



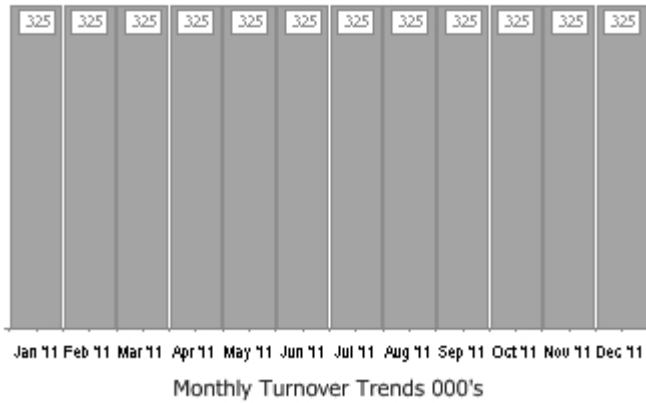
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**Mandate No: 25059**  
**Business Description: Importer and Distributor of Inflatable Jacuzzis**

Selling Price:	1,100,000	Deposit:	0
Stock:	1,200,000	Profit Last 12 Months:	782,400
Total Asking Price:	2,300,000	Total Assets:	0



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### MANDATE REPORT

1. History Background	
Fully describe the business's activities?	The business holds the exclusive import and distribution rights to import a specific brand of inflatable jacuzzis in South Africa. They also import inflatable kayaks from the same supplier. The business was started by the owner with a view to sell area agencies and to supply these agents. There is a business plan with projections available for this concept. The idea never materialised as the seller got involved in 2 other businesses.
How long has the business been established?	1 Year
How long has the owner had the business?	Owner started the business
2. Present Market	
How does the business operate on a daily basis?	The business is basically run as a side line business
How are the clients attracted to the business?	Website and featuring at expos and shows
What Advertising/Marketing is carried out?	Seller has undertaken a R100 000 advertisement campaign. These ads will appear in publications circulated in estates.
Does the business have any contract work?	No
What competition exists?	There are a similar product available at retail stores such as Builders Warehouse. This problem is however inferior to the sellers product.
What are the seasonal trends?	Summer months are busier than winter months

<b>3. Financial</b>	
Is the business VAT Registered?	Yes
What VAT documentation is on file?	Available but not on file
Are there up-to-date Management Accounts available?	Management accounts for the period 1/3/2011 - 31/12/2011 on file
What Balance Sheet and Income Statements are available?	Not available
What percentage of the business is cash/credit?	All eft payments
What is the age analysis of the debtors book?	N/a
How could the profitability of the business be improved?	By implementing the sellers business plan selling agencies in areas. These agents will buy directly from the business increasing the volume of jacuzzis sold. The income generated through the selling of the agencies will exceed the selling price of the business
Is Seller finance available and for what amount?	No
What is the payback period?	35 Months
What is the ROI?	34%
<b>4. Staffing</b>	
What is the total staff complement?	2 Staff members
Give a breakdown of staff/functions/length of service?	1 Admin lady, 1 lady attending to the orders and shipping. One of the ladies is about to go on maternity leave
Do any receive special perks or incentives?	No
Are they on contract?	
Do any have management potential?	
How involved is the Owner in running the business?	Owner runs this business as a side line and does not spend a lot of time in the business
<b>5. Premises</b>	
When does the current lease end?	The business currently trades fro a premises owned by the seller. There is office and storage space. The seller is willing to rent out the premises for R15 000 pm. Provision for this expense has been made in the income statement
Is there an option of renewal & what period?	To be negotiated
What is the annual escalation %?	To be negotiated
What are the trading hours?	Mon - Fri 8am - 4pm
What is the square meters of the business?	+ - 150m2
Is a copy of the lease available?	N/a
Do you require a licence?	No
What lease deposit and/or other surety is required?	To be negotiated

<b>6. Assets</b>	
Is a full asset list on file?	There is basically no assets apart from stock
Are any items not included in the sale?	No
What is their overall condition?	N/a
Do any require repairing?	N/a
How have they been valued ?	N/a
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
Are they presently insured?	N/a
<b>7. S.W.O.T. Analysis</b>	
Strengths?	This is a very nice product and can be used in small areas
Weaknesses?	None perceived
Opportunities?	This is a new product and there is an opportunity to get into the market at a early stage. The business reflect a good profit with very little owner involvement. There is a huge opportunity by selling agencies.
Threats?	None perceived
<b>8. Reason For Sale</b>	
What is the reason for the sale?	The seller is actively involved in 2 other businesses and do not have the time required to grow this business
<b>9. Conclusion</b>	
Why is this a good business?	Exiting product that is not well known in the market. Great potential
What is the price plus stock and the net profit?	Price R2,300,000 including R1,200,000 stock, monthly net profit +- R65 000

## FINANCIALS

### Summary Income Statement

Month	TurnOver	C.O.S.	%	Gross Profit	Add. Income	Expenses	Net Profit
Dec 2011	325,000	165,000	51	160,000	0	94,800	65,200
Nov 2011	325,000	165,000	51	160,000	0	94,800	65,200
Oct 2011	325,000	165,000	51	160,000	0	94,800	65,200
Sep 2011	325,000	165,000	51	160,000	0	94,800	65,200
Aug 2011	325,000	165,000	51	160,000	0	94,800	65,200
Jul 2011	325,000	165,000	51	160,000	0	94,800	65,200
Jun 2011	325,000	165,000	51	160,000	0	94,800	65,200
May 2011	325,000	165,000	51	160,000	0	94,800	65,200
Apr 2011	325,000	165,000	51	160,000	0	94,800	65,200
Mar 2011	325,000	165,000	51	160,000	0	94,800	65,200
Feb 2011	325,000	165,000	51	160,000	0	94,800	65,200
Jan 2011	325,000	165,000	51	160,000	0	94,800	65,200
<b>3,900,000</b>	<b>1,979,999</b>			<b>1,920,001</b>	<b>0</b>	<b>1,137,600</b>	<b>782,401</b>

### Monthly Average

Turnover:	325,000	
Cost Of Sales:	165,000	
Gross Profit:	160,000	
Additional Income:	0	
Expenses:	94,800	Average Net Profit: 65,200

### Current Expenses

Expense	Amount
Fixed Assets	70,000
Rental	15,000
Salaries	9,800
<b>Total:</b>	<b>94,800</b>

### Detailed Expense List

Expense Group	Expense	Expense Amount	Group Total
<b>Fixed Assets</b>			<b>70,000</b>
	Sundry	70,000	
<b>Rental</b>			<b>15,000</b>
	Rent	15,000	
<b>Salaries</b>			<b>9,800</b>
	Wages	9,800	

### Balance Sheet

Assets	Value
Stock	1,200,000
<b>Total:</b>	<b>1,200,000</b>