



Adison International Limited

THE BUSINESS BROKERAGE WITH A REAL DIFFERENCE

Memorandum of Sale

Licensed Executive Recruitment Network

Business Ref. JS2071

Head Office – UK

Fully Supported or Re-locatable

Confidentially offered for sale

Asking Price: £1.4 million

Price includes (as listed overleaf)

**A Sales Prospectus is available to interested parties following the completion
and signing of a confidentiality agreement.**

Business Profile:

Founded in the late 1990's, this Executive Recruitment Network is a premier brand providing recruitment services into a number of buoyant market sectors including : Accounting, aerospace, banking, chemicals, civil engineering, construction, energy, financial services, healthcare, HR, IT & telecommunications, pharmaceuticals, and transportation.

Search assignments are undertaken to fill middle and senior management positions throughout the World. Typical fees charged are between 25% and 33% of salary and generate placement fees in the range of £12,000 to £80,000.

Working as independent business owners, are a group of established, well trained licensees who all operate under the same brand name offering a professional recruitment service and a wealth of experience to their client base.

The high profile branding of the network and its longevity in the market, make it a leader for executive recruitment in a variety of niche markets. The network has low overheads and is offered for sale with or without the services of an experienced support team.

Strengths:

- Established and diversified client base that regularly produces high-quality, repeat business.
- Experienced, dedicated management and support team in place.
- The business can easily be relocated if required.
- Support team members also run their own profitable recruitment desks.
- Brand is trademarked throughout the UK and the ECC.
- Solid agreements in place with all network licensees.
- Strong licensee loyalty and commitment.
- Average unexpired term of licence agreements is 6 years.
- First class relationships with all licensees and an excellent record of license agreement renewals.
- Year-on-year record of increasing profits and turnover.
- Excellent opportunity to expand in the UK and abroad.
- International Master License sales are yet to be exploited.

Financial Information:

The business is offered for sale on a 'going-concern' basis by selling 100% of the issued shares. The business is to be sold-debt free and can easily be relocated.

Turnover of the Network for 2007 was £2,427,000 producing a gross turnover to the Vendor of £458,000. The cost of sales was £21,000 producing a gross profit of £437,000. The operating profit was £324,000. The Vendor is selling an income stream that should be in the region of £450,000 per annum.

Administrative expense will vary according to the circumstances of the purchaser. Fee income from the support team is not been included in these figures.

The sale of new licence agreements was put on hold during 2007 to allow for restructuring. The marketing of new licences resumed in April, 2008 and it is conservatively estimated that at least three new licences will be sold during the remainder of the year. This would produce net profits of approximately £70,000 as well as generating additional royalty income.

In the first quarter of 2008, both turnover and profits have shown an increase compared with the same period in 2007. This is the result of the new procedures and initiatives that have been introduced during the last eighteen months.

Premises:

The modern purpose built head office building is not included in the sale, but is available separately if required.

Employees:

A Director of the Group provides overall strategic and financial control of the business although the network is structured and incentivised in such a way that licensees require minimal supervision when conducting their day to day business.

There are currently 20 established licensees operating in the UK and Europe and between them, they employ approximately 18 consultants and researchers. A support team based at head office comprising two recruitment consultants and a manager who devote approximately half their time to supporting the network.

The support team also assist in the sale of new licences as well as being responsible for initial training, coaching, mentoring, help and advice to the network. Administration and credit control facilities are provided by head office staff.

Reasons for sale:

Although the network is experiencing increasing profitability, the pending retirement of the Chairman has dictated a change of direction for the group's business interests. The network business now has less synergy with Vendor's other business activities and its sale is seen as a good opportunity to realise their investment.

Key Opportunity:

Although the business has always provided a steady and growing income stream, in August 2006 it was decided to restructure the network and concentrate on improving the performance of the existing licensees. The sale of new licenses was deliberately put on hold until 2008 when a new marketing plan and a re-designed licensee package would be introduced. This restructuring is now complete and an aggressive marketing programme for the sale of new licenses has commenced.

The network has a tested and proven business model, a strong brand name and is ideally positioned for expansion in the UK and internationally. All the major high street banks are familiar with the network and subject to the credit status of the individual, they will usually fund up to 70% of the business start-up costs - including the license fee and working capital.

The acquisition of the network could be of special interest to an existing franchisor, or to a recruitment organisation looking to either enter the franchise market, or expand their business into additional markets using a low-risk business model.

The purchaser would acquire a reputable brand name and gain immediate access to an impressive client base comprising many blue-chip organisations. The 20 licensees are well established, well-trained and committed to their businesses. Also, because of the network's unique structure, there are none of the usual recruitment industry problems like consultant loyalty and turnover.

The business represents an ideal opportunity to acquire a reputable executive recruitment business that has established 'preferred supplier' status with many international companies by providing them with them a truly unique and superior recruitment service.

Support:

The Vendor will provide the utmost support and familiarisation to ensure a smooth handover to the purchaser and will be available for short-term consultancy as required by purchaser.