

## HA0036 – Document scanning and archive company for sale

### Business overview

- Outstanding opportunity to acquire a successful document scanning and archive business, with a wide range of well known private and public sector clients, based in London with a second operation in the west of the UK.
- This is a profitable and cash generating business, which continues to deliver good profits despite the current economic climate.
- Established in 1993, the business has developed an extremely loyal client base with 300 regular clients. The client base is very diverse and includes many local authorities and NHS trusts, as well as blue chip companies in the construction, oil, security, health and pensions sectors.
- Over 90% of current business is from the existing client base.
- This business would be of particular interest to other document scanning and archive businesses or online security and outsourced business service companies that are looking for a bolt-on acquisition to add to their portfolio. Significant synergy savings for such buyers who already have a base in London/South East UK.



### Products and Services

- The business provides a highly controlled and secure document scanning, archiving, and retrieval service, including:
  1. Document scanning - Paper, microfilm/fiche, X-Rays
  2. CD-Duplication - Mass duplication of CDs
  3. Microfilming - 16mm, 35mm & 105mm microfilming
  4. Archiving - physical and digital
- The company has developed their proprietary online document repository, which is a powerful browser based document, file and image archive repository that forms the basis of many clients' online archives and back-up system. Clients are signed up to a service contract with a recurring monthly fee.



**Employees:**

- 2 directors (vendors) + 1 sales director + 1 site manager + 36 production and administrative staff

**Premises:**

- The business operates from two leasehold premises:
- London premises: Rent: £21,000 per year, Rates: £9,855 per year  
Duration of lease: TBA.  
The premises consist of a two story building with office space of just over 800 sq ft, a production area of 1,169 sq ft, storage of 659 sq ft and a secure yard of 808 sq yard.
- Second site: Rent: £48,730 per year, Rates: £15,575 per year  
Duration of lease: 10 year lease commenced in September 2007 with a review after five years.  
The premises consist of a high eves warehouse and office space, 8,800 sq ft in total.

**Reason for sale:**

- There is currently a window of opportunity for a trade buyer to acquire the business and make significant synergy savings. Moreover the timing is now right for appropriate investment in new technology and equipment.
- The directors are therefore looking for a sale or merger with a suitable trade partner. They are flexible to stay with the business or to leave after a hand-over period.

**Financial overview**

<i>Year End:</i>	<i>31-Oct</i>	<i>31-Oct</i>	<i>31-Oct</i>	<i>31-Oct</i>	<i>31-May</i>
<i>Year</i>	<i>2005-06</i>	<i>2006-07</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10 Forecast</i>
<b>Sales revenue</b>	<b>£2,394,607</b>	<b>£1,887,227</b>	<b>£2,114,292</b>	<b>£1,485,976</b>	<b>£1,356,147</b>
Gross Profit	£885,600	£547,505	£844,290	£417,341	£501,838
<i>Percentage</i>	37%	29%	40%	28%	37%
<b>Adjusted EBITDA</b>	<b>£504,944</b>	<b>£137,325</b>	<b>£386,466</b>	<b>£57,462</b>	<b>£176,419</b>
<i>Percentage</i>	21%	7%	18%	4%	13%

Further synergy cost savings of £190k are possible through reduction in management and administrative staff and the closure of one site. Based on the forecast for 2009-10, this would enable the buyer to achieve an EBITDA of £367k.

**Offers invited for transfer of company shares**