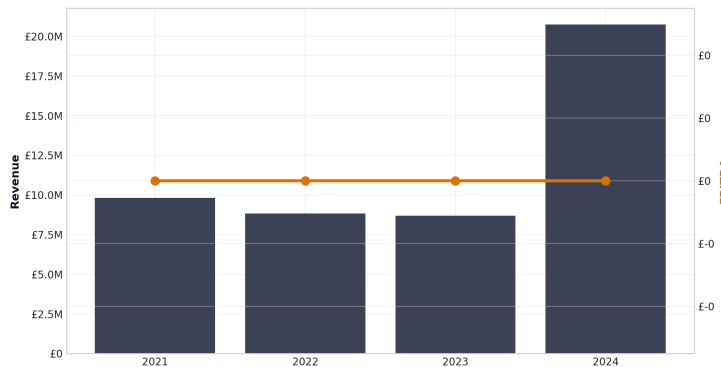
Debt Cap: £6.4m

1.0 Executive Summary & Origination Catalyst

This is a high-confidence succession-driven opportunity. The two controlling shareholders and long-serving directors, Mr and Mrs McGavigan, are both aged 66, a prime catalyst for an exit. The recent and simultaneous appointment of three younger directors in January 2024 signals a formal management transition is underway. This board restructuring, combined with an explosive, valuation-enhancing financial performance in the latest year (£20.8M revenue), creates a perfect window for the founders to achieve liquidity and for us to partner with the next generation of leadership.

REVENUE GROWTH VS EBITDA GENERATION

Revenue Growth vs EBITDA Generation



Entity Details

ORIGINATION SIGNALS

Corporate Structure:

Independent Entity

Max Owner Age:

68 yrs

Corporate Vintage:

25 yrs

REGISTERED ADDRESS

Orchard Road Industrial Estate, Co. Tyrone, BT82 9FR

SIC/INDUSTRY

Code: 25110

25110 - Manufacture of metal structures and parts of structures

FILING STATUS

Next Accounts: 30/09/2026

Confirmation Stmt: 14/10/2026

DIRECT FILING LINKS

Annual Accounts (2024-12-31)

2025-09-29

**Annual Accounts (2023-12-31)**

2024-09-25

**Annual Accounts (2022-12-31)**

2023-09-27

*Independent verification of raw registry filings is recommended for final deal structuring.*

SIGNIFICANT CONTROL (PSC)

Mrs Martha Mcgavigan

Significant Influence Or Control

Mr Danny Mcgavigan

Significant Influence Or Control

 ACTIVE DIRECTORS

ADCOCK, Shay

Irish

MCGAVIGAN, Daniel

Irish

MCGAVIGAN, Danny

Irish

MCGAVIGAN, Darren

Irish

MCGAVIGAN, Martha

Irish

MCGAVIGAN, Tanya

Irish

2.0 Risk Architecture & Due Diligence

Mandatory Board-Level Interrogation

- 1** Deconstruct the £12M year-on-year revenue increase for FY2024. Specify whether this growth is attributable to a single large-scale project, a new key customer account, or market share expansion across the existing client base. We need to understand the concentration and recurrence of this new revenue.
- 2** Clarify the strategic rationale behind the three director appointments in January 2024. Detail the succession plan for the two principal shareholders and confirm the equity participation, if any, of the new board members. Is this a management team being prepared for a sale?
- 3** Justify the £3.1M capital expenditure in FY2024 and the corresponding increase in total liabilities. Provide a schedule of these assets and articulate the business case and expected payback period. How was this expansion financed?
- 4** Explain the material increase in inventory to £3.7M. Is this tied to a specific forward order book, or does it represent a speculative build-up? We must scrutinise for any risk of obsolescence or customer dependency.

⚠ IDENTIFIED RISK VECTORS

⚠ Leverage

STRATEGIC OBSERVATION

Total liabilities increased from £5.0M to £6.3M in the last financial year, although the company reports zero financial debt.

DATA CONTEXT

"The balance sheet appears unleveraged from a financial debt perspective, but the growth in trade creditors and other liabilities to fund expansion must be understood. This represents significant operational leverage."

>_ DUE DILIGENCE DIRECTIVE

Provide a full schedule of liabilities, detailing the nature of the non-debt obligations and confirming the absence of any off-balance sheet financing or quasi-debt instruments.

⚠ Liquidity

STRATEGIC OBSERVATION

Cash levels remain modest (£253k) relative to a £13.5M asset base and a significant increase in operational scale.

