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Business For Sale
Window Cleaning Business

Rare opportunity to pick up a well established, very easy to run and profitable window cleaning business that has a solid client base. The business has been growing its commercial side to the extent that the private home market only constitutes around 17% of the business. There is a huge demand in the commercial space for its services and with its well trained staff this business is poised exploit this market. This business can be taken to the next level or can be maintained as a solid income earner depending on the buyer's requirements.

Selling Price	725,000	Turnover pm	44,238
Stock	0	Profit pm	33,072
Total Asking Price	725,000	Nett Assets Incl	93,000

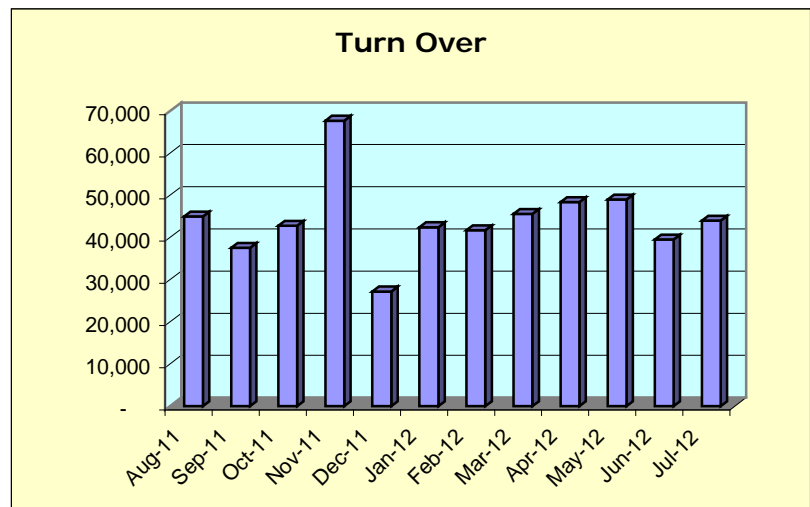
Summary Income Statement

Month	Turn Over	C.O.S	Gross Profit	GP %	Other Income	Expenses	Nett Profit
Aug-11	44,996	166	44,830	99.6%	-	11,000	33,830
Sep-11	37,551	166	37,385	99.6%	-	11,000	26,385
Oct-11	42,793	166	42,627	99.6%	-	11,000	31,627
Nov-11	67,703	166	67,537	99.8%	-	11,000	56,537
Dec-11	27,195	166	27,029	99.4%	-	11,000	16,029
Jan-12	42,428	166	42,262	99.6%	-	11,000	31,262
Feb-12	41,714	166	41,548	99.6%	-	11,000	30,548
Mar-12	45,607	166	45,441	99.6%	-	11,000	34,441
Apr-12	48,374	166	48,208	99.7%	-	11,000	37,208
May-12	48,984	166	48,818	99.7%	-	11,000	37,818
Jun-12	39,536	166	39,370	99.6%	-	11,000	28,370
Jul-12	43,978	166	43,812	99.6%	-	11,000	32,812
TOTAL	530,859	1,992	528,867	99.6%	-	132,000	396,867

Monthly Average

Monthly Turnover	44,238.25
Monthly COS	166.00
Monthly Gross Profit	44,072.25
Monthly Other Income	-
Monthly Expenses	11,000.00
Monthly Profit	33,072.25

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.





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MANDATE REPORT

1. History Background

Fully describe the business's activities	<p>The business offers a professional window cleaning service which is required by a large variety of commercial customers such as Malls, Offices, Industrial premises and Showrooms, this is apart from the private homes market.</p> <p>The growth market for the industry is in the commercial side being the Malls, as well as Industrial premises and Offices. They have just picked up a one year contract with a large mall.</p> <p>Expansion does not require any large money outlay as basically all that is required is the establishment of a new team of cleaners and this team can be grown as the work load grows. Expansion is therefore only limited by how big the buyer wants to grow the business.</p> <p>The business also offers gutter cleaning and unblocking, as well as first time cleaning of houses and offices which can be very lucrative.</p>
How long has the business been established?	15 Years
How long has the owner had the business?	15 Years
What steps are in place to solve "load shedding" problems	Not applicable to the industry

2. Present Market

How does the business operate on a daily basis	Owner run.
How are the clients attracted to the business	Vehicle advertising
What Advertising/Marketing is carried out	Website, Vehicle advertising
Does the business have any contract work	On preferred Vendor list to various organisations including a big Mall
What competition exists	A couple of other companies in the industry, their edge is however their personalised involvement ensuring their clients are satisfied with the service.
What are the seasonal trends	Apart from when the company closes over December fro the 20 th the business is steady for the rest of the year.



