



# Adison International Limited

**THE BUSINESS BROKERAGE WITH A REAL DIFFERENCE**

## Memorandum of Sale

**Multi Branch Generalist  
Recruitment Agency  
Business Ref. JS2066**

Location: UK Wide Network

Confidentially offered for sale

**Asking Price: £5.75 million,  
inclusive of £1.6m assets**

Price includes: The following listed overleaf (which will be supplied to interested parties following the completion and signing of a confidentiality agreement).

## **Business Profile:**

This is an opportunity to purchase a long established and profitable recruitment business. Our clients provide permanent and temporary staff through its UK branch network focusing on the Industrial, Hospitality, Care and Commercial recruitment sectors. This business is particularly strong in London and the South East but also has branches in the Midlands and Northern England. The business employs approximately 40 staff members with each branch having a branch manager and responsibility of the performance of their branch. This business is entirely self funding with accumulated assets of approximately £1.6m. The company has a strong reputation for providing first class recruitment solutions including on site presence where needed.

## **Strengths:**

- Producing substantial profits
- No factoring arrangements
- Branch network of 10 branches
- Wide client base
- Active in Commercial, Industrial, Hospitality and Care recruitment
- Well motivated and stable team of recruiters
- Strong reputation and longevity with clients
- Opportunity to develop higher market services

## **Premises:**

Our client operates a branch network of 10 offices, 1 of which in Northampton is an on-site presence. There are 3 additional offices in North Yorkshire, 2 in Hampshire, 3 in London and a virtual office in Kent. All have the capacity for expansion and are fully set up for this particular operation. Most are retained on lease hold basis.

## **Quality Assurance:**

Our client is a member or key associate of a large number of recognised trade associations, including, REC, UKHCA and CBI. The business is licensed with the Department of Employment, Gangmasters License Authority and Commission for Social Care Inspection. The company has earned BS EN ISO 9001: 2000 Quality Standard Accreditation and is an Investor in People.

## Financial Information:

The business is offered for sale as “a going concern” basis by selling 100% of the share holding. All financial discussions between the vendor and interested parties will take place through the auspices of Adison International Ltd.

Year ended 31 March

	2006	2007	2008
<b>Sales</b>	<b>15,607</b>	<b>13,588</b>	<b>16,257</b>
<b>Cost of Sales</b>	<b>12,934</b>	<b>11,348</b>	<b>13,674</b>
<b>Gross Profit</b>	<b>2,673</b>	<b>2,240</b>	<b>2,583</b>
As % of sales	17.1%	16.5%	15.9%
<b>Overhead Costs</b>	<b>2,415</b>	<b>2,244</b>	<b>2,550</b>
<b>Operating Profit</b>	<b>258</b>	<b>(4)</b>	<b>33</b>
As % of sales	1.7%	0.0%	0.2%
<b>Provisions/accruals/Add backs</b>			
Directors Bonus	0	0	200
Holiday pay accrual addition	577	350	196
Directors additional pension	0	0	100
Refund of rental O/Payment	0	0	37
Discount over accrual	0	0	100
Salary Bonus	0	0	57
Salary profit share provision	45	160	0
Corporation tax provision	0	135	0
<b>Total</b>	<b>622</b>	<b>644</b>	<b>723</b>

We calculate that the EBIT for year 2008 will be in excess of £500,000.

The company has installed many initiatives to ensure further growth year on year.

## **Reasons for sale:**

Having developed and owned a recruitment business for many years the Director's now wish to realise their rewards for their achievements to date and pass on their business to an organisation that can develop it to its next level. The Directors have developed other interests independently outside of the recruitment industry which they now wish to pursue and feel that the business offers an opportunity to expand rapidly which would inevitable tie them in for many years to come. For this reason they wish to sell their entire share holding. The Directors will be happy to provide a full hand over service for the potential purchaser. One of the 3 directors would be happy to stay with the business and continue to expand services with the new owners.

## **Key Opportunity:**

The ideal purchaser for this business will be a large existing recruitment company wishing to expand via acquisition. This business will provide the buyer with a network of profitable branches; provide additional geographical cover along with considerable opportunities to derive cost savings through economies of scale. This business would also suit entrepreneurial investors looking to buy and build an organisation ready to float on the stock exchange. Once purchased this business would allow ample opportunity for further organic growth in its existing markets as well as an excellent platform from which to provide other higher level services.

## **Support:**

The Director's will provide the appropriate support, familiarisation and handover required by the purchaser. Ideally the 2 senior Director's would wish to sell and leave the business within 12 months of completion. The Director's however recognise the need for flexibility and are open minded about a longer term relationship.