



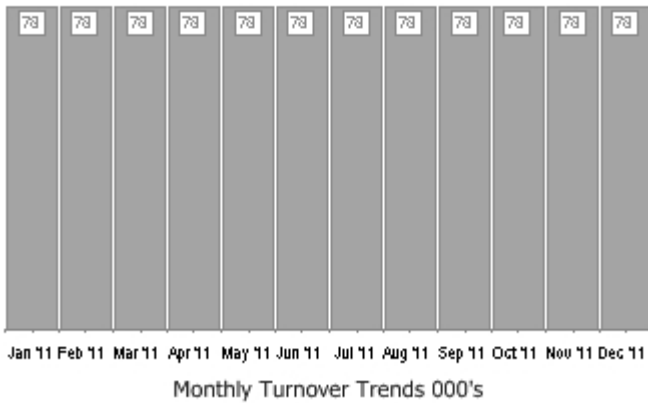
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Mandate No: 24832
Business Description: Event Planning, Management, Themes for functions, Decor hire and catering.

Selling Price:	650,000	Deposit:	0
Stock:	0	Profit Last 12 Months:	534,960
Total Asking Price:	650,000	Total Assets:	200,000



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MANDATE REPORT

1. History Background	
Fully describe the business's activities?	This business operates as an Event Planning, Management and Decor hiring company. It specializes in mainly Corporate Themed Decor Design and Event Management, and secondary in Entertainment services (DJ's, MC's, Bands, Mechanical Bulls, etc), plus allied professional services like Photography, Venue Hire and Catering.
How long has the business been established?	The business was started in 2009 as a "home based" business primarily for a 2nd string of income. It has subsequently shown tremendous growth and now has to be taken a step further to include a small warehouse to store products and to operate from.
How long has the owner had the business?	Since inception. It currently has 17 fully developed themes and an additional 65 themes on paper of which the decor items in support of the themes is available through the partner network.
2. Present Market	
How does the business operate on a daily basis?	Quotes are given to clients and upon acceptance the event will be planned, set up, managed and executed to the customers satisfaction.
How are the clients attracted to the business?	By word of mouth and referrals from satisfied clients and a very active Google Adwords driven website.
What Advertising/Marketing is carried out?	Mainly web based adverts. The website was specifically developed to stimulate theme functions ideas with clients, and the product catalogue generates queries.
Does the business have any contract work?	No but advance bookings from Jan 2012 onward has R 74,200.00 confirmed bookings, and another R 148,600.00 quotations waiting for acceptance.
What competition exists?	Normal for this type of business.
What are the seasonal trends?	From Sep to Dec tends to be busier than the rest of the year.

3. Financial	
Is the business VAT Registered?	No
What VAT documentation is on file?	N/A
Are there up-to-date Management Accounts available?	Yes
What Balance Sheet and Income Statements are available?	Yes Up to Dec 2011
What percentage of the business is cash/credit?	All cash upfront before event.
What is the age analysis of the debtors book?	N/A
How could the profitability of the business be improved?	Improving sales and if decor stock is increased thus reducing rental fees being paid to outside suppliers.
Is Seller finance available and for what amount?	Possible. Owner might consider small financing option.
What is the payback period?	15 months
What is the ROI?	82%
4. Staffing	
What is the total staff complement?	3 Permanent staff members. Event Co-ordinator, Stock Controller and Driver. Also 7 Temps for helping with set up etc.
Give a breakdown of staff/functions/length of service?	Events Consultant does sales, bookings, events and admin. Stock controller handles stock and Driver tends to vehicles.
Do any receive special perks or incentives?	Events Consultant is paid commission on sales, business telephone and fuel expenses.
Are they on contract?	Yes
Do any have management potential?	Yes, both the Events Consultant and the stock controller.
How involved is the Owner in running the business?	Very involved at present but can be scaled down.
5. Premises	
When does the current lease end?	N/A. Work from home.
Is there an option of renewal & what period?	N/A
What is the annual escalation %?	N/A
What are the trading hours?	Normally 8 to 5 during weekdays except for events that require after hours supervision.
What is the square meters of the business?	About 200 sqm are required.
Is a copy of the lease available?	N/A
Do you require a licence?	No
What lease deposit and/or other surety is required?	N/A
6. Assets	
Is a full asset list on file?	Yes

