

Dog Grooming Business for sale in Cockenzie & Port Seton, East Lothian £40,000

- Option to buy or rent premises
- Large customer base of over 1,500
- Excellent reputation and high percentage of repeat customers
- Unrestricted free on-street parking
- Highly profitable
- Huge potential to expand
- Owner intending to take early retirement



Situation

Located in Cockenzie High Street (adjacent to Port Seton, near Prestonpans), on the east coast of Scotland and central to the largest conurbations in East Lothian. Less than 2 miles from the A1, and 12 miles to the east of Edinburgh city centre. The immediate local area is served by 3 primary schools and one secondary school, 2 community centres, a sports centre, a swimming pool, a railway station, 4 supermarkets and various small shops. East Lothian is predominantly a rural economy and is famed for the many golf courses along the coast line.

The Business

Splash Dog Grooming started in early 2009 and is a husband/wife Self Employed Partnership. It proved to be a long process finding a suitable property and successfully obtain planning consent due to Dog Grooming being a non-classified business. As such, it is the only dedicated commercial Dog Grooming business with East Lothian Council planning consent on a High Street location in the county. It has become an extremely successful business far beyond the Owners expectations, having traded first as a mobile van based grooming service from 2009 to 2011 and becoming a totally Studio based service from 2012. The regular customer base has built from zero to 1,586 (as at 31/03/17) – and is still growing with an annual repeat rate of around 84% and new customers at 11%, grooming around 1,400 dogs per year. Customers come from all over East Lothian and Edinburgh, approximately a 25 mile radius, and even from The Borders, West Lothian and Perthshire. Most customers rebook when attending an appointment with many booking all their appointments in advance for the year ahead.

The website www.SplashDogGrooming.co.uk has a wealth of information on the business, such as price guides and grooming tips to its progress from inception to the current day on the news page. The Owners have also assisted many other groomers start successful businesses of their own over the past eight years. Due to the change in the pension regulations in April 2015, they find that an earlier retirement than originally planned when the business was started is now a possibility. They now wish to pass on the business to a younger groomer with the energy, enthusiasm and determination to take the solid business base they have created to new heights.

Profitability

Nett profitability is circa £21k4 on a 2016/17 turnover of £47k (ave £3.9k pcm), from a 3 ½ day working week with only one full time groomer (partner), an employed part time grooming assistant (18 hours/week) and a part time receptionist (partner). Just adding another full time groomer or extending the days open back to 5 or 6 would allow an increase in turnover of around 80-100% with a corresponding increase in profits. Currently there are two fully equipped grooming stations, but the layout of the premises was designed to allow for up to five grooming tables to be accommodated. There are two separate sound reduced bathing rooms featuring unique water efficient, high pressure washing facilities with triple water filtration, industrial extractor fans and high pressure blaster/dryers which have the potential capacity to cater for around 60 dogs/day. The retail side of the business is a small feature in the figures but the size of the front shop offers huge scope to expand that facility.

Other Related Items

Available in addition to the business purchase is a vehicle registration number (on retention) “K900 SDG” and “Splash Dog Grooming Limited” (company number SC222250) should the Purchaser wish to trade as a limited company. SDG Ltd is a dormant company registered to protect the trading name. Both these items are available individually or together. All transfer costs for these items are to be borne by the Purchaser.

Bookings became computerised in early 2012 using 123Pet, which was upgraded in 2015. The software will be transferred with the business. Accounts and payroll are run on Intuit QuickBooks – a new unregistered single user copy of QuickBooks Professional Desktop 2016 will be provided free of charge for the Purchasers use if they wish. There is an annual charge payable direct to Intuit to unlock the payroll facility if this is required, which will be the Purchasers responsibility to pay, as well as any upgrade costs that may be required for this purpose.

The grooming partner is willing to remain a part of the purchased business, if kept operating within the current property, on a limited hours basis at no extra cost, to assist with the business transition to new ownership. To be negotiated, but will not exceed eight hours per week over a three month period from the take over date.

Trading figures

An annual summary from starting the business is included below with notes for information. Be aware that the business is still growing even though the days worked per week has halved since starting, with an additional £10k5 increase in turnover for 2017/18 being planned! Full trading information will be available only after a formal viewing has taken place.

