



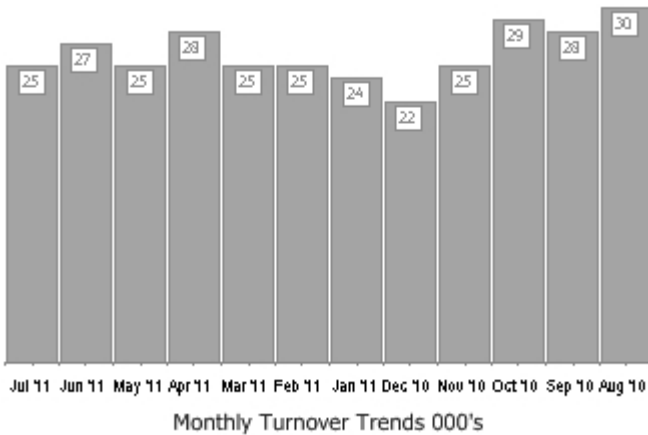
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Mandate No: 24299
Business Description: Franchised delivery of hot meals and take aways

Selling Price:	245,000	Deposit:	0
Stock:	0	Profit Last 12 Months:	123,386
Total Asking Price:	245,000	Total Assets:	16,000



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MANDATE REPORT

1. History Background	
Fully describe the business's activities?	3rd party delivery company delivering fast food and convenience items to home and business.
How long has the business been established?	Six years
How long has the owner had the business?	Six Years
What steps are in place to solve 'load shedding' problems?	Invertors are in place
2. Present Market	
How does the business operate on a daily basis?	Staff run
How are the clients attracted to the business?	Distribution of menu's booklet, word of mouth, Good service
What Advertising/Marketing is carried out?	Online website, pamphlets, menu drops, In restaurants in the area
Does the business have any contract work?	No
What competition exists?	Yes one competitor
What are the seasonal trends?	December is the quieter time and the rest of the year is consistent.
3. Financial	
Is the business VAT Registered?	Yes, under the sellers group

3. Financial	
What VAT documentation is on file?	All the group returns
Are there up-to-date Management Accounts available?	Yes
What Balance Sheet and Income Statements are available?	Yes 2010 to 2011
What percentage of the business is cash/credit?	Very low cash which is then recycled into the business.
What is the age analysis of the debtors book?	None
How could the profitability of the business be improved?	Owner managed and more effective marketing
Is Seller finance available and for what amount?	The seller has arranged with a financial group that will look at financing a transaction, the buyer will have to meet the requirements of both Franchisor and Finance house
4. Staffing	
What is the total staff complement?	Three staff
Give a breakdown of staff/functions/length of service?	Cross trained to perform all the required tasks
Do any receive special perks or incentives?	There is a full incentive turnover scheme which will be discussed by the seller with a potential buyer
Are they on contract?	Permanent with contracts
Do any have management potential?	All do
How involved is the Owner in running the business?	Not at all
5. Premises	
When does the current lease end?	June 2013
Is there an option of renewal & what period?	Yes for two years
What is the annual escalation %?	8%
What are the trading hours?	Mon- Wed 10am-9pm, Thu, Fri and Sat 10am-10pm, Sun 11 am-9pm
What is the square meterage of the business?	±60m 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
Are any items not included in the sale?	No
What is their overall condition?	Good condition, the seller will also guarantee all equipment for normal wear and tear for one year
Do any require repairing?	Ongoing maintenance is performed

6. Assets	
How have they been valued. ?	Book value, R16,000
Which assets are on lease/HP and with whom?	None
Are they presently insured?	Yes
7. S.W.O.T. Analysis	
Strengths?	Consistent, Falls within a group of branches which results in brand recognition and close support
Weaknesses?	Not currently owner run
Opportunities?	Massive growth potential with the right owner input, the seller will show what the possibilities are to the buyer.
Threats?	None identified, in fact these business grew during the recession
8. Reason For Sale	
What is the reason for the sale?	Frachisor is growing the brand as it is not his intention for head office to own the branches but to sell profitable concerns to the right franchisees.
9. Conclusion	
Why is this a good business?	Well established with a excellent Franchisor in place, unlimited growth opportunity in the market at no extra cost
What is the price plus stock and the net profit?	Price R245,000 including stock, Average net profit 10,281