



BUSINESS REPORT

Date: **9th May 2024**

Business Reference: **36474**

About the Business:

**Supermarket. Lovely tidy, neat store. East Rand.
Franchise. Good Profits.**

This lovely neat store measures 880 square meters in size. It has a bakery, butchery and a hot food counter and kitchen. Growth potential. Worth a consideration. Part of a friendly, easy-to-work-with franchise group.

Supermarket. Lovely tidy, neat store. East Rand. Franchise. Good Profits.



Sector: **Retail**

Asking Price:

R 3,500,000

Monthly Profit:

R 186,462

Asset Value:

R 4,970,000

Stock Value:

R 1,000,000

Yearly Net Profit :

R 1,678,155



Business Report

Fully describe the business's activities?

A lovely neat and tidy supermarket right next to the entrance of a major residential estate/complex. The store sells all consumer goods and also has a butchery, bakery and a hot food counter.

How does the business operate on a daily basis?

The owner currently manages the business in all respects from purchasing to store management but he has two assistant managers who assist with general store and department management.

What Advertising/Marketing is carried out?

The business advertises via Facebook and an area WhatsApp group.

What competition exists?

Supermarkets up to 2kms away but this store is right at the entrance to a major residential estate/complex.

Is the business VAT Registered?

Yes, the business is VAT registered.

What percentage of the business is cash/credit?

Credit and Debit Cards - approximately 60%.
Cash - approximately 40%.

How could the profitability of the business be improved?

The profitability can be improved by carrying more lines of goods. An ATM will also attract more foot traffic. A car wash is currently being set up in the centre right across from the main entrance of the store. This will bring increased foot traffic as well.

What is the total staff complement?

There are currently 26 staff members in total. There 2 x Managers and 7 cashiers. There are 17 general workers working across the store and also in the butchery, the bakery and the hot kitchen area.

Do any have management potential?

Yes, the two managers can be trained to take on much more responsibility.

How involved is the Owner in running the business?

The owner is currently in the business every day.

When does the current lease end?

The current lease ends in 4 years time - 2028.

What are the trading hours?

The store trades 7 days a week from 7.00 am to 8.00 pm.

What are the main assets of the business?

Forklift, numerous Fridges, Ovens in the Bakery, Full Kitchen for Hot Food Counter preparation, numerous Shelving, Scales, Butchery Equipment in the Butchery. 5 x Computers with P.O.S. Office Desk and Chairs. Numerous Fittings and Fixtures. Large signage.

Which assets are on lease/HP and with whom?

None. All are fully paid for.

Strengths?

Excellent location. Excellent equipment. Franchisor is easy to work with. Growth potential in the area.

Weaknesses?

Normal economic conditions but everyone needs food.

Opportunities?

A wine section would assist in attracting more custom. An ATM would attract more foot traffic. A brand new car wash is being developed currently in the centre right across from the main entrance of the store. This will attract even more foot traffic.

Threats?

None really.

What is the reason for the sale?

The owner purchased the store to work in with his son but his son has decided he does not want to be in the business. The owner is now left alone running the business. The owner also has other interests.

Why is this a good business?

Lovely, neat and tidy store in a good area on the East Rand. Well worth a consideration.