

## Business Overview Memo

### Business for Sale – Project Weld

<b>Business Opportunity</b>	An opportunity has arisen to acquire a long established specialist machining manufacturer. It is anticipated that due to the financial position of the Company, the purchase will be executed at the earliest possible opportunity by means of a sale of its business and assets.																																						
<b>Business Overview</b>	<p>The Company's principal activity is that of manufacturer of products and equipment for the process industries. These include items such as pressure vessels, pipework, filter vessels, fabrications, machining and instrumentation.</p> <p>Precision work compliant with the strict quality control and traceability requirements of the key sectors in which it works, including the oil, gas and marine sectors.</p> <p>ISO certification held.</p> <p>Annual turnover of c. £1m made up of substantial repeat work from significant well known customers who have been with the business for 10/20 years or more.</p> <p>Current WIP/sales orders of £175k.</p> <p>Operates from rented industrial premises in South Central England, with excellent rail, road and airport links, but could be relocated.</p> <p>Range of specialist plant and machinery (nbv £153k) and stock (nbv £90k).</p> <p>Highly skilled work force of c.15 being 10 shop floor (principally skilled welders and fabricators) and 5 administration/management.</p>																																						
<b>Financial Information</b>	<table border="1"> <thead> <tr> <th></th> <th>31 Dec 17 Management 10 months</th> <th>31 Mar 17 Unaudited Year</th> <th>31 Mar 16 Unaudited Year</th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td>£851,000</td> <td>£1,064,000</td> <td>£1,094,000</td> </tr> <tr> <td>Gross Profit</td> <td>£212,000</td> <td>£82,000</td> <td>£303,000</td> </tr> <tr> <td>GP%</td> <td>25%</td> <td>8%</td> <td>28%</td> </tr> <tr> <td>Operating Profit/(Loss)</td> <td>(£32,000)</td> <td>(£192,000)</td> <td>(£6,000)</td> </tr> </tbody> </table> <p>In recent months the Company's ownership has changed, introducing a highly experienced commercial director, who has implemented significant improvements in both cost and margin controls. As a result profit levels have risen from 8% in FY17 to 25% for the 10 months ended 31 December 2017. However, the further funding needed to service historic debts and complete the turnaround is unavailable.</p> <table border="1"> <thead> <tr> <th></th> <th>31 Dec 17 Management</th> </tr> </thead> <tbody> <tr> <td><b>Fixed Assets</b></td> <td></td> </tr> <tr> <td>Plant &amp; Machinery</td> <td>£153,000</td> </tr> <tr> <td>Office Equipment</td> <td>£7,000</td> </tr> <tr> <td><b>Current Assets</b></td> <td></td> </tr> <tr> <td>Stock</td> <td>£90,000</td> </tr> <tr> <td>WIP / Sales Orders</td> <td>£175,000</td> </tr> <tr> <td>Trade Debtors</td> <td>£202,000</td> </tr> </tbody> </table> <p>This table summaries key extracts from the Company's balance sheet relevant to a sale of business and assets.</p>				31 Dec 17 Management 10 months	31 Mar 17 Unaudited Year	31 Mar 16 Unaudited Year	Turnover	£851,000	£1,064,000	£1,094,000	Gross Profit	£212,000	£82,000	£303,000	GP%	25%	8%	28%	Operating Profit/(Loss)	(£32,000)	(£192,000)	(£6,000)		31 Dec 17 Management	<b>Fixed Assets</b>		Plant & Machinery	£153,000	Office Equipment	£7,000	<b>Current Assets</b>		Stock	£90,000	WIP / Sales Orders	£175,000	Trade Debtors	£202,000
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<b>Expressions of Interest</b>	<p>Interested parties are invited to register their level of interest. Access to additional information will be provided on receipt of signed non-disclosure agreement.</p> <p>Interested parties will be required to sign a non-disclosure agreement (NDA) and submit purchase offers by 5.00pm on 19 March 2018.</p>																																						

For further information,

All enquiries, including requests for a non-disclosure agreement (NDA), should be directed to:

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