



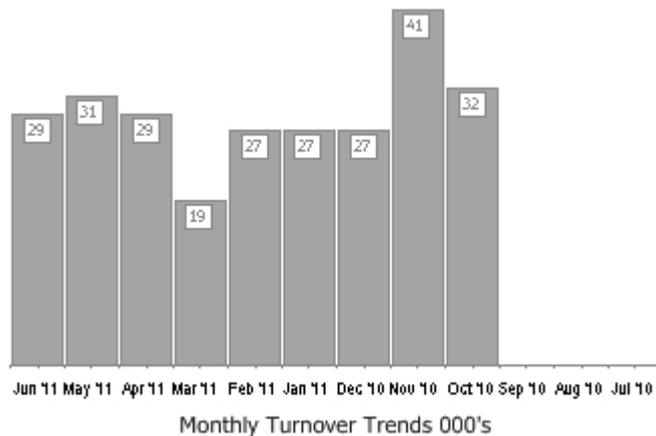
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Mandate No: 24224
Business Description: Fashion retailer, accessories and fancy goodies for homes

Selling Price:	185,000	Deposit:	0
Stock:	55,000	Profit Last 12 Months:	30,996
Total Asking Price:	240,000	Total Assets:	30,000



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MANDATE REPORT

1. History Background	
Fully describe the business's activities?	Sales of fashion items and accessories and fancy goodies for the home.
How long has the business been established?	Six Years
How long has the owner had the business?	10 Months, since 1 October 2010
2. Present Market	
How does the business operate on a daily basis?	Owner run with sales staff
How are the clients attracted to the business?	Word of mouth, Advertising, passing trade as there are a lot of franchises in the complex which attract the type of buyer that shops at this business.
What Advertising/Marketing is carried out?	Make use of Facebook to carry stock photographs, also have built up a email base of ± 400 clients and growing
Does the business have any contract work?	No
What competition exists?	No real competition in the area
What are the seasonal trends?	The peak periods are the beginning of the seasons
3. Financial	
Is the business VAT Registered?	No

3. Financial	
What VAT documentation is on file?	Not registered for VAT
Are there up-to-date Management Accounts available?	Yes
What Balance Sheet and Income Statements are available?	None
What percentage of of the business is cash/credit?	Cash 40%, Credit Card 60%
What is the age analysis of the debtors book?	No accounts
How could the profitability of the business be improved?	New stockists, other stock lines and focusing on specific niche markets. More advertising.
Is Seller finance available and for what amount?	No
4. Staffing	
What is the total staff complement?	Two staff
Give a breakdown of staff/functions/length of service?	The two staff do all that is required in the shop including sales, stocking, cleaning, etc.
Do any receive special perks or incentives?	Commission for good performance which will be explained by the seller to a buyer
Are they on contract?	No
Do any have management potential?	Yes
How involved is the Owner in running the business?	100%
5. Premises	
When does the current lease end?	October 2013
Is there an option of renewal & what period?	Yes a minimum of 3 years
What is the annual escalation %?	10%
What are the trading hours?	Winter Mon-Fri 9am-5pm, Summer Mon-Fri 9am-6pm, Saturday 9am-3pm, Sunday 9am-1pm
What is the square meterage of the business?	32m ²
Is a copy of the lease available?	Yes
Do you require a licence?	No
What lease deposit and/or other surety is required?	A 3 month deposit of R36,000 is required by the landlord
6. Assets	
Is a full asset list on file?	Yes
Are any items not included in the sale?	No
What is their overall condition?	Very good
Do any require repairing?	Ongoing maintenance is performed

6. Assets	
How have they been valued. ?	Fair value at R30,000
Which assets are on lease/HP and with whom?	None
Are they presently insured?	Yes
7. S.W.O.T. Analysis	
Strengths?	Current clientele of the business. The complex and the surrounding shops. Security is excellent. Its a profitable business. Set in a up market area.
Weaknesses?	Seasonal with the peaks during the cross over of the seasons. Potential for shrinkage
Opportunities?	Potential for growth only limited by the stock and lines carried.
Threats?	None identified
8. Reason For Sale	
What is the reason for the sale?	The baby
9. Conclusion	
Why is this a good business?	Well established, profitable in a up market area in the East of Pretoria.
What is the price plus stock and the net profit?	R240,000 including R55,000 stock in the price. Average Net R3,500