



Management Consultancy

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## Memorandum of Sale

### **Industrial/Driving/Generalist Recruitment Agency**

**Business Ref. JS2094**

Location: South West Midlands

Confidentially offered for sale

**Asking Price:**

**£795,000 plus Net Assets**

### **Business Profile:**

The business was established by its current owner in 1990. The company provides mostly temporary or contract staff within a number of niche sectors including **Industrial, Driving, Catering, Nursery, the Food Industry, and other general sectors.** The business has **3 offices** in its geographical location and over the years has built an enviable reputation for providing quality recruitment solutions. This is reflected in a wide variety of clients and a number of long established client relationships. The business is professionally run supported by a highly motivated and established recruitment professionals. This business is well branded and a highly visible business in its geographical location.

### **Strengths:**

- Established for 21 years
- Well branded and high profile company
- 3 fully equipped offices
- 19 dedicated staff
- Wide ranging client base with blue chip and small companies
- Excellent reputation for honesty and integrity
- Self managing staff structure
- Tremendous potential for growth

### **Financial Information:**

This Limited Company is offered for sale on a going concern basis by selling 100% of the shareholding held by its Owners/Directors. All financial discussions will take place between the vendor and interested parties through the auspices of Adison International Ltd.

### **Financial Performance:**

For the accounting period 31 March 2010 and 2009 respectively;

|  | 2010       | 2009       |
|--|------------|------------|
| Turnover   | £4,612,113 | £7,155,375 |
| Gross Profit   | £926,033   | £1,428,404 |
| Profit or Loss on Ordinary<br>Activities before Taxation | £(35,999)  | £(199,803) |

With much of the recruitment industry in recession it is not surprising that 2010's sales turnover declined significantly. However during this time the vendor has enacted plans to save costs and this current year to 31 March 2011 it is predicted that turnover will increase to £5.5 million with an adjusted sustainable profit ability post sale of approximately £175,000. We understand that Net Assets in the company are currently approximately £180,000. The company has an invoice discounting system in place on which they have a facility to draw down up to 80%.

**Premises:**

The 3 offices are well located centrally in sizeable towns, 2 of which are leased from the Vendor. The main office has a high rental value and is oversized for its purpose. This offers an excellent opportunity to reduce costs by relocating to more appropriate and cheaper accommodation. All the offices are fully equipped and completely appropriate for their recruitment service. These offices are located with easy access to all major motorways and rail connections.

**Employees:**

Apart from the Vendor who provides oversight for the business there are an additional 19 staff, 3 of whom support payroll, credit control and client accounts management. Of the remaining 16 recruitment consultants a number have been employed with this company for many years, with the main office being run by a Business Development Director (Non Executive) with many years service to the company. The other 2 branches are run by a Branch Manager and a Team Leader. These employees run the business on a day to day basis.

**Reasons for sale:**

The Vendor has had a number of changes in his personal life and has developed a strong interest in property development which he now wishes to pursue. Informing this decision was the knowledge that this company is set for a period of substantial growth which would require a full commitment for the next 2-3 years.

**Key Opportunity:**

This is an excellent opportunity to purchase a well established, quality generalist recruitment business with 3 branches and experienced and motivated staff. This business would provide an excellent prospect for an existing recruitment company to further develop the business whilst enjoying considerable economy of scale and client synergies. This company has a strong reputation within its market sectors and could provide services into other sectors that they now touch upon. This business will attract interest from large, medium, small recruitment businesses or venture capitalists looking to grow by acquisition.

**Support:**

A major benefit for the purchasers of this business is that the current owner would provide a sufficient handover after completion. This will assist in both a smooth transition of ownership and the retention of the knowledge, expertise and brand values of the company.