30
/ 100

Not Ready

Overall M&A Readiness Score: 30/100

Kestrel Projects Ltd is not yet ready for M&A and requires significant groundwork before approaching the market, achieving an overall M&A readiness score of 30/100. The business demonstrates limited readiness across key value drivers. The primary area requiring attention is ESG & people (13/100), which presents the greatest opportunity for value improvement prior to transaction.

Estimated Preparation Time: 12-24 months (substantial business improvements needed before approaching the market)

Category Breakdown

Financial	37
Legal	33
Team	19
ESG	13

Key Strengths

- Commitment to M&A preparation demonstrates strategic intent and readiness to engage with the market

Critical Issues to Address

Weak financial records or heavy normalisation burden HIGH

Buyers require clean, well-evidenced financials. Poor records and large owner adjustments reduce valuation and increase deal risk.

Legal, tax, or structural gaps require remediation HIGH

Compliance and structural shortfalls will be uncovered during due diligence and can derail or delay transactions.

New business heavily reliant on the owner's personal network HIGH

Revenue generation that depends on the owner walks out of the door at completion, deterring buyers.

Prioritized Recommendations

1. Financial CRITICAL

   Move to accountant-prepared or audited accounts and quantify all owner/one-off normalisation adjustments for the last 3 years

   Timeline: 3-6 months

   Expected Impact: Significantly increases credibility with buyers and supports higher valuation multiples

2.

3.

4. Operational HIGH

   Document all key business processes including sales, delivery, customer service, and finance operations

   Timeline: 3-6 months

   Expected Impact: Reduces perceived operational risk and supports a smooth post-acquisition transition

5. Exit Planning HIGH

   Commission a professional business valuation from a qualified M&A advisor

   Timeline: 1-2 months

   Expected Impact: Sets realistic expectations, informs deal strategy, and demonstrates preparedness to buyers

6.

7. Legal MEDIUM

   Register trademarks and review IP ownership — ensure all IP is in the company name, not individuals

   Timeline: 2-4 months

   Expected Impact: Protects brand value and removes IP risk from buyer due diligence

Predicted Challenges

Financial due diligence scrutiny of records and normalisation adjustments high

Mitigation: Engage an accountant early to clean up financials and prepare a quality of earnings analysis

Buyer concern over founder dependency and earnout requirements high

Mitigation: Build management depth and consider a structured transition plan with defined handover milestones

Predicted Opportunities

Current M&A market appetite for profitable SMEs remains strong among PE and trade buyers

Value Impact: Well-prepared businesses are transacting at strong multiples in the current market

How to Leverage: Engage an M&A advisor to run a competitive process with multiple qualified buyers

Immediate Next Steps

1. Commission a professional business valuation to understand your likely deal value and structure
2. Start building your data room — begin with 3 years of financial statements, key contracts, and company registration documents