

CONFIDENTIAL BUSINESS REVIEW



**EVERY
ACCOMPLISHMENT
STARTS WITH
THE DECISION
TO *try.***





DISCLAIMER

The Information Memorandum (IM) has been prepared for information purposes only and is not intended to form any part of an agreement between you and the Vendor.

This IM is provided to parties who have completed a confidentiality agreement expressing an interest in purchasing the business known as **Cycle Fixation Bayswater**

The Vendor has engaged Chess Business Brokers to act as its agent to negotiate the successful sale of the business. All documents and information contained within this IM has been provided to Chess Business Brokers by the Vendors of the business and / or their advisers.

Chess Business Brokers does not warrant the information is correct and has not audited the business's financial information or verified that the documents and information contained in this IM is correct.

All Images and graphs are for indicative purposes only.

Furthermore, no representations or warranties expressed or implied have been made by Chess Business Brokers as to the accuracy or completeness of the information contained in this IM and Chess Business Brokers accepts no responsibility for any errors, omissions, inaccuracies or misstatements contained within this IM.

Chess Business Brokers and the Vendor strongly recommend that you conduct a thorough investigation on the business and seek independent legal, commercial and financial advice before proceeding to contract for the purchase of this business.

Chess Business Brokers and the Vendor reserve the right to amend or replace this IM or any information contained within it at any time, and are under no obligation to provide an amended IM or updated information to you or your advisors.

The IM can only be distributed to your professional advisors and consultants. You must not distribute, reproduce or use this IM in any other way without the expressed permission of Chess Business Brokers.

The Vendor has specifically requested that you do not directly approach the Vendor, any staff, customers or suppliers of the business without the express written permission of Chess Business Brokers.

Therefore all enquiries or requests for additional information must be directed to Chess Business Brokers.

If you decide not to proceed with the purchase of this business, within 7 business days you must return all copies of this IM and any other information that has been supplied to you.

If this IM and other information has been emailed to you, you agree to permanently delete the files from your computer and any other computer that stores the IM and any other information.

This document remains the property of Chess Business Brokers.

BUSINESS OVERVIEW

Cycle Fixation Bayswater was established 10 years ago, in 2016.

The current owner is a bicycle enthusiast racing bike rider, who loved the idea of being in a business that was involved with bicycles, day to day.

This young entreprenereul man, had a vision to be the best bike repair and service destination in Victoria. Together with his highly trained staff, they have achieved a massive reputation in this field. They also offer Sales & fitting of bikes and accessory sales.

The team is known for their expertise, exceptional customer service and personalised advice, ensuring that every customer finds the perfect ride to suit their budget, style and discipline.

Cycle Fixation Bayswater have built this reputation organically, without social media presence or any paid advertising.

Positioned prominently on a corner allotment on Mountain Hwy, which is the mecca for bike riders to go to the top of the Dandenong mountain, where they are exposed to thousands of bike riders.



TRADING HOURS

MON	TUE	WED	THU	FRI	SAT	SUN
CLOSED	9am-6pm	9am-6pm	9am-6pm	9am-6pm	9am-3pm	CLOSED

Cycle Fixation also closes on public holidays, and 2 weeks over Christmas.

EMPLOYEES

Cycle Fixation currently has a team of three employees, part-time & casual.

The owner is actively involved in the business. It is envisaged that the new owners would retain the current employees.

TITLE	CLASSIFICATION	Hrs Worked	Pay Rate
Owner	Full Time	45 Hrs.	\$800.00
Bicycle Mechanic	Casual	2-4 days p/w	\$35.16 p/h
New Bicycle Mechanic	Casual	4 days p/w	\$35.16 p/h
Admin assistant	Casual	4 hrs p/w	\$33.19 p/h

The Cycling industry generally has a quiet period during the middle of winter.

The workshop remains steady all year, but in peak periods typically there are up to two or three weeks bookings ahead.

As we transition into Spring the workload and sales significantly increases so we will have a third staff member also working 4-5 days per week.



WORKSHOP SERVICES

Cycle Fixation services and repairs all types of bicycles and components. The skilled mechanics can diagnose and resolve any bike issues, with full support from Australian distributors.

Services they provide are:-

Service Types

Safety Check
Tune & Adjust
Maintenance Service
Comprehensive Service
E-Bike Service
Freehub Service
Hub Service
Headset Service
Bleed Brakes
Wax Chain
Gear Tune
Bottom Bracket Service
Fit Bar Tape
Bike Fit
Pack Bike

Bundles

Maintenance Service & Bleed Brakes

Tubeless Labour

New Tubeless Setup
Tubeless Top up Labour
Tyre Liner Labour
(Cushcore, Rimpact etc.)

Wheel / Tyre Labour

Wheel Build
Fit Tyre / Tube
True Wheel
Glue Tubular



BUSINESS PREMISES

Address	614 Mountain Highway BAYSWATER Vic. 3153
Size Of Premises	Estimated 250 Square Meters
About	The premises is a double Level Building, with a corner position Current set up is display area/showroom takes up the front of the shop space, with a workshop to the rear of the store.

