

EXAMPLE COMPANY

COMPANY INSIGHT

STRICTLY PRIVATE & CONFIDENTIAL



MOORGATE
— P A R T N E R S —

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Testimonial

*We've worked with Example Company many times.
They have consistently delivered an outstanding service
and helped us to find great staff.*

→ JOE BLOGGS,
PARTNER, LAW COMPANY

Executive Summary

EXAMPLE COMPANY

EXECUTIVE SUMMARY

Main Activity

Specialist recruitment services
www.exampleclient.co.uk

Location

London, UK

Headline Financials

Income Statement* (£)	2018	2017
Turnover	1,589,488	1,678,978
Total Costs	1,326,022	1,450,447
Net Profit	263,466	228,501
EBITDA	274,816	228,531

Contact Details

For further information contact:
Alex.perry@moorgateip.com

KEY ASPECTS

- ✓ Established brand in recruitment; Working with over 100 of the top 200 companies
- ✓ Consistent and growing profits
- ✓ Exceptional staff retention
- ✓ Debt free
- ✓ Resilient to swings in the economic cycle

OPPORTUNITY

- ⊕ Expand into new disciplines with existing clients
- ⊕ Growth potential outside the western region
- ⊕ Headcount growth through larger office

Background, History & Ownership

RECRUITMENT CLIENT

Background

Example Company was founded in 1999 by John Smith to offer recruitment services in the UK. The business has grown steadily over the last twenty years and now works with a range of different firms.

Ownership

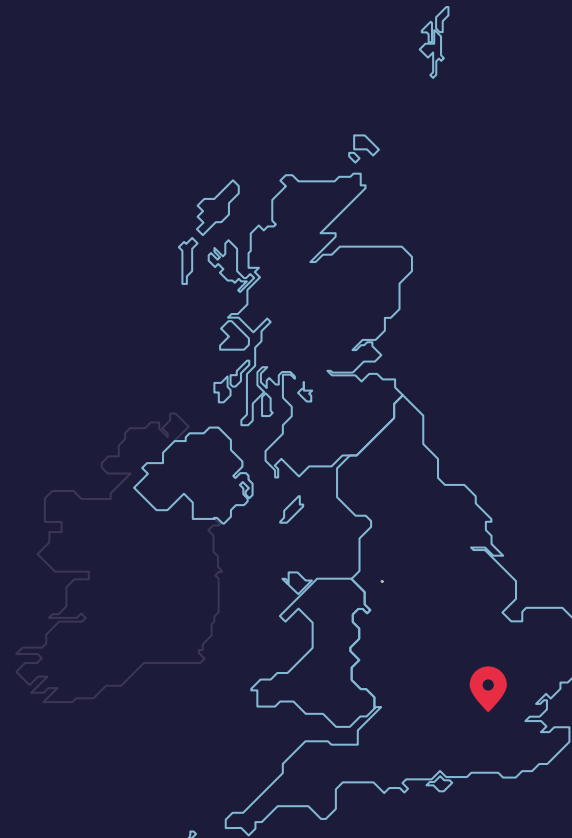
The company is owned 50% by John Smith and 50% by Jane Smith.

Location

Main office headquarters just outside of London, UK. The business has been exploring franchise opportunities in Northern Ireland, the UAE and Asia.

Timeline

Business was founded in 1999, and has since grown steadily to having 32 employees. One of the key strengths is the low turnover of staff in the business. The managers in the company have been with the business over 14 years.



**BACKGROUND, HISTORY
& OWNERSHIP**

Background, History & Ownership

RECRUITMENT CLIENT

Company Details

The Business consists of one legal entity;
Example Company Limited.

Company Number:
01994875

Registered Office:
6 London Building
Hackney Street
British Hill
London
NE21 6MU

Last Accounts 31/03/2018

**BACKGROUND, HISTORY
& OWNERSHIP**

Reason for Sale

The present owner of the business has set up another business venture and now wishes to focus on this full time.

Products & Services

RECRUITMENT CLIENT

Activity

Recruitment into the Legal market in the UK. Typical clients are legal firms with between 5–10 partners in the business.

