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BUSINESS SALES



Cash, service visits and installation work at completion

Working capital in a fire safety business

2027 edition 10-minute read

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A practical guide with a working capital and service-obligation estimator

Images are illustrative.

The whole guide on one page

Start with a dated list of what customers owe, what work remains and what the business owes. Give each amount one place in the schedule.

The question	What good looks like	Ask for
1. Start with a dated schedule	Each balance has a source	Ledger, contract and bank record
2. Separate retentions from available cash	Retentions stay within debtors	Invoice and release condition
3. Follow the installation through handover	Cash and job stage are separate	Payment milestones and job record
4. Put service cash beside visits owed	Every advance links to unfinished work	Service agreement and visit log
5. Reconcile equipment and supplier bills	No item sits in two categories	Stock list, job allocation and invoices
6. Agree the completion definition	The same rules apply across dates	Written treatment and monthly schedules

Use the estimator on page 10 with your accountant. Mark open treatment questions before calculating a total.

Bring the unexplained balance

Take your schedule and latest balance sheet to .

01285 704466 **a free first conversation**

1. Start with a dated schedule

An alarm job can bring cash in before the final handover. A service agreement can bring cash in before the visits. Put the money and the unfinished work beside each other.

What good looks like

Trace every line to the same date. UK limited companies must keep financial records, including assets, debts and supporting records [1]. Use those records to test your schedule.

Fenmere Fire Protection

Illustrative example, not a real deal

Fenmere is invented. Its figures show one chosen completion schedule, not a real deal. Cash, borrowing and tax balances sit outside this example.

Chosen schedule	Add	Less
Debtors, including retentions	£180,000	
Stock and unbilled work	£70,000	
Suppliers and subcontractors		£100,000
Deposits and advance service balance		£40,000
Illustrative working capital	£110,000	

The buyer's question

Can I follow the total back to the jobs and agreements I am taking on?

Working capital here means the operating balances included in this chosen schedule. Agree your own definition with your accountant and solicitor before using it in sale terms.

2. Separate retentions from available cash

A debtor is money recorded as owed by a customer. A retention is a withheld part of a payment. Read the actual release condition before putting a date against it.

What good looks like

For each alarm-installation retention, join the invoice, contract condition, evidence of completion and expected release date. General business-payment guidance does not settle a particular retention's release [2].

Fenmere Fire Protection

Illustrative example, not a real deal

The £180,000 debtor balance already contains £20,000 of retentions. The other invoiced debtors are £160,000. Adding the retentions again would count the same money twice.

Separate on the debtor list	Evidence to bring
Retention	Release clause and outstanding conditions
Other unpaid invoices	Agreed due date and payment record
Disputed remedial charge	Customer correspondence and next action

The buyer's question

Which invoices can be collected, and what still needs doing before the retained amount is released?

What to check

Mark retentions within the debtor total. Keep a disputed amount visible and ask your accountant how to treat it; do not silently move it into cash.

3. Follow the installation through handover

Work in progress means work started but not finished. Unbilled work means work recorded separately before an invoice. Neither label, on its own, tells you what belongs in the completion calculation.

What good looks like

Match each alarm job to its stage, invoice and payment record. BAFE's published update identifies commissioning/handover as a separate module [3]. Ask what evidence supports that stage on this job.

Fenmere Fire Protection

Illustrative example, not a real deal

One £10,000 job has these invented payment milestones. At this snapshot only the £3,000 advance is paid. It sits within the £25,000 deposit balance.

Milestone	Amount	Treatment in this example
Advance	£3,000	Already within deposits
Installation	£5,000	Not added to debtors or unbilled work
Final handover	£2,000	Not added to debtors or unbilled work

The buyer's question

What equipment, commissioning work and customer acceptance remain against the advance already received?

Ask the accountant to reconcile recognition with the actual contract and job records. Ask the technical reviewer to identify remaining work. A payment milestone is not evidence that the work is complete.

4. Put service cash beside visits owed

Advance billing brings payment forward. The service record tells you what has been delivered. Read them together before deciding what the completion schedule should contain.

What good looks like

List the visits promised, visits completed and visits remaining against each paid agreement. Match the signed terms to the attendance record, then ask your accountant to agree the treatment.

Fenmere Fire Protection

Illustrative example, not a real deal

One £2,000 agreement is paid in advance for four equally priced planned visits. One is complete and three remain. This example puts £1,500 within the £15,000 advance-service balance.

Service record	Reconciliation
Four visits for £2,000	£500 per visit in the illustration
One completed, three remaining	£500 plus £1,500 equals £2,000
£1,500 within £15,000	Do not add the agreement again

The buyer's question

Which service visits will I need to deliver after completion, and where is their advance payment recorded?

The four-visit illustration sets neither a required service frequency nor a forecast of delivery cost. Build that cost question from the actual labour, travel and materials required.

5. Reconcile equipment and supplier bills

An alarm panel in the stores needs a clear home in the records. So does equipment assigned to an unfinished installation and the subcontractor's bill for work already done.

What good looks like

Match equipment quantities, job allocations and supplier invoices. The accounting-record guidance includes assets, liabilities and supporting purchases [1]. Test that each item enters your schedule once.

