



Acquisition for AIM-listed InterQuest

By Hunter Ruthven on June 22 2011

IT staffing provider InterQuest has bought Contract Connections (CCL) in a deal worth £4.6 million.

AIM-listed InterQuest has made the acquisition as part of its strategy to strengthen its legal sector services as well as providing additional geographical reach.

London-headquartered CCL supplies technology staffing in the form of contract and permanent IT personnel to the legal sector. It has 16 branded divisions covering industries such as [financial markets](#), public sector, insurance, pharmaceuticals, media and analytics.

Executive chairman of InterQuest, Gary Ashworth, comments: 'CCL's successful growth in recent years as a provider of technology professionals to leading law firms has been impressive and we believe that the company will prosper yet further as part of the enlarged InterQuest group.'

Ashworth adds that the purchase is part of its move to add profitable IT recruitment [businesses](#) with expertise in specialist areas.

According to a statement the buy will add 170 contractors to the InterQuest [business](#) as well as providing a strong 'managed services division', which has been identified by InterQuest as an area of the recruitment market as high growth.

CCL reported revenues of £10 million for the year to end 31 May 2011 and profit before tax of £750,000.

Under the terms of the deal founder director of CCL, Justin Madgwick, and director, Louis Lafferty, are to join InterQuest's operational management team.

InterQuest will pay an initial £3.7 million in cash and £296,000 in InterQuest shares on completion. An additional £600,000 over the next two years is payable on an average of the first and second year's earnings. The purchase is to be financed InterQuest's existing bank resources.

'This is our first acquisition since 2007 and is an indication of our growing confidence of a return to growth within the technology recruitment sector,' Ashworth concludes.