



HDH279 – IT Support Services Business in NW England

Business overview

- Outstanding opportunity to acquire a highly profitable IT support business, based in the north west of England.
- In the 12 months to 31st December 2013, the business has achieved 27% net profit on a total revenue of £173k.
- The business has a strong client base which is geographically spread across the north west of England.
- The business has annual contracts with 34 clients for IT Support services. These clients account for over 95% of the total income. These client contracts are for 12 months and are renewed on an annual basis.
- The business has a further 22 annual contracts for managed services including email protection, web-hosting, data back-up and ADSL services, which account for approximately 4.6% of income at c. £8.1k per annum. These clients are all on monthly rolling contracts with 30 day notice periods.
- The total recurring revenue to the business from both IT support and managed services is £84k per annum (48%) with the remaining £81k (47.4%) accounted for by consultancy projects and hardware and software sales.
- Having been acquired out of administration by the current owner, the business has delivered steady growth over the past 18 months.
- The business primarily services small businesses in the North West with between 5 and 50 users. Most of the work is completed remotely but occasionally client-site visits are required.
- The business employs two technical staff to run the day to day support activities; all support calls are routed through a central telephone number and the call is sent out to the team to action. Both team members work from home.
- This business would be of particular interest to other IT support companies that are looking for a 'bolt-on' business that brings a substantial number of additional contracts to their books, or a telecoms company looking to move into IT support.
- Significant synergy savings are possible for buyers who already have a base in the North West through economies of scale in service delivery.





Products and Services

The business offers traditional IT support services including:

- IT Support/maintenance contracts
- Managed services (including email and web hosting and back-up systems)
- Consultancy and small systems integration projects.
- Hardware and software sales

Employees:

- 1 technical manager + 1 systems engineer.

Premises:

- Both employees work from home and have company provided transport.

Reason for sale:

- The business is owned by a large hosted and cloud services company. The vendors no longer see a strategic fit for the division and wish to sell it by means of the sale of the Customer Contracts, Staff Contracts and the Debtor Book.

Financial overview

<i>YE: 31st December 2013</i>	<i>12 months to 31st December 2013</i>
Sales revenue	£173,096
Net Profit	£46,124
<i>Percentage</i>	26.6%

Offers invited