

PIZZABOYZ CRAFTED®

Disclosure Document

**AFTER CAREFULLY READING THROUGH THIS DOCUMENT,
KINDLY COMPLETE THE PRE-APPLICATION FORM ATTACHED
WITH THE REQUIRED DOCUMENTATION.**



DISCLOSURE GENERAL

Legal name of the Franchisor.

PizzaBoyz Franchising CC

2009/194712/23

Trading name of the Franchisor

PizzaBoyz Franchise Company

BUSINESS OFFICE OF THE FRANCHISOR

Shop 7 Kensington Village

17 Mackeurtan Ave

Durban North

4051

KwaZulu/Natal

MISSION STATEMENT

Our mission is to partner with individuals who share our ideals and our passion to create the premium neighbourhood Pizza outlet recognized for providing exceptional experiences that enrich the lives of everyone we meet.

VISION STATEMENT

Our vision is to see that PizzaBoyz hand-crafted pizzas is considered by opponents and proponents alike to be the best authentic pizzas around.

BACKGROUND DETAILS

C.E.O:

SURNAME: ARRIGO FIRST NAME: EZIO

C.O.O:

SURNAME: CREWS FIRST NAME: GREGORY HYDE

FRANCHISOR HISTORY

Established in 2004, PizzaBoyz has reinvented itself to become an icon amongst Pizza aficionados. Our square Pizzas offer incomparable taste and quality that has set us aside from the normal run-of-the-mill products that are on offer in the marketplace.

The primary reason that we are in this business, is because we love Pizza. Every one of our pizzas are individually hand-crafted and great care has been taken to develop our unique dough as well as the sourcing of all our ingredient to ensure that we always deliver a product that exceeds our beloved customer's expectations.

The net result is that as our customer base has grown over the years, so has the demand from locals and visitors alike who have seen the potential to open a PizzaBoyz outlet in their area.

However, we have allowed patience to prevail until we had developed all the necessary systems to ensure that the potential investor in the PizzaBoyz brand would realise a sustainable return-on-investment.

If you believe that you have what it takes to be part of the PizzaBoyz familia, then we want to talk to you. Feel free to contact our office.

POSTAL ADDRESS

P.O. Box 202123

Durban North

4016

Telephone number: 031-564-2732

Fax number: 086-697-1369

E-mail: ezio@pizzaboyz.co.za

Website: www.pizzaboyz.co.za

TRADE MARKS, LOGOS AND SYMBOLS

The PizzaBoyz logo is the property of PizzaBoyz (Pty) Ltd Registration Number 2013/177965/07 and has the right to use PizzaBoyz and its logo as a trading name in connection with a pizza outlet.

TRADEMARK

The Franchisee shall not in any way represent that he has rights of any nature in the trademarks or any registration thereof and all use of trademarks will inure to the benefit of the Franchisor.

The Franchisee shall not register any of the trademarks, or any part of them, or any trademark which is deceptively or confusingly similar to the trademarks as part of its name or any related entity or association which the Franchisee has an interest in either directly or indirectly and furthermore if the Franchisee does have such interest, it will procure that such name is changed upon demand by the Franchisor.

When using the trademarks, the Franchisee shall cause them to be reproduced exactly and accurately and in accordance with specifications and directions laid down by the Franchisor from time to time.

DETAILS OF RESTRICTIONS IMPOSED ON THE PROSPECTIVE FRANCHISEE

OPERATION OF THE FRANCHISED BUSINESS

1. The Franchisee shall operate the Franchised Business strictly in accordance with the business method and the operating manual. The Franchisee will furthermore ensure that the Franchised Business conforms with other Franchised Businesses operated in accordance with the business method.

2. The Franchisor may from time to time recommend to the Franchisee which items are to be purchased from the Franchisor or preferred suppliers as specified in the operating manual. However, in so doing the Franchisor shall take all reasonable steps to procure that such items are not more expensive than comparable items purchased from other suppliers taking into account the additional costs that may be occasioned by labeling and packaging of the items. Furthermore, the Franchisee may purchase such products from a third party or alternative supplier provided that the Franchisor is satisfied that the product or service procured from the third party or alternatively supplier shall not be inferior quality or would not harm the trade mark or reputation of the Franchisor.