Fee income is split 75:25 in favour of staff placements over contract revenue. The types of roles resourced for are:



PRODUCTS & SERVICES

Placements



Customers & Business Sources

RECRUITMENT CLIENT

Customers

- Clients tend to be legal firms with between 5-10 partners.
- Geographically distributed across the UK with 60% of revenues generated in the South East and Greater London area.
- Fees average at £6700 per placement.
- Fees are agreed between 15-25%, although 15% is agreed if the client is willing to accept 7 days payment terms.

Business Sources

14% Direct Telephone contact

22% Web based Marketing

64% Repeat Business

CUSTOMERS &
BUSINESS SOURCES

Market & Opportunities

RECRUITMENT CLIENT

Market

- The legal market was worth £24.4bn to the UK economy in 2018, and is predicted to grow by 4% in 2019.
- Competition for talent has resulting in increasing salaries for lawyers.
- Growth sectors of the legal market include technology real estate and environmental and construction (2018 Index Consulting).
- The legal profession is considered to be fairly resistant. In commercial law Brexit is seen as a stimulator of trade, “the need for legal advice about Brexit will only intensify after the UK leaves the EU on 29 March 2019” (chambersstudent.co.uk).

MARKET & OPPORTUNITIES

Market & Opportunities

RECRUITMENT CLIENT

Key Opportunities



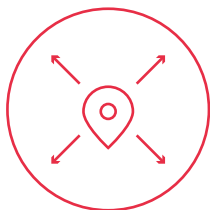
Growth of staff

The company has been limited recently by nearing capacity with the existing office. By increasing the space available and the staff, the business would be able to increase fee income.



Improving commercial terms

Fee agreements are offered at 15% where clients are willing to agree 7 day payment terms. Renegotiating terms upwards could improve top line figures significantly.



Geographic focus

Currently 60% from the South East including the Greater London area. Hubs exist in Leeds, Manchester, Newcastle, Bristol which are underdeveloped.



Focus on auxiliary services

Areas such as IT, marketing and other ancillary services could yield a new revenue stream with existing clients.

