



BUSINESS REPORT

Date: **19th April 2025**

Business Reference: **37314**

About the Business:

Thai Franchise restaurant is based in a large mall in the Garden Route

Established in 2014, this Thai restaurant is situated in prime position near the cinemas and top franchised restaurants. Currently managed by a Head Office team, it will show incremental profitability if owner managed. The franchise success is the quality and variety Thai dishes that are exciting and innovative. Strong above the line marketing with TV and media support the brand that is known for delivering quality

Thai Franchise restaurant is based in a large mall in the Garden Route



Sector: **Food**

Asking Price:

R 1,400,000

Monthly Profit:

R 43,299

Asset Value:

R 250,000

Stock Value:

R 150,000

Yearly Net Profit :

R 519,582



Business Report

Fully describe the business's activities?

Thai restaurant is part of a national Franchise, well established and based in a large mall in the Garden Route.

How long has the business been established?

Since April 2014....11 years

Give a breakdown between sit-down, takeaways and deliveries

Sit-down 55%, Takeaways 40%, Delivery 5%

What is the impact of loadshedding?

The business experiences no down-time during load shedding as they are connected to the mall's generator.

How does the business operate on a daily basis?

The Owners are based in Cape Town so the business has 2 Managers in place.

Supported by a team of 10 staff members.

Core products such as sauces are purchased directly from Head Office. Non-core products may be bought locally.

Products from Cape Town are delivered once a month by a transport company

How are the clients attracted to the business?

Being part of a large and very successful franchise brand much of the marketing is carried out above the line promoting the brand on TV, and with national competitions and promotions.

There are over 60 restaurants nationally and most of them run their own local promotional activities to appeal to the local customers

Halaal menu available.

What Advertising/Marketing is carried out?

National TV campaigns and promotions
Competitions
The Face Book site is maintained by the Head Office

What competition exists?

There are many restaurants and take away facilities in close proximity, but none with the same unique offering of this business.
The uniqueness of their menus attracts a very loyal clientele.

What are the seasonal trends?

The seasonality summary indicates that the impact of season on this business is not as dramatic as many others in this region.
As with most businesses the summer holiday period is very busy and when significant profit contribution is made.

Is the business VAT Registered?

Yes

What VAT documentation is on file?

All returns are retained at Head Office

Are there up-to-date Management Accounts available?

Yes

What percentage of the business is cash/credit?

Credit card sales constitute around 80%+ of the turnover.

How could the profitability of the business be improved?

An Owner Manager would go a long way to increasing the profitability of this business. Local promotional activities such as half price sushi promos will also generate incremental income and increased sales of alcohol.

What is the total staff complement?

12 Staff comprising:
2 Managers
2 Local Chefs
1 Sushi Chef
3 Back of House staff
4 Front of house staff

How involved is the Owner in running the business?

The Owners are not currently involved in the operational management of this business since they are Cape Town based.
That is the reason that they would prefer the business to be Owner managed.

When does the current lease end?

June 2028, renewable for a further 5 years.

Is there an option of renewal & what period?

5 years

What is the annual escalation %?

7%

What are the trading hours?

Sunday to Thursday: 11-00am to 21-00pm
Friday: 11-00 am to 21-30pm
Saturday: 11-00am to 21-30pm

What is the square meters of the business?

122 square meters indoors and 15 square meters outdoors
Seating for 44 diners, but this can be increased if so required.

Is a copy of the lease available?

Yes, copy on file with Broker

What lease deposit and/or other surety is required?

3 Months at final rental rate.

What are the main assets of the business?

Kitchen equipment
Crockery and cutlery
Tables and chairs
Fixtures and fittings
CCTV cameras
Point of sales system

Are any items not included in the sale?

There are a few items that are not included and will be pointed out to a potential Buyer.
Items such as the credit card machine, Mr D and Uber machine etc that belong to the current entity

Are they presently insured?

Yes, insurance is in place.

Strengths?

This store has traded solidly since 2014, and is a very popular restaurant locally with a number of top level reviews on the Web.
The food offering is Thai, and has a strong following by fine diners who enjoy the flavourful and exotic dishes.
The takeaway service is busy, and a major contributor to the business.

Weaknesses?

Will benefit from having an Owners presence to ensure high standards are maintained at all times

Opportunities?

Increased local marketing initiatives locally.

A local Owner would be able to manage more local promotional activities and be able to meet and greet customers.

Threats?

There are no known threats to this business

What is the reason for the sale?

The store is currently owned and managed by the Head Office team.

Being so distant from the store is not an ideal situation.

It would prove to be a lot more lucrative if this store was Owner managed and that would certainly increase the profitability.

Why is this a good business?

An ideal business for a husband and wife team who enjoy the restaurant environment.

Food offering is top quality and innovative while still being reasonably priced and affordable.

A full on site liquor license is in place, and the small take away window does a thriving trade.

The Owner does not have to be a gourmet chef to run a fantastic restaurant as the menu is managed by Head Office.

Above the line marketing by Head Office ensures customer interest and a Franchisee has the opportunity to generate a very attractive income.