3. The Franchised Business will only be carried on from the premises unless the Franchisor gives its written consent to conduct the Franchised Business from any other premises.

4. The Franchisee shall: -

4.1 Not sell or use in the course of operating the Franchised Business any goods competing with the franchised products and furthermore the Franchisee shall ensure that all franchised products sold are at the minimum objective specifications as laid down in the operating manual.

4.2 Not engage directly or indirectly in any other business venture which is in the nature of the Franchised Business without the prior written consent of the Franchisor.

4.3 Not carry on permit to be carried on any other business at the premises nor extend the scope and the range of the Franchised Business;

4.4 Not change the premises of the Franchised Business without the Franchisor's written consent which consent shall not be unreasonably withheld.

5. The Franchisee shall keep the Franchised Business open during the operating hours as defined in the Franchise Agreement.

5.1 The Franchisee shall in operating the Franchised Business comply with all applicable laws, by-laws and regulations of any competent authority having jurisdiction over the operation of the Franchised Business.

OPERATING MANUAL

The operating manual will be made available to the Franchisee. However, the Franchisee is required to return the operating manual and any other copies thereof to the Franchisor on termination of this agreement.

EMPLOYEES

The Franchisee shall not commence trading until such time as it receives written confirmation that it's nominated employees have been sufficiently trained;

The Franchisee shall not permit any person to act or assist in the Franchised Business unless such person has undergone training and approved competent by the Franchisor;

The Franchisee will not induce employees of the Franchisor or other Franchisees to leave their employment and take up employment with the Franchisee.

OBLIGATIONS OF THE FRANCHISOR

On payment of the upfront fee, the Franchisor shall be obliged to assist the Franchisee in preparation of a business plan and the securing of finance to pay the establishment costs.

On payment of the establishment costs, the Franchisor shall be obliged to

- disclose the business method to the Franchisee and make available the property rights and operating manual and any updates,
- convert the unit to a fully operational PizzaBoyz outlet;
- advise the Franchisee on initial staffing requirements and provide the necessary training so that the Franchised Business can commence trading as soon as possible;
- disclose improvements and any developments in the business method to the Franchisee and provide any further training relating thereto;
- disclose improvements and any developments in the business method to the Franchisee and provide any further training relating thereto;
- assist the Franchisee in overcoming any problems that may be experienced in operating the Franchised Business;
- should it deem appropriate to operate another Franchised Business within the territory, first offer such right to the current Franchisee operating in such territory;
- organize and hold annually a Franchisee conference;
- Assist the Franchisee in procuring such supplies, services and equipment as may be required in addition to those initially supplied by the Franchisor.

LAW APPLICABLE

The Franchise Agreement shall be governed in accordance with the laws applicable in the Republic of South Africa

FRANCHISEE PROFILE

CHARACTERISTICS

The prospective Franchisee must:

- Have personal day-to-day involvement in the management of the business.
- Have financial security and the financial capacity to open and operate the business as well as supporting any borrowing costs associated with the business.
- Have willingness to adhere to established concept guidelines and procedures.
- Be enthusiastic, ambitious, have integrity and have a desire to work hard.
- Be committed to and have a belief in the product quality standards.
- Have a positive attitude.

SKILLS

The prospective Franchisee must have:

- Strong communication and people skills.
- Sound business and management skills.

TRAINING

COMPULSORY TRAINING

The training schedule consists of a combination of theory and hands-on practical training and you will be required to attend training for a period of 21(twenty one) working days.

- Basic business skills
- Customer service
- Finance
- Stock management
- Store administration
- Human resources
- Point of sale training
- Marketing
- Safety
- Hygiene
- Security
- Standard of operations
- Product preparation
- Equipment maintenance

Training for the Franchisee's staff consists of a combination of theory and hands-on practical training and they will be required to attend training for a period of 21 (twenty one) working days.

- Product training
- Customer care and relations.
- Financial controls

ONGOING TRAINING

The Franchisee will be given support, training on any new developments on an ongoing basis by:

- Updating our comprehensive Operations and Procedures Manual.
- Telephone support.
- Service Representatives.

OPPORTUNITIES

There are opportunities available throughout RSA.

