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Business For Sale

Biltong manufacturing business with shop for sale

Well known, well located, and well established biltong manufacturing business with shop for sale. Their biltong recipe is award winning.

Selling Price	150,000	Turnover pm	40,000
Stock	3,000	Profit pm	14,000
Total Asking Price	150,000	Nett Assets Incl	90,000

Summary Income Statement

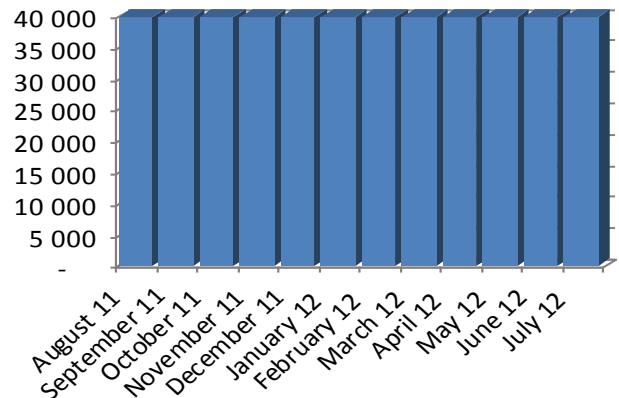
Month	Turn Over	C.O.S	Gross Profit	GP %	Other Income	Expenses	Nett Profit
Jul-12	40 000	12 000	28 000	70.00%	-	14 000	14 000
Jun-12	40 000	12 000	28 000	70.00%	-	14 000	14 000
May-12	40 000	12 000	28 000	70.00%	-	14 000	14 000
Apr-12	40 000	12 000	28 000	70.00%	-	14 000	14 000
Mar-12	40 000	12 000	28 000	70.00%	-	14 000	14 000
Feb-12	40 000	12 000	28 000	70.00%	-	14 000	14 000
Jan-12	40 000	12 000	28 000	70.00%	-	14 000	14 000
Dec-11	40 000	12 000	28 000	70.00%	-	14 000	14 000
Nov-11	40 000	12 000	28 000	70.00%	-	14 000	14 000
Oct-11	40 000	12 000	28 000	70.00%	-	14 000	14 000
Sep-11	40 000	12 000	28 000	70.00%	-	14 000	14 000
Aug-11	40 000	12 000	28 000	70.00%	-	14 000	14 000
TOTAL	480 000	144 000	336 000	70.00%	-	168 000	168 000

Monthly Average

Monthly Turnover	40 000.00
Monthly COS	12 000.00
Monthly Gross Profit	28 000.00
Monthly Other Income	-
Monthly Expenses	14 000.00
Monthly Profit	14 000.00

DISCLAIMER: Aldes Business Brokers shall in no way be held responsible for any eventualities arising from the use of the information provided. All information has been supplied in good faith by Aldes Business Brokers who make no representation to its accuracy, leaving it up to the receiver to do the necessary verification.

Turn Over





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MANDATE REPORT

1. History Background

Fully describe the business's activities	Well established, well known, well located biltong manufacturer and shop for sale. Their biltong recipe is award winning. The business name and web site is not part of the sale. The owner is moving to Jeffreys Bay and wants to manufacture biltong there.
How long has the business been established?	14 Years
How long has the owner had the business?	The current owner bought the business in 2008

2. Present Market

How does the business operate on a daily basis	Owner is actively involved in the running of the business.
How are the clients attracted to the business	Regular customer base and passing trade
What Advertising/Marketing is carried out	Very little
Does the business have any contract work	No. In the past the business supplied biltong to 13 bars, this has reduced to only one. Picking up these previous orders will not be difficult.
What competition exists	None in close proximity
What are the seasonal trends	None perceived

3. Financial

Are there up to date management accounts?	Yes, the owner has a sales book of al sales
What percentage of the business is cash/credit?	Mostly cash
How could the profitability of the business be improved?	More marketing. The Pretoria Zoo has approached the business to supply them with business. These leads must be pursued further
Is Seller finance available and for what amount?	No

4. Staffing



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What is the total staff complement?	Owner and 3 workers
How involved is the Owner in running the business	Owner is actively involved in the running of the business
5. Premises	
When does the current lease end?	May 2013
Is there an option of renewal & what period	Yes, to be negotiated
What are the trading hours?	Mon-Fri 8am – 6pm, Sat 8am – 14:30pm
What is the square meterage of the business?	64m ²
Is a copy of the lease available?	Yes
Do you require a licence?	No
6. Assets	
Is a full asset list on file?	Yes available and prepared for fair market value
Are any items not included in the sale?	Yes, a few personal items such as a desk
What is their overall condition?	Excellent
Do any require repairing?	There is a fridge that needs gas, however this fridge is not included in the asset register, but is part of the sale
How have they been valued?	Fair market / Replacement value.
Which assets are on lease/HP and with whom?	N / A
What are their settlement amounts?	N / A
Will Seller settle or Buyer to take over?	N / A
Are copies of agreements available?	N / A
7. S.W.O.T. Analysis	



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Strengths	Well known, well established business with capable staff
Weaknesses	The owner is going through a divorce and this is affecting him as owner of the business. The turnover has dropped from the previous levels, but will easily be picked up again.
Opportunities	The business needs attention. This will bring the business back to its original position where people travelled from afar to come and buy biltong
Threats	None perceived
8. Reason For Sale	
What is the reason for the sale?	Owner is getting divorced and wants to move to Jeffreys Bay.
9. Conclusion	
Why is this good business to buy?	Established business with a great track record. It needs a bit of attention to get it back to its former glory



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Using the information provided by the client the following Valuation was prepared as indicator of price.

VALUATION

VALUATION INPUT			
1	Assets	90 000	
2	Stock	3 000	
3	Interest	5%	Per Annum
4	Salary Drawn		Per Annum
5	Nett Profit	168 000	Per Annum
6	Time Period	30	Months
7	ROI	30%	per annum
8	Debtors Nett	-	

1	The replacement value of the assets should you go and buy comparable equipment and property in simialar condition on the open market
2	The stock value at cost part of sale
3	In the event that you leave the money applied for the purchase in an interest bearing account or in a bond you would be earning interest. What % is that?
4	What salary would you expect to draw EXTRA than your normal income for taking the risk of running your own business?
5	The nett profit per annum
6	The time period (Price Earning - PE) in MONTHS to get your money back
7	The Return On Investment % (ROI) pa
8	Offset of Debtors / Creditors if included

1) EXTRA EARNINGS POTENTIAL	
Net Asset Value (a)	93 000
Interest	5%
	4 650
Salary	-
Total (b)	4 650
Netprofit (c)	168 000
Extra Earning Potential (c-b)	163 350
Time Factor Years	3
Goodwill	408 375
Net Asset Value	93 000
Extra Earn VALUATION	501 375

2) RETURN ON INVESTMENT	
Net Profit Pa	168 000
Salary	-
Actual Profit	168 000
R.O.I. %	30%
R.O.I. VALUATION	560 000

3) PAYBACK PERIOD	
Monthly Profit	14 000
Time Period	30
PE VALUATION	420 000

SUMMARY VALUATION	
Business Value	490 792
Stock	3 000
Debtors	-
Market Value	493 792