

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

# BUSINESS REPORT

Date: **24th May 2025**

Business Reference: **37111**

About the Business:

## A Motor Spares Business in central Cape Town

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A 40-year-old, very well-established and successful motor spares business selling new motor spares to the vehicle after-market, well situated to serve its markets.

# A Motor Spares Business in central Cape Town



Sector: **Retail**

Asking Price:

R **1,600,000**

Monthly Profit:

R **62,120**

Asset Value:

R 550,000

Stock Value:

R 400,000

Yearly Net Profit :

R 745,435



# Business Report

## Fully describe the business's activities?

This business was established by the initial owner in 1985.

It is one of the leading independent spare shops in the Western Cape, highly regarded by major suppliers due to its excellent track record.

The current owner is the third owner since the company's inception. He has been operating the company since February 2019 to date. The owner operates the business daily but remotely; the staff are well trained and accountable for the position each holds, the owner only releases the purchase money and monitors the daily sale, purchase, and stock via Humble Till Software.

Its main customer base is supplying to the next tier in the supply chain which is the smaller retailer and workshop.

It only sells brand new spares to the aftermarket, and its suppliers are all based locally. It has a retail shop in which all car care products and accessories are sold. It supplies and fits batteries and has the Western Cape distribution rights to the MR Mechanic range of products.

It is SABS-approved for the manufacture of number plates, which it does in-house. All in all, a very stable business with an excellent loyal customer base.

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

Stock is ordered daily and delivered by the supplier.

Customers phone in to place orders and these are delivered same day from their large stock holding or ordered from a supplier.

Customers come in to the shop and are served at the counter.

## What Advertising/Marketing is carried out?

The company has a well-established web page that is linked to YouTube, Facebook, Instagram, and X.0

Although there is no paid advertising, international boat customers arriving in Cape Town, do pick it up on various platforms

and pop in for supplies from time to time.

## What competition exists?

There is no competition in the immediate area, but these do exist in neighboring suburbs.

They have been there for many years and are not considered a threat.

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

There are several product lines and brands within the industry into which a new owner could expand.

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

On file for DD

### Do any have management potential?

Yes - to be discussed

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

Rarely involved, works remotely

### When does the current lease end?

October 2025

### What are the trading hours?

Mon - Fri >> 08:00 - 17:00

Sat >> 09:00 - 13:00

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

Shelving

Computers

A full asset list is on file

## Strengths?

A 30-year history with a clean and reliable reputation for supply to the Motor Industry, supplying only Branded products with Factory and supplier backup.

They achieve a 12 x plus annual stock turnaround due to reliable suppliers and a constantly updated computer system.

Hence, there is very little dead stock, and only a little finance is tied up in stock, producing a good cash flow. They have established and achieved a policy of one-hour delivery on stocked items, on which their customers rely.

They have a competent, knowledgeable, and reliable long-standing staff who pay attention to detail.

They currently hold a BBEEE rating of Level 1 which opened the door to City Of Cape Town and frequently get requests for quotes.

## Weaknesses?

None perceived

## Opportunities?

Explore the City Of Cape Town opportunity in full, currently, they are not as focused as they should be.

## Threats?

None perceived

## What is the reason for the sale?

The owner spends more time abroad to pursue opportunities that arise in the other businesses he owns