CURRENT OUTLETS

CURRENT OUTLETS CONTACT DETAILS

DURBAN NORTH

Company-owned
Ezio Arrigo and Greg Crews
17 Makeurtan Avenue
031-564-2732
ezio@pizzaboyz.co.za



UMHLANGA RIDGE-HALAAL

Franchise
6 Aurora Drive
031-566-5428
ismail@pizzaboyz.co.za



PHOENIX-HALAAL

Franchise
13 Agropolis Street
Starwood, Phoenix
031-880-1350
ismail@pizzaboyz.co.za



PROPOSAL

Once a franchise agreement has been signed, the modus operandi from there on is as follows:

- The initial Upfront Fee of R 150,000 (one hundred and fifty thousand rand) excluding VAT should be paid into Strauss Daly Trust Account while further finance is being secured through a financial institute of your own choice. This fee is refundable subject to administration costs (please confirm with the attorney) should the transaction not be completed for any reason whatsoever.
- Should you decided to withdraw from the agreement for any reason whatsoever the sum of R 10,000.00 (ten thousand rand) plus VAT of the Upfront Fee is non-refundable and will be retained to offset any administration and miscellaneous expenses incurred.
- Once the finance has been approved and payment has been made by the bank (if finance option is required) and the funds in the trust account (including the 50% unencumbered amount) is transferred to PizzaBoyz then the equipment, fittings, signage and stock will be ordered.
- A date will then be set aside for the training of the Franchisee and his/her staff in all aspects of the business and an opening date will be set aside.

Please note: Any deposits paid will be deposited into a separate bank account and will be dealt with as provided for in Paragraph 9.14 of the FASA Code of Ethics

Every Franchisor Member shall ensure that all moneys which such Franchisor Member may receive from any other person ("the prospective Franchisee") in contemplation of the conclusion of a franchise agreement are deposited in an attorneys trust account or a separate bank account maintained by the Franchisor Member for that purpose. In the latter event, the Franchisor Member shall advise the prospective Franchisee in writing that the moneys deposited therein do not constitute trust moneys and shall not be protected against claims by the Franchisor member's creditors in the event of its insolvency.

PizzaBoyz recognises the importance of the fact that PizzaBoyz benefits directly from the success of its Franchisees and therefore, we are committed to making the Franchisees successful.

It is important to note that being part of PizzaBoyz family means that you are never alone and you are encouraged to communicate with PizzaBoyz to ensure that we are able to give you the maximum opportunity to achieve your goals.

The success of the franchise relies on both you the Franchisee and us as the Franchisor.

ESTIMATED ESTABLISHMENT COST OF A ±100M2- 120M2 PIZZABOYZ OUT LET

UPFRONT FEE (UFF)

The Upfront Fee as identified in the tabulated list of establishment costs is payable to the Franchisor on the signing of the franchise agreement.

These fees are for:

	Standard
Joining Fee	
Recruitment costs	
Legal and financial charges	
Training fees (Limited)	
Initial marketing fees (Launch)	
(excluding VAT) Total	150,000

Upfront Fee is R 150,000 excluding VAT

ESTABLISHMENT COST (EC)

	Standard
Upfront Fee	150,000
Conversion costs	1,900,000
Subtotal	2,050,000
VAT	307,500
Total	2,357,500

Establishment cost is R 2,357,500 including VAT (See estimated establishment costs in section 21)

INITIAL WORKING CAPITAL (IWC)

	Standard
Opening Stock	60,000
Uniforms	10,000
Working Capital	100,000
	170,000

Initial Working Capital is R 170,000

TOTAL INVESTMENT (TI)

The Total Investment will include:

	Standard
Establishment Costs& UFF	2,357,500
Initial Working Capital	170,000
(Excluding VAT) Total	2,527,500

Total Investment is R 2,527,500 excluding VAT

INVESTMENT BEFORE BORROWING (IBB)

You are required to have own cash contribution (MOC) of R 1,100,000 (One million and One Hundred Thousand rand) or 50% (fifty percent) unencumbered cash before borrowing from a financial institution. (Concrete proof must be furnished). NB: This amount may vary as it is dependent upon your financial institution's requirements. For example, if you are part of the historically-disadvantaged community.

ONGOING PAYMENTS (OP)

Payment of the Management Service Fee and the Marketing Contribution for each month is due on the FIRST DAY of each succeeding calendar month.

