

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: **18th May 2024**

Business Reference: **35884**

About the Business:

Pre-school in Durban

Reputable pre-school for sale in Durban

Pre-school in Durban



Sector: **Services**

Asking Price:

R **4,300,000**

Monthly Profit:

R **113,067**

Asset Value:

R **1,416,722**

Stock Value:

R **0**

Yearly Net Profit :

R **1,356,798**



Business Report

Fully describe the business's activities?

This Creche, Pre-school, and Pre-primary is a very successful childcare facility that was established in 2001. Over the years it has expanded tremendously, grown from strength to strength, and earned an outstanding reputation in the Glenwood community. The reception unit (Grade R) was launched in 2010, and the school prides itself on ensuring that the children who graduate from this pre-primary school are well prepared for their formal schooling career by the time they reach Grade One in Primary School.

The staff are experienced, trained, and qualified in their fields – but more importantly, they have a heart for children. The school is committed to the children and the families they serve.

The school has a personalised relationship with each of the parents. They encourage parental participation and appreciate parents taking an active role. All prospective parents are interviewed personally, shown around the school, and introduced to the school's staff.

The school is proud, professional, and passionate about what they do, striving towards excellence, as they endeavor to achieve and maintain the highest standard of care.

How does the business operate on a daily basis?

School operating hours are from 6:30 am – 5:30 pm Monday to Friday.

The school remains open over normal school holidays.

The school only closes over public holidays and once a year for a period of 3 weeks over the December festive season.

All meals are provided for (Ages 1 - 4), no meals are provided for (Ages 4 - 6)

All meals are prepared by the Cook who has achieved skills in professional cookery.

A full-time Teacher and Assistant are employed for every age group and all classrooms are air-conditioned for those hot summer months.

The school offers a variety of extra mural activities for children aged 2 – 6 years. These specially selected activities assist with motor development and help improve a child's reflexes, hand-eye coordination, and communication skills. These activities are not compulsory and are not included in the child's monthly school fees. This is paid separately, directly to the extramural provider.

With the exception of swimming, all activities are provided on the property of the school and have been included in the daily routine for each age group. All extra mural activities run over 10 months; from February – November each year.

What Advertising/Marketing is carried out?

Social media platforms, word of mouth and open days.

What competition exists?

Other existing pre-schools and pre-primary schools.

Is the business VAT Registered?

No, this sector is VAT exempt.

What Balance Sheet and Income Statements are available?

AFS for the Year Ended 28 February 2023.

How could the profitability of the business be improved?

Increasing the number of registered kids which is not yet at full capacity and encouraging more parents to place their kids in holiday clubs.

The school currently has 102 registered children which can be comfortably increased to 120. At an average cost of R3 000 per child per month, this can increase revenue by an additional R648 000 per year (R3 000 x 18 children x 12 months).

The benefit of adding the extra children is that the revenue goes straight to the bottom line as there is no need for extra staff to manage them.

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

- 1 Principal
- 1 School Administrator
- 1 Grade 00 teacher + 2 assistants
- 3 Grade 000 teachers + 3 assistants
- 1 Pre-Primary teacher + 1 assistant
- 2 x Creche assistants
- 1 Cook/ Cleaner

Do any have management potential?

Yes, to be discussed with qualified buyers.

How involved is the Owner in running the business?

Passive, most day-to-day school duties and responsibilities are managed by the Principal and Administrator.

When does the current lease end?

All 3 adjoining school properties are owned by the seller so there are no leases currently in place. A formal lease agreement will be negotiated between the seller and the new buyer.

What are the trading hours?

The trading hours are from 6:30am – 5:30pm Monday to Friday.

What are the main assets of the business?

A complete asset list is available to qualified buyers.

Strengths?

The teachers are qualified.
The business is centrally situated.
Very good reputation.
Well established - 22 years.

Weaknesses?

No perceived weaknesses.

Opportunities?

The pre-school has additional capacity for an extra 10 learners @ R36 000 per learner per year.

Threats?

No perceived threats.

What is the reason for the sale?

The owner requires funding for his next venture.