

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

BUSINESS REPORT

Date: **13th May 2024**

Business Reference: **34962**

About the Business:

Italian take-away and pizza bar with liquor licence

Suburban Italian restaurant with restaurant liquor license, offering sit down, take away and delivery meals. Located on a very prominent corner.

Italian take-away and pizza bar with liquor licence



Sector: Food

Asking Price:

R 806,250

Monthly Profit:

R 27,305

Asset Value:

R 337,075

Stock Value:

R 0

Yearly Net Profit :

R 327,661



Business Report

Fully describe the business's activities?

Suburban Italian restaurant with liquor license, offering sit down, take away and delivery meals located on a very prominent corner. Although the restaurant and the bar are interlinked, they have separate entrances.

The business started off as an Italian sit down restaurant. During lockdown the business transformed into a pizza take-away business. Today the business comprises 60% pizza take-away and 40% sit down restaurant.

How does the business operate on a daily basis?

The restaurant operates from a visible corner in the community. It offers sit down meals, as well as take away and deliveries. The ambiance of the restaurant is rustic comfort. The theme is Italian based. Alcoholic and non-alcoholic refreshments are served from an in-house bar area.

What Advertising/Marketing is carried out?

Marketing and advertising is done via Facebook and the local community newspaper.

What competition exists?

The following competition exist in the village:

- 1 Coffee shop;
- 2 Differently themed restaurants of which one is fine dining;
- 1 Weekend restaurant and bar; and
- 1 Bar.

There are no other take away or pizza restaurants in the area.

How could the profitability of the business be improved?

- 1) The bar is currently only used to serve the restaurant, it can easily be converted into a dedicated bar serving its own customers.
- 2) Sun International approached the owner with a proposal to place 4 or 5 gambling machines in the bar area, which will attract more patrons to the restaurant and the bar. Sun International has submitted the application (entertainment 1 licence) to the local municipality. Gambling machines will be funded by Sun International with a revenue split between the business and Sun International.
- 3) Trading hours can be extended to include Sundays.
- 4) A breakfast menu can be introduced over weekends.

How involved is the Owner in running the business?

The owner is involved on a regular basis (Wednesdays to Fridays and every 2nd Saturday). This is a lifestyle type restaurant/take-away, allowing the owner freedom to have other activities outside of the restaurant. Having said that, like any other restaurant/take-away the business does require a hands-on owner to prevent unnecessary stock losses.

When does the current lease end?

The lease runs until 2023 and is renewable

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The lease runs until January 2023 and is renewable

What are the trading hours?

The trading hours are generally from noon to the last table Monday to Saturday and closed on Sunday.

What are the main assets of the business?

The main assets of the business comprise:

- Pizza Oven;
- Restaurant and kitchen equipment;
- Fridges; and
- Tables and chairs.

A detailed asset list is available on file.

Strengths?

- Great location on a prominent corner.
- Loyal and dedicated customer base.
- Sit-down and take-away/delivery offering.
- Low rental and overheads.
- Small staff complement.
- Only pizza take-away restaurant in the village.
- Owner operated.

Weaknesses?

- Not full-time owner involvement.
- Limited trading hours.

Opportunities?

The Bar area could be expanded. The adding of the Sun International machines could add a new dimension to the business.

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- The Bar area can be expanded.
- Adding Sun International gambling machines could add a new dimension to the business.
- Extend trading hours to include Sundays and weekend breakfasts.
- Full time owner involvement.
- Community based festivals.

Threats?

- Rising costs.
- The political and economic conditions in the country.

What is the reason for the sale?

Owner wishes to focus attention on other businesses

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The owner's personal circumstances (health, employment and other business interests).