

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

BUSINESS REPORT

Date: **18th May 2024**

Business Reference: **36567**

About the Business:

Service Station with Convenience Shop

Established in 1984. Very visible on south coast busy road

Service Station with Convenience Shop



Sector: **Retail**

Asking Price:

R **13,500,000**

Monthly Profit:

R **267,933**

Asset Value:

R **5,156,204**

Stock Value:

R **750,000**

Yearly Net Profit :

R **3,215,194**



Business Report

Fully describe the business's activities?

This Franchised Fuel Retail business was initiated in 1984, on the owner's property. It is situated on a busy corner of two major access roads. There is a "retail shop" that serves customers on site, fast foods, groceries, and products that customers request (sweets, cigarettes, cool drinks etc.) The Service station supplies petrol, diesel, oils etc. Open 24/7.

How does the business operate on a daily basis?

The business and convenience shop is open 24 hours 7 days a week. Staff work on shifts to serve passing trade.

What Advertising/Marketing is carried out?

The Franchisor provides National marketing. Advertising is visible to all passing traffic and the owner holds occasional promotional functions on site.

What competition exists?

There are a couple of other fuel stations in the vicinity, but are not as busy as this outlet.

How could the profitability of the business be improved?

Convenience shop promotions would escalate both shop and fuel activity. Car wash facility would also attract more local patronage.

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

See above. All have been with the business for lengthy periods of time.

Do any have management potential?

There are a few senior staff members who have varied responsibilities.

How involved is the Owner in running the business?

The owner has regular contact with all divisions of the business, and visits at least once a day.

When does the current lease end?

The fuel station is set up on the owners property, and the sale of the business will need to be inclusive of the property. A potential buyer cannot remove the structures of the service station. If a potential buyer wishes to lease the business on the current site then a comprehensive rental agreement will have to be drawn up. The value of the property is R107 million rand. The enterprise of the property AND the business is R24 250 000.00

What are the trading hours?

24/7

What are the main assets of the business?

The property with all the infrastructure necessary to trade, (storage tanks, pump stations, shop buildings and parking facilities together with station access areas) formulate the main assets of the business. Shop fittings and fuel systems are also crucial to the assets assessment. Valued at R10,700,000.00

Strengths?

Very well known Franchised Fuel Station with over 40 years of trade is a major strength. Well known within the local community who support the business regularly. Well managed and attracts passing traffic due to visibility and convenience.

Weaknesses?

No Weakness other than a possible political intervention as to who can purchase the property and the successful business.

Opportunities?

A new marketing and advertising strategy could escalate the business operationally.

Threats?

No threat perceived.

What is the reason for the sale?

The owner has other businesses, and he is busy with developing new ventures.