



HES114 – Commercial Cleaning Services Business For Sale Central London

Business overview

- Highly profitable and very successful commercial cleaning services business.
- Clients are based in London's City and West End.
- With net profit of 21% and full year revenue for 2012/13 of £617k.
- Projected turnover for the year end August 2014 is £620k with EBITDA of £135,400.
- 27 clients on rolling service contracts on 3 months' notice plus 2 clients on 5 year fixed term service contracts.
- Service contracts account for over 80% of revenue, and the business has exceptionally good client retention rates.
- Clients come from a range of sectors but the company has a strong track record with banks and government organisations where the trustworthiness is paramount.
- The company is registered with the British Institute of Cleaning Science, and has both ISO14001 and 'Safe Contractor' accreditation.
- The business has been in operation since 1999.
- Current sales pipeline opportunities if delivered will increase total business revenue by circa 46%.
- There has been little real focus on business development in the last few years which offers a significant opportunity to a new owner.
- The business has very good systems and processes in place that will be of significant value to the buyer in order to replicate the service levels and profitability.
- The London office is a benefit for securing London-based contracts and of particular benefit for an out-of-area buyer.



Products and Services

The company offers:

- contract daily office cleaning for businesses in London's City and West End
- supplies of cleaning materials and other paper disposables
- other specialist on demand services (e.g. carpet, window, computer cleaning),

Employees

- Managing Director, Operations Director and administrator plus 60 part-time cleaning operatives.

Premises

- A rented London office, on a one-month rolling contract, at £300 per month.

Reason for sale

- The Managing Director and principle shareholder are looking to retire.
- The directors will provide a full hand-over to ensure the successful transfer of the business to the new owner.

Financial overview

<i>Year ending 31st August</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014 (Forecast)</i>
Sales revenue	£620,192	£599,364	£617,248	£620,000
Gross profit	£555,901	£533,384	£550,745	£551,800
<i>Percentage</i>	90%	89%	89%	89%
Adjusted EBITDA	£102,839	£106,448	£132,353	£135,400
<i>Percentage</i>	17%	18%	21%	22%

- The adjusted EBITDA is stated after having charged the replacement cost for the vendors.

Offers invited