



Date: **3rd July 2024**

Business Reference: **36503**

About the Business:

## **Profitable retail chain store in high-traffic mall in Northern Suburbs, Cape Town**

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This profitable store is part of a network of successful dried fruit and nuts, biscuits and sweets stores in Cape Town, which has had rapid growth over the past 4 years. It has a defensible position, offering some exclusive lines at attractive pricing; and the franchised too-expensive competition is no longer rolling out more stores.

# Profitable retail chain store in high-traffic mall in Northern Suburbs, Cape Town



Sector: **Food**

Asking Price:

**R 395,000**

Monthly Profit:

**R 16,774**

Asset Value:

**R 106,000**

Stock Value:

**R 100,000**

Yearly Net Profit :

**R 201,289**



# Business Report

## Fully describe the business's activities?

Retail of dried fruit, nuts, seeds, biscuits and sweets

## How long has the business been established?

4 years

## How long has the owner had the business?

4 years

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

This business is all about good service on a daily basis, and doing daily checks and balances to ensure that the business is running at an optimal level.

There is a delivery once a week on a Friday and other smaller suppliers during the week.  
Stock take once a week on a Friday after which an order is placed for the following week.

## How are the clients attracted to the business?

They are attracted to the business as a result of the extensive range, as there is a range of over 230 different products.

Also, there is a range of exclusive products that can't be found anywhere else.  
Excellent customer service levels, coupled with cheap pricing and quality products.

## What Advertising/Marketing is carried out?

Social media advertising on Facebook, Instagram and website

## Does the business have any contract work?

No

### **What competition exists?**

No real competition besides franchised outlets whose pricing is a lot more expensive than this business.

### **What are the seasonal trends?**

No seasonal trends as dried fruit and nuts sells well throughout the year.

### **Is the business VAT Registered?**

Yes - VAT returns and statement to be provided during due diligence

### **Are there up-to-date Management Accounts available?**

Yes - through end February 2024

### **What Balance Sheet and Income Statements are available?**

Yes - through end February 2024

### **What percentage of the business is cash/credit?**

75% card, 25% cash

### **What is the age analysis of the debtors book?**

No Debtors as all cash transactions

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

Increasing the pricing, which would need to be done carefully to retain the competitive advantage of high quality products for best prices.

### Is Seller finance available and for what amount?

No

### What is the total staff complement?

2 full time staff

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

A store Manager and a 2IC.

Their function is to manage the store by ensuring that all items sold are registered on the POS while giving good service levels.

Keeping the business neat & tidy during the course of the day; and up selling..

Managing shrinkage and stock levels by taking stock every second week and doing stock adjustments.

They both have 9 months service.

### Are they on contract?

Yes, both are permanent employees

### Do any have management potential?

Yes - manager already in place

### How involved is the Owner in running the business?

Owner is there once a week performing various checks to ensure that the business is running at a optimal level.

Owner also logs in after hours into the online POS system to do various checks.

### When does the current lease end?

Dec 2026

### Is there an option of renewal & what period?

Yes, another 3 years

### What is the annual escalation %?

8%

### What are the trading hours?

Mon - Thurs - 9am - 6pm  
Fri - 9am - 7pm  
Sat 9am - 5pm  
Sun - 9am - 2pm

### What is the square meters of the business?

42

### Is a copy of the lease available?

Yes - to be provided in due diligence.

### Do you require a licence?

Just a business certificate from the municipality, that is already in place

### What lease deposit and/or other surety is required?

deposit of R40025.27, which the Buyer's entity would need to pay as a new lease will need to be entered into

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

Shelving, shop fittings, appliances and POS system (R106k)

## What is their overall condition?

Very good

## Do any require repairing?

No

## Strengths?

Very good pricing and exclusive lines  
No real competition

## Weaknesses?

Only 1 supplier for dried fruit & nuts  
Products aren't essential items

## Opportunities?

Expanding of the range of sweets, and introducing spices. Biltong is not an option at this outlet, due to restraint in this high foot traffic mall.

## Threats?

No real threats at the moment

## What is the reason for the sale?

Owner wishes to onboard a partner who can get to grips with the business model at this outlet, and then potentially open more stores with the Owner.

The owner also wishes to pursue an opportunity to open an additional store, growing the network of these branded stores.

Buyer will benefit from use of the IP and business systems, with ongoing marketing support - all for R5k per month per an agency agreement i.e. not franchise, but is integral part of this network of popular stores.