

Michel's



BUSINESS FOR SALE

Michel's Patisserie & Cafe
St Clair



Business Details

Business Name: Michel's Patisserie St Clair

Business Location: Shop 37, 155 Bennett Road, St Clair Shopping Centre, St Clair NSW 2759

Business Owners: Don Klynhout, owner since August 2022 and retiring

Overview and Features

Michel's Patisserie is a shop located in St Clair NSW 2759 that offers exclusive coffee blends and baked goods, from cakes to quiches, in a relaxed patisserie setting. It has a great location in the food court and its coffees are popular within the local community. The business is a franchise of ASX listed Retail Food Group which was established in the mid 90's. The owner of the shop, Laurentius (Don) Klynhout, purchased the franchise in August 2002. Currently, the lease of the premises has been recently renewed until 2026. The business has recently returned to post-COVID operations wherein it is writing positive revenues and post appealing profits. The business is back to full time trading throughout 2023 with no further assistance required of COVID support packages offered throughout the lockdowns.

Price and Stock

Price: \$265,000 (ex GST); Stock: \$10,000 approx.



St Clair Shopping Centre

St Clair's Shopping Centre is a large, modern local shopping centre in greater western Sydney. It is located at 155 Bennett Road, St Clair and plays a significant role in the local communities welfare and standard of living. St Clair's shopping centre is a child friendly venue, playing host to the local McDonalds where families come and enjoy some food and down-time. Clean, friendly, well-presented and very community minded, St Clair Shopping Centre is home to over 45 specialty retailers including the anchor tenant Woolworths. The car park precinct contains McDonalds and Red Rooster restaurants along with a 7-Eleven service station.

Trading Days and Hours

Monday	7 AM to 5.30 PM
Tuesday	7 AM to 5.30 PM
Wednesday	7 AM to 5.30 PM
Thursday	7 AM to 7 PM
Friday	7 AM to 5.30 PM
Saturday	7 AM to 4 PM
Sunday	7 AM to 4 PM



Financial Information

	2019	2020	2021
Profit as per Tax Return	\$38,925	\$38,695	\$53,139
Adjustments			
Job Keeper		\$24,000	\$54,000
Depreciation	\$20,909	\$25,448	\$24,621
Interest Paid	\$8,406	-\$2,246	\$7,511
Franchise fee	\$2,673	\$2,673	\$2,673
Freezers		\$2,758	
Motor Vehicle		\$3,400	\$3,600
Repairs and Maintenance	\$575	\$57	\$1,381
Related Party Wages	\$45,320	\$59,250	\$59,177
Related Party Super	\$4,305	\$5,629	\$5,632
Casual Staff	-\$25,000	-\$25,000	-\$25,000
Total Add Backs	\$42,994	\$38,518	\$33,232
Normalised Profit	\$81,918	\$77,213	\$86,371

You will note that the profit of the business is after the owner's wage is taken out. That means that in respect of the above table, a profit well in excess of \$120,000 for an owner is represented. The recent results show a slightly different picture. Financial results are as follows:

Oct to Dec 2021	
Profit	\$12,392
Owner Wage	\$13,680
Total	\$26,072

Below are the monthly sales figures ex GST in the last 24 months to Jun '21:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019							46,825	61,866	48,304	53,738	43,638	44,723
2020	49,567	45,835	46,990	34,716	32,834	38,772	59,161	48,053	50,953	59,564	48,538	52,121
2021	50,071	49,183	49,755	58,522	54,451	43,726	31,618	28,574	31,618	48,952	48,340	50,452

Lease

The lease for the shop has been renewed this year for a further 5 years so the new expiry is on 20 June 2026. Starting July 2021, the rent is \$89,267 including outgoings per year. The owners have a good relationship with the lessor and shopping centre management.



Employees

The shop employs 6 people on a casual basis, with tenures lasting up to 18 continuous years - reflecting the sense of community this business successfully operates under. The staff receive the fast food award wage where casual employees are given rostered shifts of 3 hours to 35 hours per week.

One staff member has worked casually with the business for 18 years. According to the owners, she is very reliable and highly trained as she is able to manage the shop and other staff when the owners are not there. The shop also has another staff member who is very reliable and trustworthy. Both staff members have great rapport with all customers.



