

**McGinley Group**

# Group Profile

**Fourth Quarter 2011**



## introduction



The McGinley  
Group is  
ranked 49th in  
the top 250  
Report 2011

Established in 1962, the McGinley Group is primarily an investment business whose principal role is to act as a consolidator of recruitment associated business within the UK and on an International basis. Our subsidiaries and associated companies act in the capacity of Employment Businesses or Agencies and undertake consultancy and specialist package works with an aim to provide cost effective support services to their clients.

Today, the McGinley Group is ranked 49th in the top 250 Report 2011 compiled by Recruitment International. We employ 195 people, supply some 3,000 temporary and contract staff each day and place circa 500 candidates each year into permanent positions via our network of 20 offices.

The Group specialises in supplying Executive Search, Interim Managers, Qualified Professionals, Business Support, General Staff and Trades and Labour.

# group structure

The Group is in the process of completing a restructure and as of January 2012 will consist of six subsidiary companies; six trading brands and one associated company (as noted below). We continue to implement our five year plan which recognises the importance of organic growth, acquisitions, business development and consolidation.

## Group Subsidiary Companies

- McGinley Support Services Ltd
- McGinley Human Resources Ltd
- McGinley Infrastructure Services Ltd
- Storm McGinley Support Services Ltd
- Resourcing Services UK Ltd
- Armadeira Data Services Ltd

## Group Additional Brands

- IH-S
- SSC
- HSS Resource
- RecruitLeads.com
- Add-cv.com
- Jobs@mcginley

## Group Associated Companies

- JSB McGinley Systems Ltd

## Our Team

### Directors

#### Seamus McGinley FRICS: Chairman

Seamus leads the group's strategy relating to our acquisition, merger and joint venture policy, participates in all primary discussions and negotiations with third parties and, following the successful acquisition of a business, implements our post-purchase plan.

#### Dermot McGinley: Group Managing Director

Dermot works closely with each Managing Director; offering direction, guidance and support. He assists each subsidiary in preparing their individual business plans, annual projections and overhead budgets and sales and marketing plans. By working closely with each business throughout the group, his aim is to ensure synergies and commercial opportunities can be maximised.

#### Len Loveday: Financial Director

Works closely with the Chairman implementing the group's acquisition, merger and joint venture policy by reviewing all financial and commercial matters associated with potential opportunities. On an ongoing basis he works closely with each Financial Director/Controller; monitoring results, offering direction as well as guidance and support, in order to ensure financial and commercial targets are achieved and group financial procedures are maintained.

### Advisors

#### Kerman & Co LLP

200 Strand, London  
WC2R 1DJ  
Tel: +44 (0) 20 7539 7272  
Fax: +44 (0) 20 7240 5780  
DX: 99 CHANCERY LANE  
Email: Info@kermanco.com

#### Pricewaterhouse Coopers LLP

89 Sandyford Road  
Newcastle upon Tyne  
NE1 8HW  
Tel: +44 (0) 191 232 8493  
Fax: +44 (0) 191 269 4400



## forward thinking

Our five year plan is based on achieving sales of circa £183m and an PBT of £12m, by 2015

### Acquisition Policy

Our Acquisition policy surrounds two key areas: Firstly, with the identification of stand-alone or subsidiary recruitment companies for sale, with a minimum Net Fee Income of £0.6m (thus ensuring a small team has been created and consolidated) to a maximum of c£10m. As part of the negotiation, we will consider a partner as opposed to an outright purchase should an existing owner wish to remain with the business and take advantage of future growth.

Secondly, we aim to identify employment businesses or agencies which are owned by major or corporate groups whose principal activities are not within the Recruitment Industry. The recruitment activity undertaken will not be core to the group's business; however it may support their activities. The group may wish to dispose of the recruitment business entirely in order to generate value, or they may wish to simply dispose of a proportion of their shareholding in order to strengthen the management and increase the business value for a potential exit in the future.

### New Business Development Policy

We are also committed to the development of:

- New business ventures. By giving entrepreneurial individuals the opportunity to create a new business or expand their existing small business within the group
- Branding opportunities where we can leverage a partner's market position.
- Joint ventures with other recruitment or non-recruitment companies where a recruitment related opportunity exists.
- On-line recruitment technology which can generate commercial advantage for the Group or deliver a new product to the market.

### Buy and Build Policy

Based on our 30 years 'hands on' experience and knowledge of directing and managing recruitment businesses we are now refocusing our expertise on supporting both the group and individual subsidiary businesses to acquire and develop multi disciplined activities. These can then be restructured or merged with existing or new businesses to create stronger niche operators who can be built, sold or floated as a singular or combined offering.

### Projected Sales

In summary, our five year plan is based on achieving sales of circa £183m and an PBT of £12m, by 2015, with a sales split of 75% temporary/contract hired personnel, 15% permanent placement fees and 10% consultancy or package works.

With an annualised projection of £100m and a PBT of £6.4m in 2011 we have been able to consolidate the group's financial position and create a good foundation for achieving our future plans.



# changes and opportunities

## Changes Since Last Quarter

### McGinley Human Resources

Recruitment is a fiercely competitive marketplace and McGinley Group recognises the need to constantly review our businesses and decide how to move forward. As a result of a recent review, we have rebranded McGinley Resourcing Solutions, along with the construction and industrial arms of both McGinley Support Services and Leda Support Services into McGinley Human Resources Ltd

McGinley Human Resources Ltd (MHR) will enhance the group's multi-sector recruitment offering outside of the infrastructure market. It will also control the operational functions of Resourcing Solutions (UK) Ltd although that business will retain its own brand names, IH-S and SSC.

