



Management Consultancy

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Memorandum of Sale

Industrial Recruitment Agency
Business Ref. JS2091
Location: South West UK

Confidentially offered for sale

Asking Price:
£1.5 Million inc. Assets

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Business Profile:

This company is engaged in a provision of industrial staff, mainly on a contract basis to clients within a 30 miles radius of their location. Over the years the company has grown organically to a point where it is supplying approx. 200 temporary workers per day. These temporary workers are mainly from Eastern Europe and are housed and transported by the agency.

The business supplies workers into the Agricultural, Construction, Food Manufacturing and Warehouse Sectors. The Agency has a wide spread of customers with a largest contract representing only 18% of its turnover. Recently the business has expanded into the Commercial Recruitment Sector which operates from an entirely autonomous location.

Strengths:

- Established 7 years
- Strong reputation for quality service
- Working in diverse Sectors
- Diverse Client base
- 200 temps. out per day
- Temporary workers are housed by company
- Highly qualified and experienced team
- Additional Commercial Recruitment outlet
- Consistently profitable
- Director to stay in the business post sale
- Considerable assets

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.

Past and Future Performance

	31 Jan'2008	31 Jan'2009	31 Jan'2010	31 Jan'2011	31 Jan'2012
P/L	£156,599	£226,809	£27,171		
Adback	<u>£112,700</u>	<u>£112,700</u>	<u>£112,700</u>		
Sustainable Profit	£269,299	£339,509	£139,871	£250,000	£330,000

Average sustainable Profit over three years to 2010 is **£249,559**

The figures for 2011 and 2012 are a predicted recovery over the next two years. If so the average sustainable Profit over five years to 2012 will be approx. **£265,735**.

Profit for Feb-March'2010 is £33,238.

Net Assets are currently approx. £337,000.

Premises:

This business operates its Industrial business from rented accommodation in a local town which has considerable room for expansion, whilst the owner carries out the accountancy work for the company from their home. The company also houses a number of workers on its farm but have made provision to transfer these to another nearby location. The office is fully equipped and computerised with all facilities necessary to run the business. The separate commercial recruitment operation is located in a medium sized town on the high street location. Again, this office is fully equipped.

Employees:

The industrial business employs a well trained team of five individuals with the owner acting as MD/Financial Controller supported by a part-time employee. The business is run by General Manager and two experienced East European consultants. The other shareholder has no active input into the business.

The commercial business is run by highly experienced Branch Manager, supported by another full-time consultant.

Reasons for sale:

The owners have developed the business to be consistently profitable in a cautious manner. Whilst building the business they have remunerated themselves moderately and accumulated a reasonable level of Assets and now wish to crystallise the value of the business and its assets. The owners now wish to retire from the recruitment industry to enjoy more time pursuing their other interests. The General Manager who is also a Director of the company wishes to remain with the business post sale for a minimum of 12 months.

Key Opportunity:

The purchase of this business would provide an excellent opportunity for an existing recruitment company to further develop the business. This company has a strong reputation within its market sectors and could provide other services such a commercial and accountancy staff to their industrial clients. This business will attract interest from large, medium or small recruitment businesses looking to grow by acquisition.

Support:

A major benefit of the purchase of this business is that the current owner, who is active in the business, would provide a sufficient handover upon completion. Both the industrial and commercial businesses have an established management structure to run successfully on a day to day basis. This will assist in both smooth transition of ownership and the retention of the knowledge and brand values of the company.