

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

BUSINESS REPORT

Date: **12th May 2024**

Business Reference: **33691**

About the Business:

Gaming house with 30 slot machines including the Property

Located in Limpopo this neat gaming house operates under a site license. Income from gaming as well as food and liquor.

Gaming house with 30 slot machines including the Property



Sector: Food

Asking Price:

R 12,000,000

Monthly Profit:

R 188,905

Asset Value:

R 6,553,550

Stock Value:

R 150,000

Yearly Net Profit :

R 2,266,865



Business Report

Fully describe the business's activities?

The small casino operates under a Gaming License and caters for entertainment with 30 slot machines. The gaming floor is neatly laid out with separate bar facilities and a food court.

How does the business operate on a daily basis?

This is a 24 hour operation.
Customers enter the gaming area under strict security and the business also caters for food with a basic menu and a neatly laid out bar.

What Advertising/Marketing is carried out?

Sizable advertising boards in front of the building.
The business has a Facebook page and now and again some flyers are distributed in the area.

What competition exists?

There are no casino's/gaming houses within 50km of the town.

How could the profitability of the business be improved?

Making use of the entertainment area by organizing functions and events will attract more customers.
The food court can also expand its menu.
Bettabets has been renting 54 sqm of separate space at R20 000/month since Jan 2024. It is a 12-month lease agreement with the option to renew. This does not reflect on the financials and will be over and above for the new landlord.

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

5 x Kitchen staff
5 x Staff for the bar
9 x Licensed slot machine operators (Supervisors and Assistant Supervisors included)
2 x Cleaners/General workers
1 x Personal Assistant acting as Manager in the owners absence

Do any have management potential?

There is a Manager overseeing all the staff and their activities.
The owner is most satisfied with his performance over the last three months .

How involved is the Owner in running the business?

Currently the owner takes care of purchasing of stock, administrative aspects and he cross checks and oversees the staff.

When does the current lease end?

December 2023

What are the trading hours?

The business trades 24 hours a day

What are the main assets of the business?

The slot machines is the ownership of the Route Operator.
All repairs/maintenance and servicing of the slot machines are taken care of by the Route Operator.
The drop safe is the ownership of the bank.
All other assets are included in the transaction.
The main assets consist of bar, food court, cutlery and crockery
Recently acquired 6 pool tables which form part of the transaction.

Strengths?

Gaming license
Liquor license
Exceptional cashflow
No competition
Main street
Lease agreement

Weaknesses?

24 hour operation

Opportunities?

Increasing the number of slot machines from 30 to 40
More entertainment
Extended menu

Threats?

Not operating the casino in terms of gaming regulations.

What is the reason for the sale?

The owner and his wife is relocating to the United Kingdom.