

Branded Goods Co Ltd
Business Sale Prospectus

Summary Description

Branded Goods Co Ltd sells and distributes branded promotional goods on-line. The company has a 5 year track record of stable EBITDA and increasing net profit %.

It is a 'turnkey' business with clearly defined processes and an operating manual prepared by the current business owner.

Customers range from larger corporates to SMEs and public sector organisations, mainly in the UK.

Orders are received on-line and outsourced to trusted suppliers for artwork, manufacture and distribution of the products

Current opportunity

The opportunity is to purchase the goodwill (company name, website, know-how, customer and prospect database) or purchase all the shares in the company. The latter option is recommended so that supplier contracts can continue on current terms.

The ideal purchaser is someone looking to acquire a profitable home-based business with a proven business model and profitable trading record.

The business has growth potential with investment in promotion and advertising.

Current management

The business is run by the current director and shareholder on a part-time basis. Historically, average weekly working hours have been approximately 20 per week.

The current scope of work undertaken includes:

- Business planning
- Supplier management
- Website administration
- Marketing, advertising and promotion
- Sales
- Order administration
- Customer care and resolving queries

Bookkeeping, VAT and accounts administration have been outsourced to a firm of accountants

Markets

Customers are mainly based in the UK. A small number of orders have been filled in other European countries.

Customers include:

Large corporates

SMEs

Public sector – schools

Charities

A number of customers have provided repeat business. There is believed to scope to develop repeat business and customer loyalty with regular communication and perhaps specialising in specific market sectors, eg schools

There is believed to be scope to develop some of these sectors with targeted marketing campaigns.

Marketing

The main method of marketing and advertising is Google Adwords. The methods used, Ad descriptions, key words etc would form part of the sale.

There is believed to be scope to use other marketing media such as LinkedIn, Twitter, Facebook, Direct Mail, PR etc to develop the business further.

Product

The products sold are branded promotional goods.

The most common sales are shirts, umbrellas, mugs, pens although there is a broad range available

Price

There is an agreed price list with suppliers.

There is some flexibility on pricing but the company aims to make a target growth margin on each sale.

Over the last 5 years average gross margin is 28%.

Distribution

Distribution is arranged by the suppliers as part of the agreed service.

This is usually with couriers such as [DHL etc]

Market niche

The company has not followed a niche marketing strategy although sales have been made to a number of UK schools, some of whom have become repeat customers.

It is believed that there is scope to develop different market niches with targeted marketing campaigns

Competition

[Need to research this more]

Branded promotional goods is a competitive sector.

This company has continued to thrive due to market knowledge and using proven marketing techniques (Google Adwords) which deliver measurable results.

Highlights of Financial Performance

Key financial highlights are:

	2015	2014	2013	2012	2011
SALES	66,572	54,167	87,995	87,386	112,767
EBITDA (ADJ)	14,292	9,580	17,878	14,009	13,716

Forecast EBITDA for 2015/16 is c£8,000. This is forecast to be lower than previous years due to the business owner having less time to spend on the business, due to other interests.