MANAGEMENT SERVICE FEE (MSF)

There is a monthly management fee of 5% (five percent) of gross turnover plus Vat. This is also referred to as Royalties.

MARKETING FEE

The advertising fee is a monthly contribution of which will be determined by the number of franchise outlets operating at the time. This fee will be a retainer-based fee towards all marketing ideas and conceptualization, design, development and social media activations

NB: The purpose of the information above is to provide a general idea of cost and that:

This is for a store with in KZN and there will be some additional charges to cover, transport, accommodation etc. should the setup be in another region.

The upfront fee will need to be paid to the Franchisor and only when all the finances have been transferred in full will we proceed with setting the store up.

Initial training will take place in Durban - transport, accommodation, food and staff wages will be for your account.

In the event of the Franchisee not being granted finance to pay the establishment costs and/or the option to lease the premises not being secured and/or the Franchisee having secured the finance and an option to but failing to pay the establishment costs and sign the lease agreement, the upfront fee shall be refunded to the Franchisee together with interest less an amount of R10,000 (ten thousand rand) plus VAT thereon which shall be retained by the Franchisor as an administration fee to cover out of pocket expenses incurred by the Franchisor in contemplation of the agreement becoming effective.

A team will go to your store to assist with the final training and handover.

The cost of the imported equipment is subject to the foreign exchange rate and may change from the initial price quoted by the supplier.

Allowances are made for start-up costs, opening stock, marketing and working capital.

Please note that prices quotes are only valid for 30 (thirty) days.

RECOMMENDATIONS

PizzaBoyz recommends that anyone interested in investing in a franchise should consult an accountant and an attorney prior to signing the Franchise Agreement to determine whether he or she might succeed as a Franchisee.

Such a business should be considered as a business venture with inherent risk factors.

These risk factors should be thoroughly considered prior to executing any documentation.

REQUIRED DOCUMENTATION

PRE-APPLICATION FORM COMPLETED IN DETAIL.

SUPPORTING DOCUMENTATION FROM A FINANCIAL INSTITUTION CONFIRMING AVAILABILITY OF UNENCUMBERED CASH.

COPIES OF ID DOCUMENTS OF RELEVANT PARTIES.

IF COMPANY OR CLOSED CORPORATION, COPY OF REGISTRATION DOCUMENTS.

PRE-APPLICATION FORM

Full Names : _____ Last Name : _____

Id Number : _____

Date of Birth:

Age & Sex?

Physical Address:

(H) _____

(W) _____

E-mail Address: _____

Marital Status

Contact Numbers:

(H) _____

(W) _____

(C) _____

Number of dependants

ADDRESS INFORMATION

Apartment / Building _____

Street Address _____

Suburb _____

City _____

State / Province _____

QUALIFICATIONS & OCCUPATION:

Languages Spoken _____

List Your Experience, Education & Qualifications _____

Current Occupation _____

STORE INTEREST

Location of Interest _____

Select a Choice:



Are you willing to relocate?

YES	NO
-----	----

BUSINESS REQUIREMENTS

Do you have R 1,250 000.00 unencumbered capital to invest? (Proof required)

YES	NO
-----	----

What capital are you prepared to invest? _____

Have you ever been insolvent?

YES	NO
-----	----

Is there a judgement against your name?

YES	NO
-----	----

Are you under debt review?

YES	NO
-----	----

Do you intend to run the business yourself?

YES	NO
-----	----

Do you have any objections if we perform an ITC check on you?

YES	NO
-----	----

Are you familiar with the Pizzaboyz brand?

YES	NO
-----	----

Have you ever managed a team?

YES	NO
-----	----

If so, what did your management entail? _____

Are you computer literate?

YES	NO
-----	----

If so, provide further details _____

Are you willing to be interviewed?

YES	NO
-----	----

When would you like to be operational _____

DOCUMENTAION

Please attach the relevant documentation

- 1. Certified copies of ID documents of relevant parties.
- 2. Confirmation documents from a financial institution, confirming availability of unencumbered cash.
- 3. If a company or close corporation, attach a copy of your registration documents

Applicants Full Name _____

Signature _____ Date _____

Founders Full Name _____


Signature _____ Date _____

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17 MACKEURTAN AVE
DURBAN NORTH
KWAZULU/NATAL
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