Splash Dog Grooming historical annual summary										E&OE						
Year	days worked	Total dogs	Ave/mth	% increase	Total takings	Ave/mth	% increase	Fin YE Tot	Significant Events							
2009	7 to 6	651	54	n/a	£17,685	£1,474	n/a	£749.00	mobile service started							
2010	6 to 5	961	80	48%	£29,460	£2,455	67%	£22,922.00								
2011	6 to 5	1080	90	12%	£32,889	£2,741	12%	£31,165.06	studio opens October, mobile ceases December							
2012	5 to 4	1271	106	18%	£42,465	£3,539	29%	£34,667.00	part time employee starts September, DIY ceases December							
2013	4 to 3.5	1384	115	9%	£44,554	£3,713	5%	£43,830.90	Collect/return service ceases December							
2014	3.5	1358	113	-2%	£43,328	£3,611	-3%	£44,227.00	Friday afternoon for weekly clean, maintenance and banking							
2015	3.5	1315	110	-3%	£47,165	£3,930	9%	£44,254.30	price increase in Jan 2015, plus intending take more holidays from April 2015 with same takings as 2014.							
2016	3.5 to 3.75	1314	110	0%	£46,870	£3,906	-1%	£47,148.74	increased availability from December 2016 due to ongoing demand for Friday appointments.							
2017	3.75	336	112	2%	£11,735	£3,912	0%	£47,185.43								
2018	3.75		#DIV/0!	#DIV/0!		#DIV/0!	#DIV/0!									

Year	cancelled	Ave/mth	no shows	Ave/mth	Grooms	Ave/mth	Discounts	Ave/mth	Walk In	Ave/mth	DIY	Ave/mth	Stock	Ave/mth	Cmp Mth
2009	26	2	5	0	£17,099	£1,425	£435	£36	n/a	n/a	n/a	n/a	£151	£13	10.18
2010	71	6	34	3	£27,024	£2,252	£2,235	£186	n/a	n/a	n/a	n/a	£202	£17	12.00
2011	18	2	40	3	£32,583	£2,715	£235	£20			£10	£1	£62	£5	12.00
2012	34	3	41	3	£40,125	£3,344	£581	£48	£150	£13	£715	£60	£894	£75	12.00
2013	24	2	46	4	£43,230	£3,603	£382	£32	£240	£20	n/a	n/a	£702	£58	12.00
2014	34	3	36	3	£41,992	£3,499	£287	£24	£350	£29	n/a	n/a	£699	£58	12.00
2015	29	2	24	2	£45,471	£3,789	£855	£71	£270	£23	n/a	n/a	£569	£47	12.00
2016	35	3	32	3	£45,325	£3,777	£220	£18	£330	£28	n/a	n/a	£995	£83	12.00
2017	5	2	4	1	£11,385	£3,795	£45	£15	£125	£42	n/a	n/a	£180	£60	3.00
2018		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!	n/a	n/a	#DIV/0!		

This summary sheet is part of a complete spreadsheet which shows monthly summaries and daily figures for each year. See Cmp Mth figure for current year above, which shows how far the year is complete. Note that the accounting year runs from April the previous year to March in the year shown in the "Fin YE Tot" column, all other total and average figures are based on a calendar year January to December.

The Property

The property is of stone construction and was built in the late 1800's, with a later extension added in the 1970's. This deceptively large ground floor terraced unit has a single door entrance beside a double window and signage above. The flooring is tiled throughout the main areas with linoleum in the kitchen and cleaners cupboard.



The property was purchased in May 2011, gutted and completely refurbished to current regulations over the following 5 months, and laid out specifically for dog grooming needs in the rear with a retail area and plumbed room in the front reception. The smaller room had been constructed within the large front room which was used as a customer D.I.Y. washing and drying facility (discontinued 2013) and as such is still fully plumbed and drained. The room currently displays works of art by local painters and photographers. There is a reception desk with a retail display cabinet and free standing shelving to the rear of the front room. A central hallway links the front and rear shop where the grooming facilities are located. On the right of the hall is the fully fitted kitchen/office (units, sink, ceramic hob, fridge/freezer, microwave and washer/dryer, desk & bookshelf) and on the left the cleaners cupboard/store and fuse board. The wide hall also has free standing shelving for stock holding. The large rear



