

Connected by creativity

Acquiring advantage with flexible funding

“With Investec, you feel like you’re speaking with fellow business people, rather than a bank. They took the time to understand the business and applied real flexibility and creativity to the deal. Taskmaster, like all industrial recruitment businesses, experiences peaks and troughs in its cashflow throughout the year and Investec was able to manage these fluctuations within the solution we needed.”

Mark Keegan, CFO, IPE Ventures





About Taskmaster Resources Limited

Established in 1994, Taskmaster Resources Limited is a leading independent recruitment organisation, offering a flexible, efficient and professional service from eight strategically situated UK locations. The business has competed successfully against the 'big 5' recruitment agencies to win preferred supplier status with many blue chip companies, local authorities, universities and the NHS. Taskmaster employs a dedicated team of energetic recruitment professionals who share a common objective to work closely in partnership to deliver quality sustainable resource solutions to clients and candidates alike.



About IPE Ventures

IPE Ventures is a London, Mayfair-based boutique private equity firm providing specialist investment funding to the staffing and payroll sectors. With over £250m of revenues under management, the company operates in the SME/Mid-Market segment, providing entrepreneurial capital and industry expertise to support management buy-outs, growth capital and equity release structures.

The challenge

IPE Ventures, the private equity arm of the IPE Group, specialises in investing in UK recruitment, umbrella payroll and human capital managed service businesses across all business sectors. They look for businesses that have the potential to grow, with ambitious and capable management.

Mark Keegan, CFO at IPE Ventures, said: "Whilst the high street and challenger banks will accommodate certain levels of debtor-based funding, their risk appetite is relatively low within our sector. Therefore specialist Private Equity

funds such as IPE Ventures step in to facilitate such transactions. It was important to build a relationship with a supportive funding partner that would extend beyond the transaction itself.

"Since this was a leveraged deal for a relatively low-margin business, we were looking for an ongoing working capital facility combined with a term loan where we could structure a bullet repayment halfway through the loan, with the rest upon exit."

Investec's solution

Having been introduced to IPE Ventures via an intermediary, Investec structured a bespoke transaction to support the acquisition of Taskmaster Resources and provide additional ongoing working capital funding. An excellent example of 'One Investec' in action, the deal was part-funded by Investec Private Capital, which provided the term loan facility, alongside Investec Capital Solutions which delivered the post-acquisition working capital.



Mark Keegan continued: "We've had several conversations with banks in the past that have been very 'rules-based'. With Investec, you feel like you're speaking with fellow business people, rather than a bank. They took the time to understand the business and applied real flexibility and creativity to the deal. Taskmaster, like all industrial recruitment businesses, experiences peaks and troughs in its cashflow throughout the year and Investec was able to manage these fluctuations within the solution we needed."

Communication during this complex deal was critical, as Mark Keegan observed: "Ultimately, with many banks, deals can fall into a black hole when things are outside of their control and you don't hear anything back. Investec was different. A series of weekly meetings with the team at Investec followed to ensure the funding solution worked for all parties. The various teams at Investec worked together seamlessly as one unit to do the heavy lifting and get this complicated deal over the line. Their team kept us fully up to date throughout the process and were always clear about setting our expectations, never promising anything they couldn't deliver."

"The various teams at Investec worked together seamlessly as one unit to do the heavy lifting and get this complicated deal over the line. Their team kept us fully up to date throughout the process and were always clear about setting our expectations, never promising anything they couldn't deliver."

Mark Keegan, CFO, IPE Ventures

Outcome

IPE Ventures' largest acquisition to date, Taskmaster Resources joins Omega Personnel, Technical Support Services Personnel and EMR Search and Selection within IPE's expanding recruitment platform.

Mark Keegan concluded: "With Investec's funding, Taskmaster Resources is in a strong position to build its business and its brand. Rather than looking at this simply as a one-off transaction, we aim to build a long-term banking relationship with Investec. To that point, we're currently discussing another acquisition with them for a bolt-on to an existing facility, as part of a broader buy-and-build strategy. Above all, we wanted a relationship, where we can ring up a funder and ask them for their views on a particular issue or opportunity. We have that with Investec."

Contact

investec.com/workingcapital

workingcapital@investec.com

020 7597 5936

We're a solutions-led corporate and investment banking business who provide capital and innovative ideas to growth-orientated companies, private equity and institutional investors across markets and sectors.