Marketing and Advertising

The owners have not done any marketing or advertisement initiatives as all marketing initiatives or projects are handled by Michel's Patisserie head office, the franchisor. Michel's Patisserie head office discuss upcoming marketing and promotions with the business. The head office always provides opportunities for feedback and suggestions for marketing. They do allow for individual marketing and promotions if this is something the new owner wants to do.

Michel's Patisserie website www.michels.com.au.

Documentation and Business Systems

The business has its own IT system and till support provided by the head office. The online ordering system of the shop allows for requests of personalised cakes and everyday cakes. The staff follows a documented operations manual.

Image and Presentation

The business uses the logo of Michel's Patisserie head office and the logos are displayed around the shop and, on coffee cups and cake boxes. The head office provide customers with a digital loyalty app to give regular customers free coffees after they have purchased a certain amount. They also provide uniforms which all staff must wear. The pants are black and the shirts are navy blue with their logo on the chest. All staff must be presentable at the beginning of each shift with the correct uniform, closed in shoes and hair pulled back and secure. The shop and staff has a clean and professional image.



Plant and Equipment

Item	How Old	Cost	Condition
Coffee Machine	8	\$7,500	Good
Grinder x 2	8	\$3,000	Good
Freezer x 2	6	\$5,000	Good
Blender x 2	1	\$3,600	Good
Cake and Oven Cabinet	12	Included in fit out	Excellent
Sandwich press	2	\$1,900	Good
Microwave	<1	\$200	Excellent
Oven	6	\$2,500	Good

Products

Below are the products of the business. All margins run between 33% to 73%.



Product	Prices (Depending on Size)
Hot Drinks	\$4.00 - \$5.00
Cold Drinks	\$4.00 - \$6.00
Cakes	\$4.50 - \$300.00 (Small to Party Size)
Savories	\$2.60 - \$6.20
Light Meals	\$5.00 - \$12.90

Premises

The business is located at the St Clair Shopping Centre Food Court. Other businesses in the food court include Noodle Paradise, Gloria Jeans, Subway, Aussie Kebabs and Florist Tea.

The premises is 56sqm and is in excellent condition. It is currently undergoing a minor refurbishment. Deliveries are received through the back door of the store. Storage is within shop and garbage/recycling is kept in another room next to the store that is shared with other businesses.

Onsite parking is available within the shopping centre complex.

Owner Involvement

The owners complete all stock ordering online for the stationary, cakes, and savoury items with the same suppliers.

Clients

The business has a number of regular customers that attend the shop daily. The number of customers that come weekly are between 1,400 to 1,700 people. A large portion of customers are returning customers and a large portion of these are everyday customers from the local schools, shops and sporting venues.

Suppliers

The business has a number of different suppliers used through Michael's Patisserie head office, as well as independent suppliers that the owners source themselves for particular items for the shop. Some suppliers such as the milk supplier has been with the business for 19 years. Other supplies are with the business for roughly 7-4 years. The owners have a great relationship with all of their suppliers as they pay invoices before the due date to maintain a good rapport.



Terms of Trade

Customers are able to pay cash or eftpos while the business pays suppliers through bank transfers or direct debit. The credit terms allowed by the suppliers are 7 to 14 days. 7 to 14 days.

Competitive Analysis

Within the St Clair Food Court there is also Gloria Jeans and Florist tea, which are local competition for the business.

Strengths	Weaknesses
<ul style="list-style-type: none">Loyal long-standing customersReliable and well-trained staffGood relationships within the community service	<ul style="list-style-type: none">Affected by mandates of the government to close during the pandemic

Value of Stock

The value of stock at valuation is around \$10,000.

Description of Stock

Includes milk, cakes, coffee, soft drinks, and syrups. Savoury and light meal items are all well-packaged. All the cake boxes, crockery, takeaway cups and curry bags bare the Michel's logo.

Working Capital Requirements

There is a rental bond of 3 months rent required.

Trial

No trial as takings can be proved.

Inspection of Business

Staff are not are aware of the sale. Inspections can be organised on a time and date suitable for both the owners and prospect buyer.

Takeover Arrangements

All new vendors must complete the 4-6 weeks in-store training provided by current owners. There is also training provided by the franchisor to ensure a smooth and successful transition to the new owner.

Reason for Sale

The owners intend to retire, reflecting on 20 years of continuous and successful operation.



Contact Us

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