DATA CONTEXT

"The explosive growth in FY2024 appears to have consumed significant working capital, evidenced by large increases in receivables and inventory."

>_ DUE DILIGENCE DIRECTIVE

What are the company's undrawn credit facilities and what are the primary banking covenants we would need to consider?

⚠ Operational

STRATEGIC OBSERVATION

The board structure has been significantly altered with three new directors appointed in January 2024, while the two controlling shareholders are of retirement age.

DATA CONTEXT

"This signals a critical succession event. The operational stability of the business is now dependent on a newly formed leadership team whose capabilities are untested at this new scale."

>_ DUE DILIGENCE DIRECTIVE

What are the specific operational roles and responsibilities of the new directors, and what is the transition plan for key client and supplier relationships currently managed by the founders?

⚠ Profitability

STRATEGIC OBSERVATION

Net income surged from £278k to £1.98M in a single year, representing an outlier performance against a five-year trend.

DATA CONTEXT

"This step-change in profitability may not be sustainable and could be linked to a one-off, high-margin project. The valuation will be highly sensitive to the normalisation of these earnings."

>_ DUE DILIGENCE DIRECTIVE

Provide a detailed breakdown of gross profit by project or customer for FY2023 and FY2024 to validate the sustainability of the current margin structure.

3.0 Forensic Performance Review

HISTORICAL PERFORMANCE ATTRIBUTION

Cost Structure

FY2024 capex is £3.09M (FY2023: £0.45M; FY2022: £0.40M; FY2021: £0.98M) with capex intensity 14.88% of revenue. Inventory remains elevated at £3.67M (FY2023: £3.53M) despite the revenue step-change, and cash is low at £0.25M (FY2023: £0.15M).

"High capex alongside persistently high inventory and low cash suggests either (i) aggressive capitalisation of costs that would normally hit P&L, (ii) build-and-hold stock risk (obsolescence/NRV write-down exposure), or (iii) operational strain where growth is being funded by suppliers/other creditors rather than internally generated cash."

DUE DILIGENCE DIRECTIVE

Break down FY2024 additions of £3.09M by asset class, supplier, and project; confirm whether any wages/overheads were capitalised (and the capitalisation policy), and provide inventory ageing/NRV analysis plus post year-end write-offs/credit notes to evidence stock realisability.

Income Statement

FY2024 revenue increased to £20.75M (from £8.70M in FY2023, +138.5%) and net income increased to £1.98M (from £0.28M, +612.3%). However, gross margin is shown as 100% in FY2021–FY2024 with cost of revenue recorded as £0, which is not credible for a trading/manufacturing profile and indicates classification/mapping issues or cost capitalisation/above-the-line suppression.

"QoE risk: if direct costs are being reclassified into overheads, inventory, or fixed assets, statutory profit can be materially overstated and not repeatable. The step-change in FY2024 profitability may be accounting presentation-driven rather than operational, and it impairs any reliance on margin trend for sustainable earnings."

DUE DILIGENCE DIRECTIVE

Provide the FY2024 trial balance and nominal ledger mapping showing where all direct materials, subcontract labour, carriage, and production overheads are recorded; explain why cost of sales is £0 and reconcile gross profit to management accounts gross margin by product line/customer.



Profitability Ratios

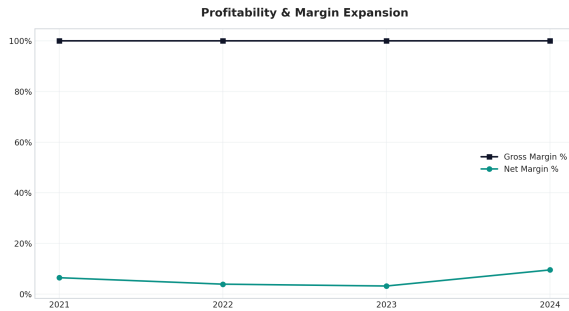
Net margin rose to 9.55% in FY2024 (FY2023: 3.20%; FY2022: 3.93%; FY2021: 6.48%). ROE increased to 27.21% (FY2023: 5.25%) while total assets increased to £13.54M (FY2023: £10.26M) and equity to £7.28M (FY2023: £5.30M).

"The profitability uplift coincides with significant balance sheet expansion and heavy capex, raising the risk that earnings are being flattered by capitalisation (fixed assets and/or inventory) and timing effects rather than improved cash yield. ROE expansion can be optical if working capital and capex are absorbing cash and liabilities are stretching."