room is brightly lit and benefits from a large central skylight. It contains caging for up to 8 dogs, a large sink and drainer unit for equipment cleaning and towel storage, 2 fully equipped electric lift grooming tables, 2 fully self contained sound reduced wash rooms with 2 electric lift baths (plumbed for 4 baths) and high efficiency triple filtered push button showering facilities and industrial filtered extractors. The rear hall provides access to the staff toilet/cloakroom and rear door access to the paved/fenced area around the side/rear boundary of the property.



There is full gas fired central heating throughout supplied via a combi-boiler. Dog washing water is supplied to the dog wash high pressure shower units via their own header tanks, isolated from the main water supply.

Tenure

The property is held on the Scottish equivalent of Freehold. It is owned by the Business Owners pension fund and leased to the business on a rolling 5 year lease.

It is the Business Owners preference to have the property purchased at the same time as the business. The Purchaser of the property benefits from planning permission to convert the premises to a residential three bedroom flat (granted 04/12/2014) see East Lothian Council Planning application ref. no: 14/00840/P. From the plans you can see the current and proposed layout of the property. Optionally, the balance of the lease can be transferred to the Purchaser of the business but there is no intention to renew the lease on expiry if the property is not purchased as well as the business which will be marketed for sale during the remainder of the lease period.

Rateable Value

The property is valued by Lothian Joint Valuation Board at £6200. The poundage rate (2017/18) is 0.466 giving a total due of £2,889.20. However, the business benefits from 100% Small Business Rate relief, resulting in no charge payable.

Services

The property has all services connected. Electricity is via Opus Energy, Gas by Scottish Gas and Water by Business Stream, telephone and broadband by BT, web hosting by Namesco.

Prices

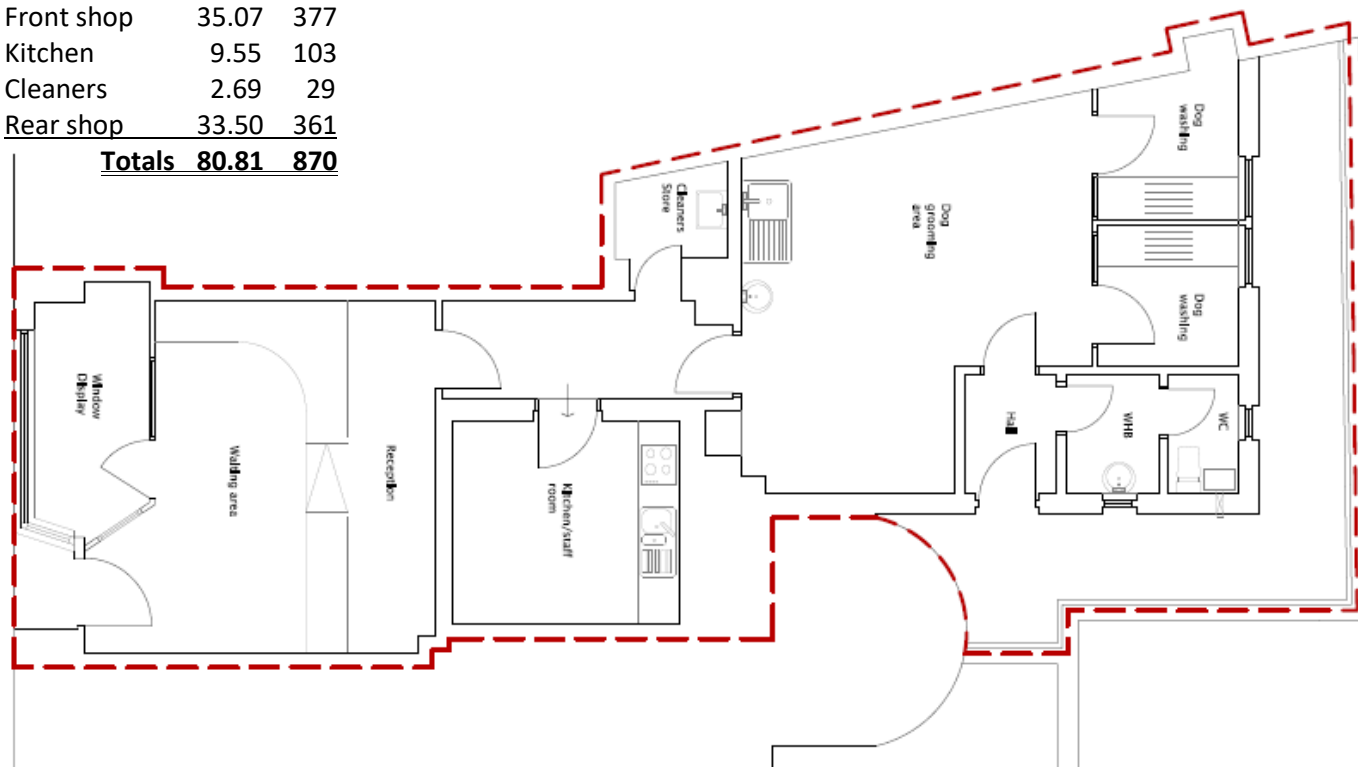
The business is available to purchase for **£40,000** which is inclusive of all equipment, spares, stock, moveable fixtures and fittings, website, domain names, computer systems and software as listed and agreed prior to purchase.

