

A man in a blue suit and patterned shirt stands on a street, smiling. The background shows a building and a blue barrel.

# BUSINESS REPORT

Date: **18th May 2024**

Business Reference: **36612**

About the Business:

## **Well established Hobby and Toys shop in Mall north of Durban**

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Selection of product ranges is updated regularly and supplied by a warehouse, owned by the shop owner

# Well established Hobby and Toys shop in Mall north of Durban



Sector: **Retail**

Asking Price:

R **650,000**

Monthly Profit:

R **27,606**

Asset Value:

R **973,286**

Stock Value:

R **350,000**

Yearly Net Profit :

R **331,273**



# Business Report

## Fully describe the business's activities?

Retail Toy and Hobby shop in the gateway Mall in Umhlanga. Sells all toy and Hobby related products Open 7 days a week.

## How does the business operate on a daily basis?

Monday - Thursday 09h00 - 19h00  
Friday - Saturdays 09h00 - 21h00  
Sundays - 09h00 - 18h00

## What Advertising/Marketing is carried out?

There is a website, but there is no formal advertising is done, on social media or via promotional marketing companies.

## What competition exists?

There are other larger toy shops in the Mall, but most of these do not offer "Hobby" products. This retail shop has its own generator and battery system, so has perpetual lighting, that attracts shoppers when there is loadshedding

## How could the profitability of the business be improved?

Some formal marketing or advertising strategies would attract more trade.

## Give a breakdown of staff/ functions/ length of service?

Staff handle all sales. enquiries and stock control. The owner visits the shop at least once a week at random times. Stock is supplied from a warehouse, owned by the owner. The owner is involved in the purchasing of stock and the new lines that are instituted in the shop.

### Do any have management potential?

No

### When does the current lease end?

February 2025

### What are the trading hours?

Monday - Thursday 09h00 - 19h00  
Friday - Saturdays 09h00 - 21h00  
Sundays - 09h00 - 18h00

### What are the main assets of the business?

Shop fittings, inverter and storage batteries, Stock I.Q. retail system and special security glass in the shop.

### Strengths?

Very well known in the Mall due to many years of quality service to mall patronage. The shop offers a "HOBBY" range of products which the other toy shops do not offer. Attractive signage in the Mall attracts passing clients. There are well known food outlets next to the retail toy shop such as Wimpy and other coffee shops, which creates foot traffic around the shop.

### Weaknesses?

There are other larger retail toy shop outlets, many of whom do not carry "Hobby" products.

### Opportunities?

With a social media advertising strategy the shop will escalate the turnover and profitability.

## Threats?

Situated in a well known Shopping Mall and with regular foot traffic passing the shop there is no perceived threat.

## What is the reason for the sale?

The owner has a few other successful businesses that occupy his time, allowing limited management of this retail shop, and he has decided to focus on these other ventures, which are much larger and are located in close vicinity to his residence.