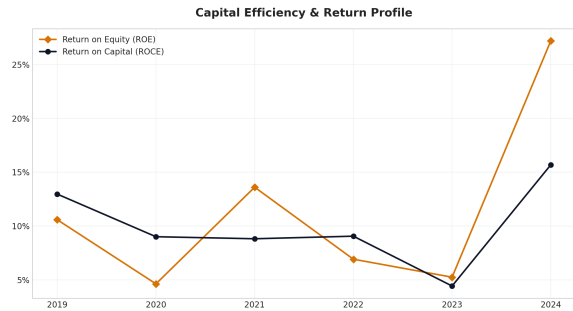
DUE DILIGENCE DIRECTIVE

Reconcile FY2024 net income (£1.98M) to taxable profit and to cash taxes paid; provide a bridge from statutory net income to EBITDA and to operating cash flow, explicitly identifying capitalised labour/overheads, stock movements, and any one-offs (grants, insurance proceeds, litigation, asset disposals).

PROFITABILITY & MARGIN EXPANSION



CAPITAL EFFICIENCY & RETURN PROFILE



4.0 Capital Structure & Benchmarks

Capital Structure

FABPLUS LIMITED appears ungeared on a net debt basis (calculated net debt reported as £0 across 2020–2024; cash £253k in 2024). Balance sheet is liability-funded but not bank-levered in the statutory extracts provided (total liabilities £6.3m vs equity £7.3m in 2024).

Context: 2024: Total assets £13.5m; total equity £7.3m; total liabilities £6.3m; cash £253k; inventory £3.7m; receivables £1.9m. Profitability improved materially in 2024 (net income £2.0m) alongside revenue step-up to £20.8m.

What is the composition of the £6.3m liabilities (trade creditors vs accruals vs HP/lease vs intercompany vs tax), and are there any off-balance sheet facilities (invoice discounting, asset finance, guarantees) that would affect true net debt at completion?

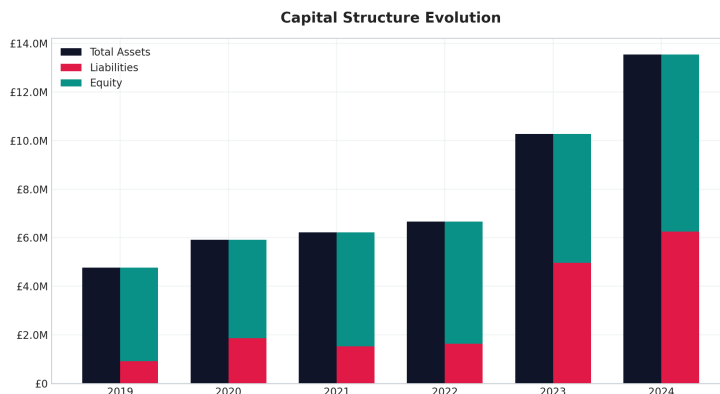
Enterprise Value Proxy

Earnings-based valuation is applicable (this is a trading SME with £20.8m revenue in 2024). Using a normalised EBITDA proxy derived from operating profit, an EV proxy range is £8.5m–£12.8m (4.0x–6.0x).

Context: Statutory EBITDA is shown as £0 in the dataset (likely a mapping/data issue). As a proxy, use 2024 operating profit of £2.1m and assume modest D&A add-back given the asset base and capex profile (2024 capex £3.1m; total assets £13.5m). A pragmatic origination proxy is EBITDA ≈ £2.1m–£2.3m (i.e., operating profit plus an estimated £0.0m–£0.2m D&A add-back pending diligence). Applying a UK lower-mid-market multiple of 4.0x–6.0x implies EV ≈ £8.5m–£13.8m; using midpoint EBITDA £2.13m gives £8.5m–£12.8m.

Can management provide a credible EBITDA bridge (operating profit to EBITDA) including depreciation, amortisation, exceptional items, owner costs, and any one-offs in 2024 (notably around the revenue step-change and £3.1m capex)?

CAPITAL STRUCTURE EVOLUTION



⚠️ DEBT CAPACITY ASSESSMENT

Indicative senior debt capacity is £4.3m–£6.4m (2.0x–3.0x EBITDA proxy). However, the most recent year shows a material working capital deficit versus target:

nwc_deficit_surplus is -£1.5m in 2024, which is a direct purchase price adjustment risk and reduces practical leverage headroom.