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3. Financial

Is the business VAT Registered	Yes
What VAT documentation is on file?	Vat returns re on file
Are there up to date management accounts?	Yes, on file with the seller.
What audited financials are available, income statement and or balance sheets?	2010, 2011 and prior is available
What percentage of the business is cash/credit?	Cash 5%, EFT 95%
What is the age analysis of the debtor's book?	30 Days
How could the profitability of the business be improved?	Diversify into Hi Rise buildings, Expand service offerings such as Floors, Carpets and Cupboards. Grow the existing customer base. Improve the website which generates the commercial business.
Is Seller finance available and for what amount?	A small amount may be considered, but only with the appropriate sureties under seller discretion.

4. Staffing

What is the total staff complement?	4 excluding the owner.
Staff Breakdown and length of service	4 x Washers
Do any receive special perks, bonuses or incentives?	Bonus April and Christmas
Are they on contract?	Yes
Do any have management potential?	No
How involved is the Owner in running the business	The owner is 100% involved in the business, however this does not mean that the owner is stuck on site with the team, basically gets them going and then checks they have completed the job properly, in between the owner is free to pursue other activities.

5. Premises

When does the current lease end?	The seller runs this business from his home and this therefore suits the individual that would like to do the same. Alternatively this would be a great add on business to another business.
What are the trading hours?	Mon-Fri 7: 30am-4pm
Do you require a licence?	No



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6. Assets

Is a full asset list on file?	Yes, with the Seller, Bakkie is included in the sale
Are any items not included in the sale?	No, just all the items on the asset list
What is their overall condition?	Good, ongoing maintenance is performed
Do any require repairing?	Ongoing maintenance is performed
How have they been valued?	Fair value
Which assets are on lease/HP and with whom?	None
Are they presently insured?	Yes

7. S.W.O.T. Analysis

Strengths	Good client base built over many years, long term staff that are well trained, personal touch with supervision. The diversity of the client base across, Malls, Offices, Industrial Premises, Showrooms and Private Houses makes this business very resilient to the economy. Huge growth opportunity in the Offices and Industrial premises specifically, but also in the other areas. Low cost to fund growth in the business, no large money required for machinery, etc.
Weaknesses	None identified
Opportunities	Huge growth opportunity in the Offices and Industrial premises using existing resources. Offer other services such as Carpets, floors and cupboards. One can also consider diversifying into Hi Rise work. Improvement of the website which is a prime generator of work, especially commercial work.
Threats	The business has shown itself to be very resilient and with it's diversified client base it can weather tough economic times as well.

8. Reason For Sale

What is the reason for the sale?	Seller wants to retire
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9. Conclusion



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Why is this a good business to buy?

Well established with a solid diversified client base and long term well trained staff. The solid client base is well balanced between commercial (huge growth area) and private. The business has also just landed a one year contract with one of the major malls. This business is poised to be taken to the next level or can be maintained as a solid income earner depending on the buyer's requirements.



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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	400,000	
2	Stock	-	
3	Interest	5%	Per Annum
4	Salary Drawn	120,000	Per Annum
5	Nett Profit	396,867	Per Annum
6	Time Period	18	Months
7	ROI	35%	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)	400,000
Interest	5%
	20,000
Salary	120,000
Total (b)	140,000
Netprofit (c)	396,867
Extra Earning Potential (c-b)	256,867
Time Factor Years	2
Goodwill	385,301
Net Asset Value	400,000
Extra Earn VALUATION	785,301

2) RETURN ON INVESTMENT	
Net Profit Pa	396,867
Salary	120,000
Actual Profit	276,867
R.O.I. %	35%
R.O.I. VALUATION	791,049

3) PAYBACK PERIOD	
Monthly Profiit	33,072
Time Period	18
PE VALUATION	595,301

SUMMARY VALUATION	
Business Value	723,883
Stock	-
Debtors	-
Market Value	723,883