



BUSINESS REPORT

Date: **18th May 2024**

Business Reference: **36551**

About the Business:

Plumbing Business. Great Profits. Lifestyle. Northern Suburbs and West Rand.

This great business operates mostly via cell phone with its own App with staff getting call outs and appointments via their phones as well as them reporting back to the office on completion of the jobs and ensuring excess payments are made.

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Sector: **Services**

Asking Price:

R **2,700,000**

Monthly Profit:

R **109,781**

Asset Value:

R 360,000

Stock Value:

R 100,000

Yearly Net Profit :

R 1,317,377



Business Report

How long has the business been established?

The business was established and started trading 11 years ago in 2013 by the current owner.

How does the business operate on a daily basis?

The business operates as a plumbing service using technology in the form of their own App. Work Teams are controlled and contacted via this App and report back to the office via the App when done, sending pictures etc before they move on to the next job. All Work Teams have smart phones. The owner is mostly involved in quoting and spends about 50% of his time on the business.

Is the business VAT Registered?

Yes, the business is VAT registered.

How could the profitability of the business be improved?

By investing in another team the Insurance Listing will ensure that this new team is kept busy and therefore add to the top and bottom line.

Give a breakdown of staff/ functions/ length of service?

3 x Plumbers/Drivers
3 x Plumbers Assistants
1 x Receptionist/invoicing/reporting

How involved is the Owner in running the business?

The owner is involved in the business about 80% of the time.

When does the current lease end?

The business currently operates from the owner's home. Rent and Electricity and Water have been provided for in the Financial Reports in the event of a new owner having to move into offices in the area.

What are the trading hours?

Monday to Friday: 8.00 am to 5.00 pm.

One weekend per month is dedicated to Insurance Listing call-outs. This can be upped to 2 x week-ends per month quite easily.

What are the main assets of the business?

3 x Vehicles, Tools, Office Equipment, Office Furniture, Smart Phones, website, they have their own APP, laptop. This is basically a paperless office when it comes to operations.

Strengths?

The Insurance Listing from which they get a lot of business is a huge plus for any new owner - no struggling to get new business initially and your cash is positive straight away as they pay every two weeks. The reputation of the business out in the market is excellent. The staff are trained, knowledgeable and professional. Regular customers always come back. Excellent growth prospects by starting with just one extra team and then adding from there.

Weaknesses?

None really. Good cash flow. Lovely lifestyle business.

Opportunities?

JoJo Tank growth. Insurance Listing revenue growth with another weekend on call added. Another team added.

Threats?

Once again, none really. Insurance Listing revenue is working very well. The pricing of jobs is correct but one can also adjust pricing as necessary on the non-insurance work to ensure these jobs are secured.

What is the reason for the sale?

The owner wishes to relocate.

Why is this a good business?

Consistent revenue via Insurance companies. Positive cash flow as a result - paid every two weeks. No struggling to get new business - keeps on coming in. Very quick and easy growth can be attained with not too much input.