The heritable property is available for offers around **£80,000** (valued October 2014). It is the current Owners preference that the property is purchased at the same time as the business. Alternatively, the balance of the current lease may be taken over, which expires on 30th September 2021 at cost for **£583.33 pcm**, payable to the Landlord in advance by standing order. As an option, the property may be purchased prior to, or at the end of the lease expiry, for a new higher valuation at that time if the lease is taken over as part of the business purchase. Purchase of the property includes the rights to planning permission granted by East Lothian Council on 04/12/2014 for conversion to a domestic residence, but it is up to the Purchaser at their cost to ensure the continuance of the permission if the development is not started prior to the expiry date.

Approximate Floor Area

Location	sq m	sq ft
Front shop	35.07	377
Kitchen	9.55	103
Cleaners	2.69	29
Rear shop	33.50	361

Totals 80.81 870



Summary

The business presents an exceptionally rare and unique opportunity to purchase a highly profitable business offering a fantastic 45% return on investment in the first year with a solid, growing customer base. It would make an ideal purchase for an existing mobile or home based groomer or even a small partnership of groomers wishing to rapidly expand their existing business' and dramatically increase their capacity. Equally, a start up competent groomer recently finished training or a groomer with some experience working in another firm would gain from the current owner assisting for a period after the business hand over to make it a successful new venture.

The business could be considered transferrable out with the premises currently occupied, if kept within the East Lothian area, should a Purchaser already have suitable premises available to move it to.

Notes

- The purchase of the business and the purchase of the property are two separate transactions.
- Both the Purchaser and the seller in both cases are responsible for their own costs.
- There is no "Goodwill" element included or intended to be included within the business selling price.
- The internet domains (SplashDogGrooming.co.uk & SplashDogGrooming.com) and website are included as part of the business transfer at no extra cost.
- The optional vehicle registration number K900 SDG and dormant limited company Splash Dog Grooming Limited (no. SC222250) may optionally be transferred to the Purchaser at cost without additional charge.
- Value of stock and spares held is considered negligible and included in the price, at no additional charge.
- An inventory of all equipment, movable fixtures and fittings being included in the business sale will be produced by the current Owners for the Purchaser to agree.
- The business Purchaser will be responsible for providing their own business banking accounts, services and registering with HMRC to operate the ongoing business as required.
- As the computerised business accounts data and booking diaries up to the take over date form part of the current Owners historical personal tax affairs, they will not be passed to the Purchaser. Only paper copies, or the electronic equivalent, of previous years accounts will be available to the Purchaser for reference. However, a new unregistered copy of Intuit QuickBooks 2016 Professional will be included in the business transfer free of charge and the Purchaser may take scans/photocopies of diaries if required.
- The current staff member may be willing to transfer to the business Purchaser but that is a point of negotiation solely between those two parties. The current owner will only be responsible for the staff member up to the date of business transfer.