



SECURITY
BUSINESS SALES

Working capital at completion

Keep the next rota funded

2027 edition 11-minute read

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A practical guide with a completion cash worksheet

Images are illustrative.

The whole guide on one page

An agreed price does not tell you which customer receipts will arrive before the next payroll. Put the operating balances and the dated cash calendar beside each other.

The check	What good looks like	Ask for
1. Agree what the balance includes	One definition used throughout	Draft completion schedule
2. Follow each invoice to a receipt	Guarding hours matched to approval and payment	Aged debtors and timesheet queries
3. Put payroll on its actual dates	Earned pay and payment timing separated	Payroll calendar and accrual detail
4. Match advances to unfinished work	Each service period and stock item counted once	Monitoring terms and stock list
5. Build the dated cash calendar	Receipts and payments shown in date order	Bank evidence and due dates
6. Settle the open points before signing	Named owners for unresolved balances	Agreed definitions and evidence

Use the two-page completion cash worksheet to record the balance, then the dates that matter. Start with the next rota and work out what must be paid before the supporting invoices settle.

Bring one unresolved balance

Bring your completed worksheet to a free first conversation.

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Speak with Simon

1. Agree what the balance includes

Start with a written definition. List the operating assets included, the operating liabilities deducted and the balances dealt with elsewhere. Keep that definition beside every version of the schedule.

Alderfen Security Services is invented and its figures are illustrative. It combines staffed guarding, maintenance and installation work. Its chosen schedule is below.

Operating balance	Add or less	Amount
Customer receivables	Add	£100,000
Installer stock	Add	£20,000
Operating prepayments	Add	£10,000
Trade payables	Less	£30,000
Payroll accrual	Less	£20,000
Customer advances	Less	£20,000
Working capital	Total	£60,000

A test you can run

Trace each guarding, monitoring and installation balance to one supporting list. Mark where cash, borrowing and equipment sit outside the operating schedule.

The buyer's question

Can I rebuild this total from the records, using the same definition as you?

The £60,000 is a balance at a chosen date, not money in the bank. Alderfen's separate bank balance is £20,000. Agree your own treatment with the people preparing the completion accounts.

2. Follow each invoice to a receipt

For guarding work, begin with the hours supplied, the customer's approval and the invoice raised. If a timesheet is queried, record who must resolve it and what evidence they need.

A test you can run

Choose an unpaid guarding invoice. Follow it back to the shift record and forward to the agreed due date. If it has since been paid, match the receipt to the bank entry.

Alderfen's debtor list

Illustrative

The £100,000 receivables balance is still owed. Any disputed or retained amount already inside it is a part of that total, not another asset to add.

Record	What to establish
Aged debtor report	Invoice date, due date and amount still open
Timesheet query log	Which hours are challenged and who answers
Credit notes and receipts	What reduced the outstanding balance
Retention terms, if any	Whether release conditions have been met

The buyer's question

Which receipts can I put on a dated calendar, and which still depend on customer approval?

Keep uncertain receipts visible as uncertain. Do not put an invoice on the calendar as cash already collected. Use the actual terms and collection evidence, not an assumed security-sector payment period.

3. Put payroll on its actual dates

A rota shows cover. A payroll calendar shows when cash must leave. Read them together so the change of owner does not obscure the pay attributable to shifts already worked.

A test you can run

Match the latest completed guarding shifts to the payroll detail. Mark the period earned, the payment date and any amount still unpaid at the schedule date.

Alderfen's accrued payroll

Illustrative

The model deducts £20,000 of payroll accrual from operating working capital. It is separate from the £30,000 trade-payables balance. Neither amount is a forecast of next month's total wages.

Cash-calendar line

Evidence to attach

Employee pay

Payroll run and scheduled bank date

Subcontracted cover

Approved shift record and supplier terms

Other payroll payments

Actual calculation and payment schedule

Replacement cover

Agreed cover arrangement and its cost

The buyer's question

Which shifts have already created an unpaid cost, and what cash is needed for the rota after completion?

Ask your accountant to reconcile payroll accruals to the cut-off date. Keep any question about who employs the staff or takes an obligation with your transaction advisers. Do not try to settle it by moving a number between columns.

4. Match advances to unfinished work

Read customer advances alongside the work still to deliver. Read supplier prepayments alongside the period they cover. An annual monitoring payment and an installer stock purchase need different supporting records.

A test you can run

Take one advance or prepayment. Match its payment, service period and remaining obligation to the underlying agreement. Check whether the same item appears elsewhere in the schedule.

Alderfen's separate balances

Illustrative

The £20,000 customer-advance balance is deducted. The £10,000 operating-prepayment balance is added. Installer stock of £20,000 is a third, separate category.

Security-work item

Question to resolve

Monitoring paid in advance	What service remains and for which dates?
Customer installation deposit	Which job and remaining work does it cover?
Alarm or access-control stock	Is it owned, usable and still on the stock list?
Equipment already installed	Has its cost already moved out of stock?

The buyer's question

Does the cash already received bring work still to perform, and have the costs of that work been identified?

Record the agreed treatment, rather than assuming every advance or spare part belongs in working capital. Ask the issuer or contract counterparty about any continuity question the documents leave open.

5. Build the dated cash calendar

Now put the expected receipts and payments in date order. Start from the verified bank balance. Carry each closing balance forward to the next date so an unpaid guarding invoice cannot hide a payroll gap.

A test you can run

Choose the actual dates of the next payroll and monitoring payment. Show the opening bank balance, the receipts expected before each date and every payment due before it.

Step	Put on the calendar
Opening position	Bank balance and date, checked to the statement
Receipts	Invoice reference, expected date and evidence
Payments	Payroll, suppliers and other actual due amounts
Closing position	Opening cash plus receipts less payments
Uncertainty	Which queried invoice or cost changes the result?