Fenmere Fire Protection

Illustrative example, not a real deal

The schedule includes £30,000 stock and £40,000 separately unbilled work. Suppliers and subcontractors total £100,000. These are separate teaching categories; no stock item also sits in unbilled work.

Check	Bring the evidence
Stock available for use	Count, condition and purchase record
Stock assigned to an alarm job	Job allocation and stage record
Work not yet invoiced	Job cost and agreed billing basis
Suppliers and subcontractors	Invoices, statements and outstanding work

The buyer's question

Have all the costs attached to these jobs been captured, including the subcontractor's work?

What to check

Ask the accountant to resolve missing invoices and overlapping categories. Keep equipment condition questions with the technical reviewer.

6. Agree the completion definition

You can reconcile a schedule and still disagree about what the sale terms include. Put the definitions and open questions in writing before discussing the target.

What good looks like

Prepare comparable monthly schedules using the same categories. Ask your advisers how the agreement defines each balance, the target, adjustments and any dispute process.

Fenmere's chosen calculation	Amount
Debtors plus stock plus unbilled work	£250,000
Less suppliers/subcontractors	£100,000
Less deposits	£25,000
Less advance-service balance	£15,000
Illustrative working capital	£110,000

Fenmere Fire Protection

Illustrative example, not a real deal

£180,000 + £30,000 + £40,000 less £100,000 less £25,000 less £15,000 leaves £110,000. This is an operating schedule, not a bank balance or an extra payment to the seller.

The buyer's question

Does the same calculation work at each comparison date, including annual service receipts and unfinished installations?

What to check

Keep the agreed price, working-capital target and actual completion balance on separate lines. Ask the solicitor to explain how the agreed terms connect them.

What a public deal can tell you

A completed fire/security installation and maintenance acquisition provides a smaller-business example. The buyer acquired all the company's equity in April 2023. Its annual report records £2.0 million of revenue after completion in the year ended March 2024 [5].

A separate acquirer announced a completed fire/security acquisition in March 2025, describing broader North-West service capability and collaboration [4].

The public evidence supports	Your records must answer
Completed acquisition and dated revenue	Which balances are included?
A separate acquirer's service rationale	What work remains against cash received?
Revenue measured after completion	What period does each figure cover?

The revenue measure shows scale, not a sale price, working-capital target or exact match to Fenmere.

What good looks like

Use a public deal for its stated facts. Use your own contracts, job records and adviser-agreed definitions for the completion calculation.

The buyer's question

Can you show the schedule behind your terms rather than relying on another transaction's headline?

What to check

Choose one open balance. Record its missing document, evidence owner and review date.

Working capital and service-obligation estimator

Use one date. Enter each amount once. Add the lines marked Add, subtract the lines marked Less and write the total yourself. Ask your accountant to confirm the categories and treatment; this PDF does no sums.

Business and schedule date

Balance	Direction	Amount (£)	Agreed treatment / evidence
Debtors excluding retentions	Add		
Retentions within total debtors	Add once		
Stock, including job allocations	Add		
Separate signed-off/unbilled work	Add		
Suppliers and subcontractors	Less		
Customer deposits	Less		
Advance service payments / visits owed	Less		
Working capital on chosen definition	Total		

Open item, adviser or evidence owner, next action and review date

Retentions stay within debtors. Stock allocated to a job must not also enter unbilled work. Keep cash, borrowing and tax balances separate for adviser review. Record the agreed treatment beside each line before comparing months or a completion target.

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. GOV.UK: Company and accounting records, undated. UK limited companies. Used for record requirements only, not revenue recognition or completion definitions.
2. GOV.UK: Late commercial payments, undated. General business-payment guidance. This guide uses contract-specific questions, not a construction-contract rule or a retention-release deadline.
3. BAFE: Update to SP203-1 scheme document v8.0.1, October 2023. Used for the named commissioning/handover module, not detailed scheme rules or a universal handover document.
4. Ranger Fire and Security: McGoff & Vickers acquisition announcement, March 2025. North-West England fire/security services. Completion was reported by the announcement; its publication date is not an independently verified completion day. No price, multiple or size comparison is inferred.
5. Marlowe plc: Annual Report and Financial Statements 2024, note 12, printed page 93 / PDF page 95, hosted by Morgan Fire. Financial statements authorised August 2024; separate publication day not established. Victory Fire Limited, a fire/security installation and maintenance business, was acquired in April 2023. £2.0 million is its post-completion revenue in the year ended March 2024, not prior annual turnover, price or a valuation multiple. Smaller-business scale is an editorial inference, not an exact comparison with fictional Fenmere. No funding, profit, seller-motive or certification-transfer conclusion is drawn.

Checked Oct 2026. We review every guide after the Autumn Budget in October 2026. Take accounting, legal and technical advice on the records and terms in front of you.

The example. Fenmere Fire Protection is invented, not a Reads client or a real sale. All its figures are illustrative. Its £110,000 schedule excludes cash, borrowing and tax balances and is not a complete balance sheet or a universal deal definition. The installation milestones and four service visits are chosen teaching assumptions. The images are illustrative.

Using the tool. The evidence tests are practical prompts, not prescribed transaction terms or safety certification. A guide cannot decide how a particular sale agreement treats an amount.

Bring the balance you cannot explain



Your latest balance sheet and completed estimator are a useful starting point. Bring the open service or installation question to a free first conversation.

There is no obligation to go further.

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