### McGinley Support Services

McGinley Support Services Ltd (MSS) will continue to promote and deliver our excellence in rail and civil engineering recruitment activities and support services. We will seek future growth and diversification from within the UK's and international infrastructure markets. Over the coming months and years you'll see us targeting the UK's infrastructure civil engineering businesses with work in rail, metro, roads, water, energy, waste, airports, ports and telecommunications

### Armadeira Data Services

Through our technology business we have developed a number of web based applications which can deliver market intelligence and sales leads in 'real time' to the desk of the front line and give candidates access to a broad scope of vacancies.

The Armadeira system is a highly proactive, cloud based, B2B and B2C data mining platform and solution.

## Further Opportunities

The group are now looking for our advisors, partners, associates, staff and clients to bring new acquisitions, mergers, joint ventures, entrepreneurs or branding opportunities to the group in order to underpin our growth.

In support of this goal Martin Savage has transferred to a group role to support all aspects of acquisitions and development. Prior to joining the group Martin ran the corporate finance practice of one of the top 25 accountancy firms. He brings with him his network of contacts and expertise developed in the world of international and investment banking

We constantly review opportunities, however, we remain cautious on the type, size and management culture within the businesses we are considering, as we wish to ensure there is a 'win win' situation for all parties. It is essential that each business brings added value to the group and fits within our strategic plan.

In turn we are keen to work closely with new sources of opportunity, in order to widen the scope of our activity.

To this end we have recently launched a microsite focusing on the expansion of existing small recruitment businesses and the development of new 'start up' businesses. Through our innovative, tried and tested financial and operating procedures we can support these small businesses and help them to grow. Please visit [www.mcginleykickstart.co.uk](http://www.mcginleykickstart.co.uk)



# our markets

Circa 500 permanent placements successfully completed each year

## Our Markets

Our various subsidiaries are active in seven distinct markets, and supply various grades of personnel.

**Aerospace** - Currently accounts for 7% of our annual sales. This includes the supply of technical and project management staff on a contract and permanent basis.

**Construction** - Currently accounts for 26% of our annual sales. Providing staff at all levels on a temporary, contract and permanent basis. We continue to invest in the expansion of our market share, developing clients whose activities are within the Infrastructure sector and focus on Design, Build, Maintain, Operation or Ownership functions.

**Health and Social Care** - Represents 5% of annual sales. We supply staff and Interim Executives on a temporary, contract or permanent basis.

**Industrial** - This fast growing sector currently represents 10% of our annual sales. We place staff right across all areas of our business from Drivers to Flight Crew, Interim Executives to Sales staff again on a temporary, contract or permanent basis.

**Pharmaceutical** - Currently accounts for 5% of our annual sales, specialising in sales staff on a contract hire or permanent basis.

**Public Sector** - Represents 8% of our annual sales, where we presently focus on the supply of professional, general and social care staff, whether this is on a permanent, contract or temporary hire basis.

**Railway** - Our largest sector, this represents 39% of our annual sales and covers all aspects of the business from on-track through to the management team and on to the design function.

## Major Client Listing

Our client portfolio is made of principally blue chip companies as well as a selection of successful SMEs.

On an annual basis the Group supplies approximately 440 clients per year at approximately 1800 locations. We have therefore only listed a sample of our client base:

- Airbus UK
- Amey
- Amey Colas JV
- Babcock Plc
- Balfour Beatty Plc
- Ballymore Group
- BAM Group
- BMI Baby
- Bouygues
- Cambridgeshire County Council
- Carillion Plc
- Colas Rail
- Costain Plc
- EADS Astrium
- Ferrovial Agroman
- Kier Group
- Laing O'Rourke Plc
- Mace
- McCarthy and Stone Plc
- Menzies Aviation
- Miller Group
- Nas Air
- Network Rail Infrastructure
- NHS East of England
- Procurement for Housing
- Ryanair
- Sandwell Metropolitan Borough Council
- Schering-Plough
- Skanska Plc
- Smith and Nephew
- Staffordshire and West Midlands Probation Trust
- Tube Lines
- Vinci
- Wates Group
- Westinghouse
- West and Wales Utilities
- Wizz Air

## workload



### **Compliance and Development**

One of our key strengths within the McGinley Group is our specialist Compliance and Development teams who manage and control sector and client specifications. With the increase in demand for compliance and the ongoing assessments of personnel we ensure that we always meet the required needs. This has become a majority contributor to our ongoing success and has led to the group securing a number of security and safety reliant contracts.

At the foundation of our compliance and development program is our Equality, Diversity and Inclusion policy which is promoted throughout our entire group and underpins all of our processes.

### **Geographical Workload**

The Group maintains a workload in various geographical areas of the UK and internationally, particularly Europe, Africa, GCC regions and Asia. We are focused on balancing the workload throughout our area of operations.

The logo for McGinley Group is located in the top left corner. It consists of a blue rounded rectangle containing a white rounded rectangle. Inside the white rectangle, the text "McGinley Group" is written in a white, sans-serif font. The "McGinley" part is in a larger font size than "Group".

**McGinley** Group

Ground Floor  
The Edward Hyde Building  
38 Clarendon Road  
Watford  
Hertfordshire  
WD17 1JW

t: 0845 543 5953  
f: 01923 209 453

e: [info@mcginleygroup.co.uk](mailto:info@mcginleygroup.co.uk)  
w: [www.mcginleygroup.co.uk](http://www.mcginleygroup.co.uk)