Context: Using estimated EBITDA of ~£2.13m, 2.0x–3.0x implies £4.3m–£6.4m maximum senior debt in a standard LBO structure, subject to lender comfort on earnings quality, customer concentration, inventory valuation, and cash conversion. Net debt is reported as £0, so this would be new acquisition leverage. Net working capital: 2024 nwc_actual £5.5m vs nwc_target_percent 34.05% of revenue, producing nwc_deficit_surplus of -£1.5m (i.e., the business is operating with an estimated £1.5m working capital deficit relative to its own target methodology). This implies a likely cash injection requirement at completion if the buyer requires normalised working capital.

Based on historical averages, the target is operating with an estimated £1.5m working capital deficit. To deliver the business cash-free/debt-free with normalised working capital, the Headline

⚠️ **Enterprise Value must be reduced by this exact deficit amount at completion to determine the final Equity purchase price. Will the seller accept a locked-box/leakage structure or a completion accounts mechanism with a specific NWC peg, and what is the agreed definition of NWC (inclusion of inventory provisions, VAT, corporation tax, and any intercompany balances)?**

POSITION & LIQUIDITY DEEP-DIVE

Balance Sheet

Total assets increased to £13.54M in FY2024 (FY2023: £10.26M). Total liabilities increased to £6.25M (FY2023: £4.96M; FY2022: £1.64M; FY2021: £1.54M), indicating a sharp liability build over two years (+ £4.71M since FY2022). Cash remains minimal at £0.25M versus liabilities of £6.25M.

Context: Balance sheet risk: the business has scaled using liabilities while maintaining thin cash buffers, increasing sensitivity to any working capital reversal, supplier tightening, or HMRC enforcement. The liability ramp without corresponding cash build is consistent with creditor stretch and/or debt-like items not visible in the provided fields (leases/HP/invoice finance/overdraft).

Provide a full breakdown of FY2024 liabilities (£6.25M) into trade creditors, accruals, deferred income, taxes (VAT/PAYE/CT), loans (director/related party/bank), leases/HP, and any invoice discounting; identify any amounts overdue, on time-to-pay arrangements, or subject to security/charges.

Working Capital

Working capital is heavily inventory-led and has expanded structurally: inventory increased from £0 in FY2022 to £3.53M in FY2023 and £3.67M in FY2024. Receivables increased to £1.86M in FY2024 (FY2023: £1.51M; FY2022: £1.55M). Implied DSO improved from ~63 days (FY2023: £1.51M / £8.70M) to ~33 days (FY2024: £1.86M / £20.75M), while inventory intensity fell from ~148 days (FY2023: £3.53M / £8.70M) to ~65 days (FY2024: £3.67M / £20.75M) on a revenue proxy basis.

Context: The apparent improvement in DSO and inventory days may be a denominator effect from the revenue spike rather than true cash conversion improvement. The absolute inventory level remains very high and is a primary liquidity trap (obsolescence, slow-moving stock, and potential capitalised costs embedded in stock). Without trade creditor data, there is a strong possibility that the working capital build has been funded by stretching suppliers and/or tax creditors.

Provide monthly working capital bridge for FY2023–FY2024 (AR ageing, AP ageing, inventory ageing) and reconcile movements to cash; identify top 20 debtors and creditors with terms vs actual payment behaviour, and disclose any supplier disputes, stop-supply threats, or extended terms negotiated to fund growth.

Liquidity Ratios

Liquidity appears tight: FY2019 current ratio was 0.75 and FY2020 was 1.04; later years do not show current liabilities in the dataset (recorded as £0), yet total liabilities are material (FY2024: £6.25M). Cash is only £0.25M in FY2024, representing ~1.2% of revenue and ~4.0% of total liabilities.

Context: Even if profitability is strong, the company is operating with a very small cash cushion relative to its liability base, creating immediate liquidity risk under modest shocks (customer delay, stock write-down, supplier term tightening). The missing current liability split prevents reliance on headline ratios; the risk is that short-term obligations are being masked within aggregated liabilities.

Provide the FY2024 balance sheet with full current/non-current split and maturity profile (next 30/60/90 days) for all payables and debt-like items; confirm overdraft availability, facility limits, covenants, and actual headroom at FY2024 and latest month-end.

CASH FLOW ATTRIBUTION

Capex And Investing

FY2024 capex is £3.09M versus net cash increase of only £0.10M, implying capex was largely funded through increased liabilities and/or internal cash generation that is not visible in cash balances. Total assets increased by £3.27M in FY2024, broadly consistent with heavy investment plus working capital expansion.

