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Business For Sale **Franchised Sliming and Health Clinic**

This well known franchised business specialises in slimming and weight loss, thermal anti-cellulite treatments, inch loss and muscle toning. They provide a customised weight loss treatment. The business is located in an upmarket Northern JHB suburb.

Selling Price	799,000	Turnover pm	58,500
Stock		Profit pm	27,650
Total Asking Price	799,000	Nett Assets Incl	80,000

Summary Income Statement

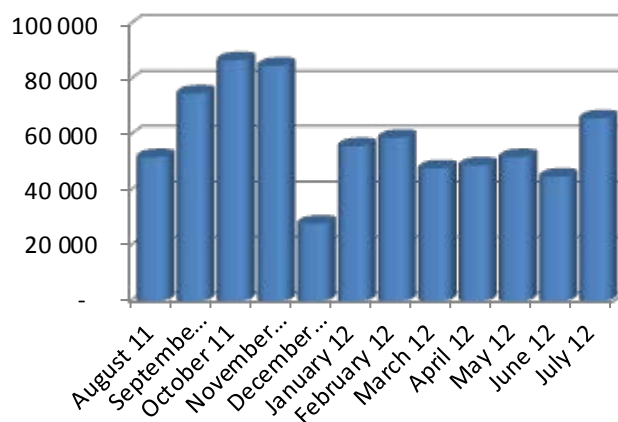
Month	Turn Over	C.O.S	Gross Profit	GP %	Other Income	Expenses	Nett Profit
Jul-12	66 000	5 500	60 500	91.67%	-	25 350	35 150
Jun-12	45 000	5 500	39 500	87.78%	-	25 350	14 150
May-12	52 000	5 500	46 500	89.42%	-	25 350	21 150
Apr-12	49 000	5 500	43 500	88.78%	-	25 350	18 150
Mar-12	48 000	5 500	42 500	88.54%	-	25 350	17 150
Feb-12	59 000	5 500	53 500	90.68%	-	25 350	28 150
Jan-12	56 000	5 500	50 500	90.18%	-	25 350	25 150
Dec-11	28 000	5 500	22 500	80.36%	-	25 350	-2 850
Nov-11	85 000	5 500	79 500	93.53%	-	25 350	54 150
Oct-11	87 000	5 500	81 500	93.68%	-	25 350	56 150
Sep-11	75 000	5 500	69 500	92.67%	-	25 350	44 150
Aug-11	52 000	5 500	46 500	89.42%	-	25 350	21 150
TOTAL	702 000	66 000	636 000	90.60%	-	304 200	331 800

Monthly Average

Monthly Turnover	58 500.00
Monthly COS	5 500.00
Monthly Gross Profit	53 000.00
Monthly Other Income	-
Monthly Expenses	25 350.00
Monthly Profit	27 650.00

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.

Turn Over





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MANDATE REPORT

1. History Background

Fully describe the business's activities	This well known franchised business specialises in slimming and weight loss, thermal anti-cellulite treatments, inch loss and muscle toning. They provide a customised weight loss treatment. The business is well located in an upmarket Northern JHB suburb.
How long has the business been established?	3 Years
How long has the owner had the business?	2.5 Years

2. Present Market

How does the business operate on a daily basis	Owner is actively involved in the running of the business. She is assisted by a part time assistant working at a hourly rate
How are the clients attracted to the business	It is a popular franchise
What Advertising/Marketing is carried out	Apart from the franchisor's website the owner advertises in the community newspaper, Longevity magazine and pole ads.
Does the business have any contract work	The business has +- 70 contracted customers. These contracts vary between 1 and 6 months
What competition exists	None in close proximity
What are the seasonal trends	Winter months tend to be a bit slower than summer months

3. Financial

Are there up to date management accounts?	Yes
What audited financials are available, income statement and or balance sheets?	2012 Financial Statements available
What percentage of the business is cash/credit?	Customers pays by monthly debit order
How could the profitability of the business be improved?	More marketing and opening over the weekends especially in summer months
Is Seller finance available and for what amount?	No

4. Staffing



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What is the total staff complement?	Owner and 1 temp assistant
How involved is the Owner in running the business	Owner is involved in all aspects of the business
5. Premises	
When does the current lease end?	3 Years remaining of current lease
Is there an option of renewal & what period	Yes, to be negotiated
What are the trading hours?	Mon-Fri 6am – 5pm
What is the square meterage of the business?	80m2
Is a copy of the lease available?	Yes
Do you require a licence?	No, but a new franchise agreement must be signed. A franchise joining fee of R70 000 is included in the asking price
6. Assets	
Is a full asset list on file?	Yes available and prepared for fair market value
Are any items not included in the sale?	Yes
What is their overall condition?	Excellent
Do any require repairing?	No
How have they been valued?	Fair market / Replacement value
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?	Yes
7. S.W.O.T. Analysis	



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Strengths	Well known franchise located in an upmarket area
Weaknesses	Not enough marketing
Opportunities	The business needs a full time assistant to enable longer hours especially over weekends
Threats	None identified
8. Reason For Sale	
What is the reason for the sale?	Owner wants to pursue other business interests
9. Conclusion	
Why is this a good business to buy?	Well known franchise. The business is well located with great potential to increase business.



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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	80 000	
2	Stock		
3	Interest	5%	Per Annum
4	Salary Drawn		Per Annum
5	Nett Profit	331 800	Per Annum
6	Time Period	30	Months
7	ROI	30%	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)	80 000
Interest	5%
	4 000
Salary	-
Total (b)	4 000
Netprofit (c)	331 800
Extra Earning Potential (c-b)	327 800
Time Factor Years	3
Goodwill	819 500
Net Asset Value	80 000
Extra Earn VALUATION	899 500

2) RETURN ON INVESTMENT	
Net Profit Pa	331 800
Salary	-
Actual Profit	331 800
R.O.I. %	30%
R.O.I. VALUATION	1 106 000

3) PAYBACK PERIOD	
Monthly Profit	27 650
Time Period	30
PE VALUATION	829 500

SUMMARY VALUATION	
Business Value	945 000
Stock	-
Debtors	-
Market Value	945 000