

## InterQuest buys IT staffing agency

[John O'Brien](#), 7.12am Wednesday 22nd Jun 2011



AIM-listed IT recruitment company **InterQuest Group** has made its first purchase since 2007 (see [InterQuest back on the M&A trail](#)), acquiring London-based **Contract Connections Limited (CCL)**, a specialist in contract and permanent IT staffing to the legal sector, with big name clients such as Freshfields, Linklaters and Pinsent Masons. InterQuest is clearly keen to capitalise on what we are

also seeing, a far more buoyant market for UK IT recruitment (see [Adecco sees double-digit UK IT recruitment growth](#)).

InterQuest will pay up to £4.6m for the CCL business, made up of £4.3m in cash and £300k in shares - although this is less than half CCL's most recent FY revenue of £10m, for the period ended 31 May 2011, when it also made a normalised PBT of £750,000. The acquisition should add 170 contractors to the InterQuest business (1,091 at 31 December 2010), and it is expected to be earnings enhancing in the first year.

One of CCL's strengths is its Helix Managed Services division, which provides recruitment process outsourcing (RPO) services, where it takes over responsibility for its clients recruitment services. This is a fast growing part of the market that Interquest is keen to expand in, however doing so will pitch it increasingly against a much larger set of competitors like **Alexander Mann Solutions**.

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