"Capital structure and hidden leverage risk: if capex is funded via leases/HP, supplier financing, or invoice finance, the business may carry debt-like obligations not evident in the simplified fields. Additionally, aggressive capitalisation can inflate profits while creating future depreciation/impairment drag and covenant pressure if facilities exist."

DUE DILIGENCE DIRECTIVE

Provide fixed asset register and financing schedule for all FY2024 additions, including any leases/HP (term, interest rate, security, covenants) and any supplier-financed capex; confirm whether any development/installation costs were capitalised and provide impairment review and post year-end capex commitments.

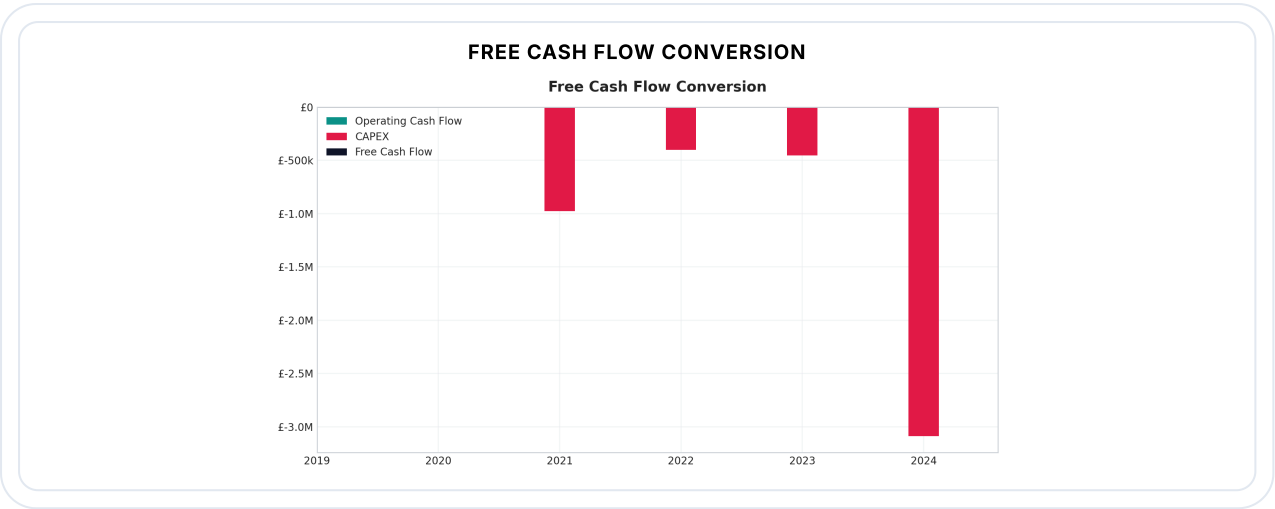
Operational Efficiency

Despite FY2024 net income of £1.98M, cash increased by only £0.10M (net cash movement £0.10M) and year-end cash is £0.25M. FY2023 net cash movement was only £0.02M with year-end cash £0.15M. This indicates weak cash conversion relative to reported earnings, particularly in a year of strong profitability.

"QoE red flag: profits are not translating into cash, consistent with (i) working capital absorption (inventory build, receivables timing), (ii) creditor stretch masking operating cash deficits, and/or (iii) capitalisation policies shifting costs out of P&L. Low cash also increases the probability of unrecorded arrears (HMRC) or reliance on informal funding."