Alderfen's starting point

Illustrative

Its £20,000 cash is the starting balance for a separate cash exercise. The £60,000 operating working capital is not added as another receipt. No payment calendar is assumed for the fictional firm.

The buyer's question

If the queried guarding invoice arrives later than expected, which payment date comes under pressure first?

Run that question on your own dates. Keep the original expectation and the changed case side by side, with the changed receipt clearly marked. Agree who will resolve any gap before relying on the calendar.

6. Settle the open points before signing

Bring the balance schedule, dated calendar and unanswered questions to the same discussion. A clean debtor total is not enough if the payroll date still relies on a disputed timesheet being approved.

A test you can run

Ask another person to rebuild one guarding balance and one monitoring balance from the documents. Resolve any difference in category, cut-off or amount before agreeing the schedule.

Open point	Record before agreement
Working-capital definition	Included lines and excluded balances
Customer approval outstanding	Evidence, owner and next action
Monitoring paid ahead	Remaining service period and agreed treatment
Payroll cut-off	Earned period and payment responsibility
Cash requirement	Actual calendar and how any gap is addressed

Keep Alderfen's numbers separate

Illustrative

The model's £60,000 working capital and £20,000 cash answer different questions. Its £60,000 borrowing is also separate from operating working capital. The repeated £60,000 does not make those balances interchangeable.

The buyer's question

Can the security operation meet its next payments under the proposed terms, and is each unresolved balance assigned to someone?

Ask your accountant and solicitor how the agreed treatment appears in the proposed transaction documents. Do not add working capital automatically to a price or treat the schedule as a promise of seller proceeds.

A small-business sale, then your own evidence

An acquirer's regulatory announcement in March 2026 reported the completed purchase of a Poole business from its owner-manager. It disclosed revenue of £1.04m for the year ended December 2025, 12 staff and one trading outlet [1].

The target principally provided electronic security and specialist locksmith services, rather than guarding. Its disclosed size makes it a useful small-business example, while that different service mix calls for different operating checks [1].

Public record	Your next evidence question
An owner-managed sale at a disclosed scale [1]	Who will run payroll and collections after your completion?
Your own guarding contracts	Which timesheet approvals still hold up invoices?
Your own monitoring agreements	Which payments cover service beyond completion?
Your own installation records	Which deposits and stock items need matching?

Take the completion figures from your own records and proposed terms. The public example is not a working-capital target or a guide to price.

For acquisition-funding questions, Reads Commercial Finance is an introduction route. Partner brokers assess, advise on and arrange finance.

Bring the schedule and its missing answer

Choose one unresolved invoice, payroll date or advance to discuss in a free first conversation.

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Speak with Simon

Security completion cash worksheet

Use page one for the agreed operating balance at a stated date. Use page two for the cash dates. Confirm included lines with your advisers; add the Add lines, subtract the Less lines and write the total. The PDF does no sums.

Business and schedule date

Operating balance	Add or less	Amount
Customer receivables, including any retained amounts once	Add	£
Owned installer stock under the agreed definition	Add	£
Operating prepayments for remaining service	Add	£
Trade payables	Less	£
Earned payroll not yet paid	Less	£
Customer advances for work still to deliver	Less	£
Working capital under the agreed definition	Total	£

Agreed definition, exclusions, cut-off and debtor ageing or disputes. Keep cash and borrowing separate.

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 cash dates and evidence

Start with the verified bank balance. Record actual dates and amounts for the lines below, using the notes for further entries. Calculate closing cash as opening cash plus receipts less payments. Carry it forward between dates. Keep uncertain receipts marked as uncertain.

Business and opening bank balance with date

Cash line	Date	Amount (£)	Evidence or uncertainty
Receipt: approved guarding invoice			
Receipt: queried timesheet invoice			
Receipt: installation or other			
Payment: employee payroll			
Payment: subcontracted cover			
Payment: monitoring supplier			
Payment: stock or other cost			
Calculated closing cash			

Additional dated entries, changed receipt case, resulting cash gap and agreed next action with owner.

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. Croma Security Solutions Group plc: Acquisition of Southern Security Services, issuer regulatory announcement hosted by Investgate, March 2026, RNS 6562W. Southern Security Services Limited in Poole was acquired from owner-manager Pierre Grandjean. Completion was announced on that date; a separate legal completion day is not stated. Disclosed revenue: £1.04m for the year ended December 2025; 12 staff; one trading outlet. Its principal electronic-security and specialist locksmith work differs from guarding. The issuer's full text is the source, not the host's summary. Disclosed scale does not establish comparable operations, value, finance or working-capital terms.

Checked Oct 2026. We review every guide after the Autumn Budget in October 2026. No tax outcome or market working-capital target is calculated here. Payment dates come from the reader's actual terms, records and proposed transaction.

The example. Alderfen Security Services is invented, not a Reads client or a real sale. Its chosen operating schedule is £100,000 receivables plus £20,000 stock plus £10,000 prepayments, less £30,000 trade payables, £20,000 payroll accrual and £20,000 customer advances: £60,000. Cash of £20,000 and borrowing of £60,000 are separate. These are mutually exclusive categories in a teaching model, not a prescribed completion-account definition. No fictional payment dates, collection period or cash target are supplied. The images are illustrative.

The practical tests. The invoice, payroll, advance and calendar checks are documentary exercises. They ask the reader to reconcile their own records. They are not claims about a standard payment period, a universal contract-transfer rule or what a buyer must accept. Ask your advisers to settle the definition, cut-off, ownership and transaction treatment for your own circumstances.

Bring the payment date you cannot explain



Bring your completed worksheet and the supporting record for one unresolved balance. A free first conversation can help you decide what to clarify next, with no obligation to go further.

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