MARKET & OPPORTUNITIES

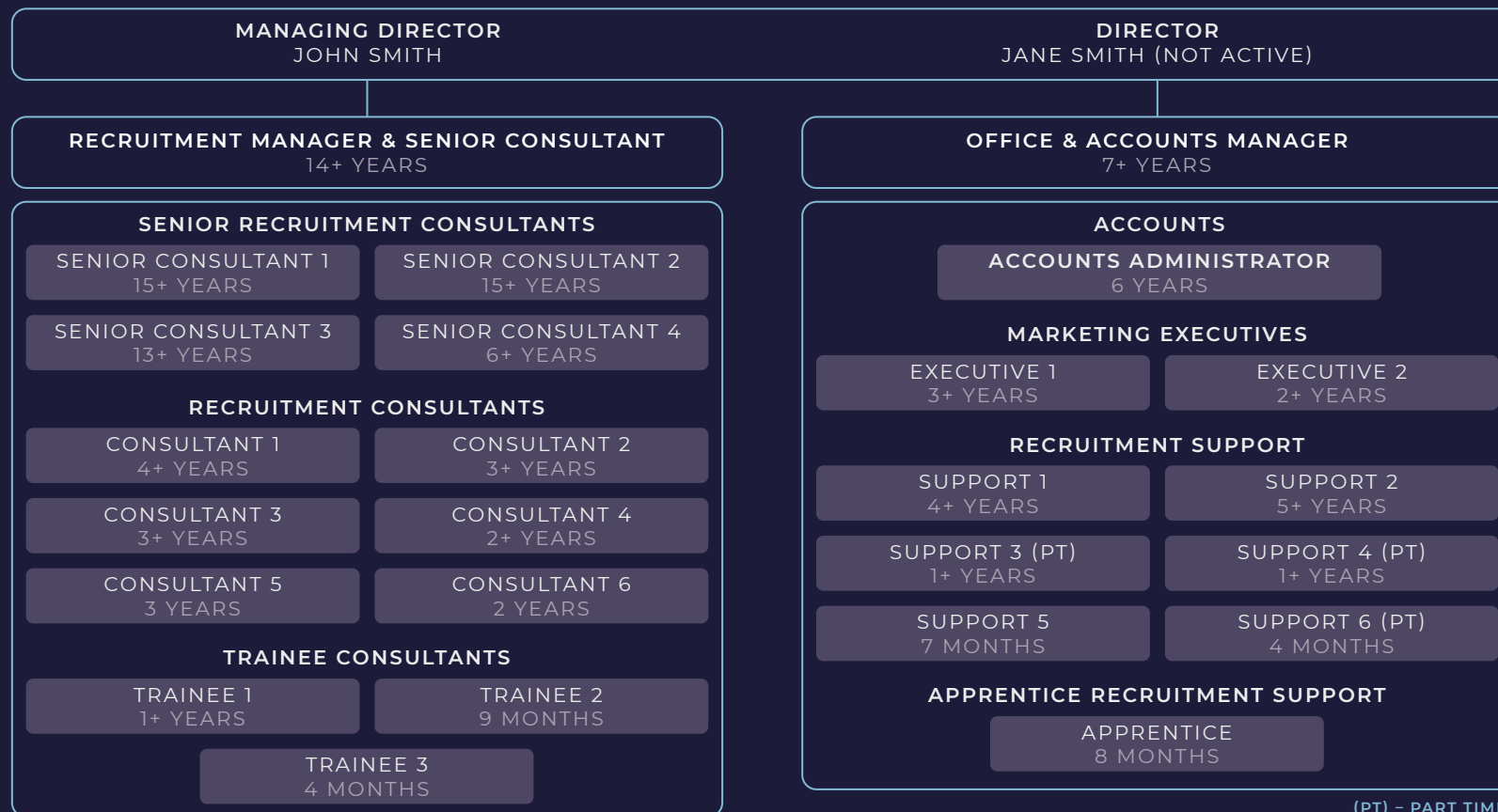
Operations

RECRUITMENT CLIENT

Office

Currently leasing a premises with annual cost of £32,000 per annum. No notice period on the lease.

Organisational Structure



(PT) - PART TIME

OPERATIONS

Operations

RECRUITMENT CLIENT

Key Personnel

Example Company is characterised by the high retention rates of its staff, particularly notable in the recruitment sector. Day to day recruitment and administrative responsibility is largely handled by the key employees of the business.



JOHN SMITH
MANAGING DIRECTOR

John has grown the business since inception since 1999.



OFFICE AND ACCOUNTS MANAGER
7 years with Example Company



SENIOR RECRUITMENT CONSULTANT
Over 15 years with Example Company



RECRUITMENT MANAGER
Key team manager, 14 years of service



KEY RECRUITMENT CONSULTANT
Over 15 years with Example Company

OPERATIONS

Operations

RECRUITMENT CLIENT

Competition

Competitor 1 – Based in Central London with approximately 100 staff. Offices in London, Brighton, Manchester and Australia. Focuses on the SME market, commercial and family law.

Competitor 2 – Based in Central London with around 80 staff. Additional offices in Manchester and Birmingham. C2 work across the legal sector including focussing on in house legal teams with blue chip clients.

Competitor 3 – Founded in 1978, Competitor 3 are the most familiar of the legal recruitment firms. With around 240 staff, C3 place strong emphasis on regional offices, with 13 in the UK, and additional presence in Italy and Switzerland.

OPERATIONS

Financials

RECRUITMENT CLIENT

Income Statement* (£)	2018	2017
Turnover	1,589,488	1,678,978
Total Costs	1,326,022	1,450,447
Net Profit	263,466	228,501
EBITDA	274,816	228,531

Financial Statement (£)	Legal	Online	Resources
Fixed Assets	23,732		389
Current Assets	29,1791	18,039	70,786
Creditors (due in one year)	-179,144	6,383	27,408
Net Current Assets	112,647	11,656	43,378
Accruals and deferred income	42,042	-17,200	4,280
Net Assets/Liabilities	89,995	-5,544	39,487

FINANCIALS

Total Net Assets for all companies at
31st March 2018: **£123,938**

* Figure given represents
combined performance of all
business entities

Thank you



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