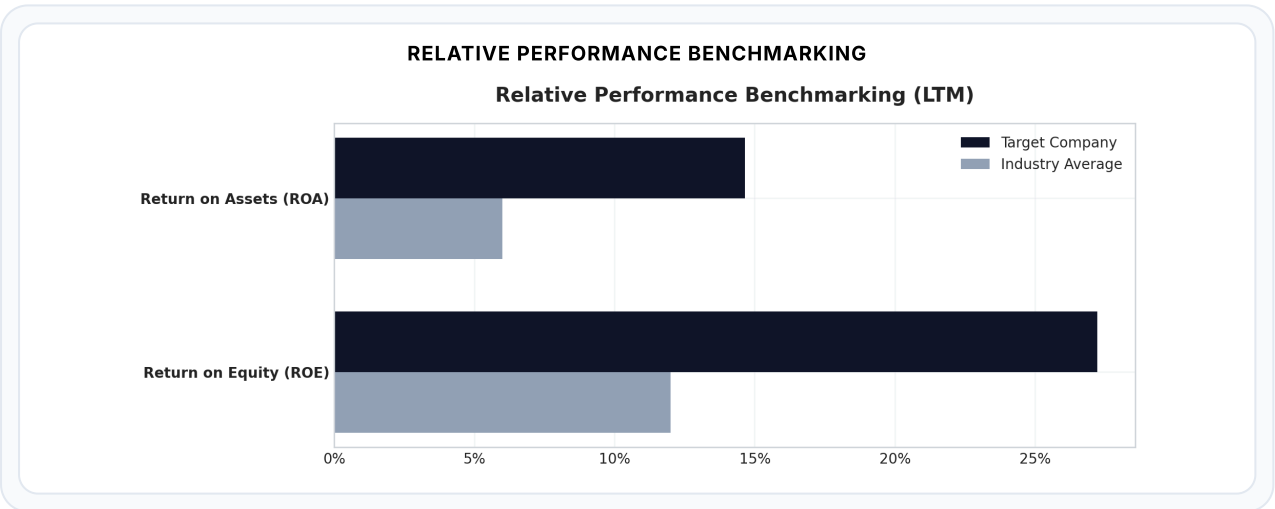
DUE DILIGENCE DIRECTIVE

Provide full cash flow statements (or bank statement-based cash bridge) for FY2023 and FY2024, reconciling opening-to-closing cash; quantify working capital movements (AR/AP/inventory/accruals/taxes) and identify any non-operating cash flows (director loans, related-party funding, asset finance drawdowns/repayments).



4.2 Peer & Industry Benchmarking

Metric	FABPLUS LIMITED	Industry Avg	Performance
ROE (Return on Equity)	27.2%	12.0%	Leader
Current Ratio	N/Mx	1.50x	N/M



4.3 Origination Model Outputs

ESTIMATED EBITDA

£2.1m

IMPLIED EV RANGE

£8.5m - £12.7m

MAX DEBT CAPACITY

£6.4m

🎯 VALUATION DRIVER

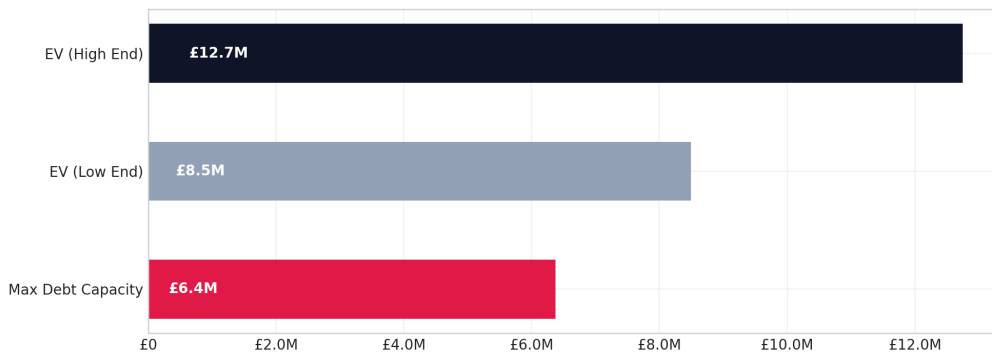
Primary driver is normalised operating earnings (EBITDA proxy) given the company is trading and profitable in 2024. Secondary drivers are balance sheet intensity and cash conversion: inventory and receivables are significant, capex is elevated in 2024, and the NWC position swings materially year-to-year, which can move equity value via completion adjustments even if EV is set on an EBITDA multiple.

📁 LBO FEASIBILITY

LBO feasibility is supported by (i) improved 2024 profitability and (ii) apparent absence of existing net debt, but constrained by (a) working capital volatility and the 2024 estimated £1.5m NWC deficit versus target, (b) inventory-heavy balance sheet (valuation/provisioning risk), and (c) limited statutory cash flow visibility (cash flow ops reported as £0 in the dataset). A lender will likely haircut leverage or require tighter covenants until cash conversion is evidenced.

ORIGINATION PROXIES: VALUATION & DEBT CAPACITY

Origination Proxies: Valuation & Debt Capacity



6.0 Appendix & Disclosures

Generated by DataDeckAI on 24/04/2026. This report is for informational and research purposes only and does not constitute financial, investment, or legal advice.

Primary Data Source: CH

Data Methodology: Data sourced directly from the UK Companies House registry. This dataset comprises up to five years of historical financial records and is updated via daily automated extractions to ensure maximum regulatory synchronisation.