6. Assets	
Are any items not included in the sale?	No
What is their overall condition?	Good
Do any require repairing?	No
How have they been valued ?	Fair value
Which assets are on lease/HP and with whom?	None
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?	Yes
7. S.W.O.T. Analysis	
Strengths?	This is a cash business. No creditors or debtors, only cash before execution of project. Suppliers are paid cash. Easily managed business, exiting projects, unique decor sets, web driven and strong client base which includes ABSA, ABI, NEDBANK, STANDARD BANK, HPCSA, CCMA, AMPATH amongst others.
Weaknesses?	A weakness could be long working hours at some events.
Opportunities?	The Private Events side of the business could be improved upon. Also catering can be offered from in-house rather than outsourcing. Decor could be hired to function Venues as an additional income. New themes and decor can be created. Catering and bar services could be offered.
Threats?	None that is known, except perhaps a massive meltdown of the economy.
8. Reason For Sale	
What is the reason for the sale?	The owner has other business interests and this business is becoming too big to handle as a home based business.
9. Conclusion	
Why is this a good business?	It is an innovative cash driven business with lots of growth potential. A very strong partner network is established and our staff are well trained and competent.
What is the price plus stock and the net profit?	R 650,000.00 onco and net profit average over 10 months March 2011 to Dec 2011 is R 44,580.00 pm.

FINANCIALS

Summary Income Statement

Month	TurnOver	C.O.S.	%	Gross Profit	Add. Income	Expenses	Net Profit
Dec 2011	77,802	11,949	15	65,853	0	21,273	44,580
Nov 2011	77,802	11,949	15	65,853	0	21,273	44,580
Oct 2011	77,802	11,949	15	65,853	0	21,273	44,580
Sep 2011	77,802	11,949	15	65,853	0	21,273	44,580
Aug 2011	77,802	11,949	15	65,853	0	21,273	44,580
Jul 2011	77,802	11,949	15	65,853	0	21,273	44,580
Jun 2011	77,802	11,949	15	65,853	0	21,273	44,580
May 2011	77,802	11,949	15	65,853	0	21,273	44,580
Apr 2011	77,802	11,949	15	65,853	0	21,273	44,580
Mar 2011	77,802	11,949	15	65,853	0	21,273	44,580
Feb 2011	77,802	11,949	15	65,853	0	21,273	44,580
Jan 2011	77,802	11,949	15	65,853	0	21,273	44,580
	933,624	143,388		790,236	0	255,276	534,960

Monthly Average

Turnover:	77,802	
Cost Of Sales:	11,949	
Gross Profit:	65,853	
Additional Income:	0	
Expenses:	21,273	Average Net Profit: 44,580

Current Expenses

Expense	Amount
Admin Costs	383
Advertising	1,370
Bank Charges	982
Computer Costs	880
Salaries	11,514
Sundries	550
Telephone	1,896
Vehicle Costs	3,698
Total:	21,273

Detailed Expense List

Expense Group	Expense	Expense Amount	Group Total
Admin Costs			383
	Stationery	383	
Advertising			1,370
	Advertising	1,370	
Bank Charges			982
	Bank Charges	982	
Computer Costs			880
	Computer Costs	880	
Salaries			11,514
	Salaries	11,514	
Sundries			550
	Sundries	550	
Telephone			1,896
	Cellphone	1,896	
Vehicle Costs			3,698
	Fuel	3,698	

Balance Sheet

Assets	Value
Sundry	200,000
Total:	200,000