



HGM202 Temporary Recruitment Company for Sale South West England

Business Summary

- Outstanding opportunity to acquire a highly profitable temporary recruitment company based in the South West of England.
- Founded in 2007, the company achieved £1m turnover in its first year and has grown consistently year on year.
- The company closed its financial year in December 2016 with turnover of c.£5.1m.
- Forecast to December 2017 is for turnover of £5.4m and operating profit of c.£480k.
- The company provides primarily industrial temporary staff to a range of extremely high profile companies in the South West across a range of business sectors.
- The company currently services over 25 clients regularly using temps week to week and most of these clients have been with the company for many years.
- 70% of total company revenue is under 3 year exclusive contracts which run until 2020.
- Client churn is extremely low which has supported the consistent growth of the company.
- The company has a team of highly capable staff (not including the shareholders) which also includes one permanent consultant who joined the business in 2016.
- Both shareholders have other business interests – one has very limited involvement in this business (2-3 days per quarter) and the other performs a part time key account management role within the company.
- The shareholders have planned for management succession and in 2016 promoted a key staff member to director (non-shareholding) and he takes the day to day leadership reins of the business.
- The company has a strong balance sheet and has no debt other than an invoice discount facility.
- The company would be of interest as a bolt on to an existing local company or as a regional office to a National company looking for a strong foothold in the South West/M4 corridor.



Services Provided

- Temporary recruitment
- Search and selection
- Resourcing
- CV writing
- Permanent recruitment
- Interview techniques

Employees

- There are 5 employees as follows:
 - o 1 Operations Director
 - o 1 Senior Consultant
 - o 1 Temporary Consultant
 - o 1 Permanent Consultant
 - o 1 Administrator

Premises

- 1000 sq. ft. over first and second floors of the business premises which are in a high-street location.
- Five-year lease commencing on and from the 22 October 2012.
- Rent of £9,500 per annum and business rates of £438 per annum.

Reason for sale

- Both the vendors have other significant business interests and it is expected that the vendor with the very limited involvement would leave the business after a short handover. However, the vendor with the key account management role would be fully committed to support an extended handover of the business into new ownership and would also be happy to consider a longer-term role if this suited the buyer.

Financial overview

<i>Year ending 31st December</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>
Sales revenue	£4,215,216	£4,181,410	£5,154,858
Gross profit	£644,192	£660,597	£739,234
<i>Percentage</i>	<i>15%</i>	<i>16%</i>	<i>14%</i>
Adjusted EBITDA	£259,383	£368,589	£352,443
<i>Percentage</i>	<i>6%</i>	<i>9%</i>	<i>7%</i>

Offers Invited