



BUSINESS REPORT

Date: **9th May 2025**

Business Reference: **37376**

About the Business:

Reputable SAIPA & SALT Licensed Practice with 1200 Clients

This is a client-loyal, referral-driven business with low overheads and a proven ability to deliver high service continuity. The seller is exiting gradually to ensure a smooth transfer. The firm's structure and efficiency through SAGE systems allow for continued growth without high fixed costs.

Reputable SAIPA & SAIT Licensed Practice with 1200 Clients



Sector: **Services**

Asking Price:

R **4,500,000**

Monthly Profit:

R **124,408**

Asset Value:

R **1**

Stock Value:

R **0**

Yearly Net Profit :

R **1,492,894**



Business Report

Fully describe the business's activities?

The Practice provides comprehensive accounting services tailored to client needs, including preparation of annual financial statements, VAT submissions, and payroll processing. It handles all SARS tax matters, from compliance to dispute resolution, and offers expert consultancy and tax advisory services. With a strong focus on relationship-driven service, the firm supports clients through consistent engagement and advisory input. Operating with a lean yet skilled team, the Practice delivers dependable financial oversight and compliance for both individuals and small-to-medium enterprises.

How does the business operate on a daily basis?

The Practice is owner-managed with a structured team responsible for daily operations. Staff handle routine tasks such as bookkeeping, VAT, payroll, and tax submissions, while the owner remains actively involved in client liaison and oversight. Workflow is managed through SAGE Accounting, ensuring efficient turnaround and minimal overhead. The team follows a task-driven schedule aligned with client deadlines and regulatory cycles. Client communication is prioritised, and the owner is accessible for consultations, ensuring high service continuity and quality delivery.

What Advertising/Marketing is carried out?

The business relies solely on word-of-mouth referrals, with no formal advertising or marketing campaigns currently undertaken.

What competition exists?

Normal industry competition exists, but the Practice maintains a loyal client base due to its long-standing reputation and service quality.

How could the profitability of the business be improved?

Profitability improved after transitioning to SAGE Accounting, reducing overheads. Further gains are possible through expanding services, enhancing automation, and scaling without increasing fixed costs.

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

Team includes experienced personnel handling accounting, tax, payroll, and admin; one staff member has been with the firm for 15 years.

A specific list is available for the Due Diligence phase.

Do any have management potential?

Yes, at least one staff member demonstrates strong leadership qualities and has the capability to take on managerial responsibilities.

How involved is the Owner in running the business?

The owner delegates daily operations but remains actively engaged in client relations and oversight, ensuring continuity and service quality.

When does the current lease end?

There is no lease agreement in place as the property is owned by the seller, who operates the business from it.

What are the trading hours?

Monday to Thursday: 08h00 to 16h30

Friday: 08h00 to 10h00, aligning with client needs and staff efficiency.

What are the main assets of the business?

A complete asset list is available on request.

Strengths?

- Established for 25 years with consistent operations
- Loyal and long-standing client base
- Owner-founded with deep industry experience
- Skilled and stable staff team
- Strong client retention due to relationship-driven service
- Wide service offering including tax, payroll, VAT, and advisory
- Efficient operations using SAGE Accounting
- Minimal overheads and high SDE margin (43%)
- Trusted brand with word-of-mouth reputation
- Fully compliant with SAIPA and SAIT licensing

Weaknesses?

- Single partner structure with limited succession planning
- Limited formal marketing or advertising strategy
- No formal client contracts (relationship-based retention)

Opportunities?

- Expand service offerings, leveraging existing systems
- Further automate and scale using SAGE platform
- Potential to formalise client agreements and improve recurring revenue

Threats?

- o Owner's illness impacting transition if not well managed
- o Client attrition risk if the handover is poorly executed
- o Market pressure on fee-based valuations without warranties

What is the reason for the sale?

The sale of the Practice is prompted by the owner's recent and serious health setback. As a result, the owner has decided to exit professional working life fully. This is a strategic and necessary transition to prioritise long-term personal well-being. The decision is not performance-related, and the Practice remains highly stable, profitable, and operationally sound with experienced staff in place to ensure continuity post-sale.