LEASE

Rent	\$26,884 per annum plus outgoings.
Term Of Lease	Current term ends 30th November 2026, with a 2 year option.
Further Term(s)	Can be negotiated.
Security Deposit	The amount payable will reflect one (1) months rent payable by way of eft or unconditional bank guarantee
Permitted Use	Bicycle Sales and Servicing



BRANDS WE DEAL WITH



PROFIT & LOSS STATEMENT

All figures taken from the 25-26 P&L

	\$
Total Income	566,156.17
C.O.G.S.	315,068.42
Gross Profit	251,087.75
Total Expenses	174,028.23 *
Net Profit	77,059.23
Add Backs	41,547.17
Adjusted Net Profit	118,606.40

ADD BACKS EXPLAINED

Addbacks are expenses in the following categories:-

1. Personal Expenses

These are expenses which are legitimate tax deductions, but not needed for the successful operating of the business, eg. personal Mv's, personal mobile phones etc.

2. Optional Expenses

Expenses you may want to spend money on, but has little influence on the turnover or wellbeing of the business, eg bookkeeper, lawn mowing etc.

3. One Off Expenses

Expenses that creep up every now and then, but are not a normal occurrence of trading, eg. Asset replacement with a life expectancy of greater than 1 year, building repairs, expensed one off purchase.

ADD BACKS

	\$
Contractors (Chloe wage for no time spent)	30,752.00
Advertising	1625.69
Fuel	3146.91
Gifts Donations	31.77
Motor Vehicle (Personal Use)	740.80
Office (Personal Use)	400.00
Superannuation (Pynt Plan with ATO previous years)	3000.00
Telephone/Internet (Personal Use)	1500.00
Uniforms (Cloths for Owner)	350.00
Workshop (extra for owner)	1000.00
Total Addbacks	41,547.17



PLANT & EQUIPMENT

DESCRIPTION
Fuji Xerox Printer Scanner
Wireless barcode Scanner
Computer,Keyboard & mouse
Barcode Printer
Computer controlled cash draw
Computer controlled cash draw
Laminator
Paper Guillotine
Upstairs Office Desk & Chairs
Motion & entry controlled alarm system
Cloud based security 5 camera & wall mount monitor
Custom fabricated window & door security screens
Twin deadbolt locks on each door
Premium modular display wall with hooks
4 X Custom made slatwall display with storage units in base
Slatwall hooks & accessories
Custom made cabinetry modular and for store
Front display cabinets with glass and LED lighting
5 X Workshop Benches with storage



PLANT & EQUIPMENT

DESCRIPTION
2 X Custom fabricated double workstands with 4 ParkTool Clamps
Outside wash bay workstand with Park Tool Clamp
Bio Circle parts washer
Air Compressor, Park Tool Tyre Inflator & 2 X Blow Guns
3 In 1, Lathe, Mill & Drill Press with light & workbench
Pedistool Mounted Grinder with finishing attachment & wire wheel
Modular Pallet Racking with custom storage
Garage workbench with light & vice
3 X SP Tools, tool cabinets
Custom Fabricated Spoke Storage
2 X Upstairs Hanging Bike Storage Racks
2 X Double Stacked Bike Displays - Upstairs
3 X Minoura Twin Bike Displays (Mounts between Floor & Ceiling)
20 + Superstand Bike Stands for floor
Custom made kitchen bench with big sink & storage
Fridge
Microwave
Air Fryer
Toasted Sandwich Maker



PLANT & EQUIPMENT

TOOLS

The workshop is currently set up for 3 mechanics to work simultaneously. There is an option for a 4th station downstairs and more opportunity upstairs.

Each workstation is well equipped with a full set of common hand tools as well as bike specific tools.

Hex Keys
Torx Keys
Screwdrivers
Spanners etc.

The Workshop is fully equipped with all specialist bike tools for all required bike repairs. This includes all proprietry tools for all bike & e-bike makes & models.

This includes -

Bearing Extractors & Bearing Press Tools
Deraillur Alignment Tool
Cassette & Hub Tools
Parktool Wheel True Stand with Accessories
Shimano, Bosch, Mahle and more E-Bike diagnostic tools.
Brake Tools & Bleed Kits for all makes.
Various Suspension Service Tools & Pumps.
Cordless Drill with multiple Batteries & Chargers.
Dremel & Accessories
Chain Waxing Tools
Electronics tools, Inc. multimeter, soldering Iron & others
Various Thread Taps including Bottom Bracket Tools
Many Proprietry tools for all bottom brackets, hubs & cranck sets
10 Years of accumulated tools as required.

The Workshop is fully stocked with consumables for all bike repairs.

- Gear & Brake Cables & Accessories
- Brake Line
- Brake Fluids
- Specialist Grease, Sprays, Lubes & Glues.
- Bearings
- Nuts & Bolts



PLANT & EQUIPMENT

Digital Assets

The business includes a website built in WIX and the domain <https://www.cyclefixation.com.au/>

The website has 12 years of presence in the area and ranks great in search engines. Cycle Fixation google listing has over 120 positive reviews and an average rating of 4.9 stars.

The retail store is run by Lightspeed R-Series Point Of Sale system tailored for bike shops with stock management and order processing and a special setup for service type work.

The workshop is run by Hub Tiger, a workshop booking and management program that allows for many mechanics, calendar planning, time management invoicing and text based communication with customers.

Hub Tiger integrates with Lightspeed seamlessly and both are cloud based programs accessible remotely or via Tablet or Phone.



WHAT HAPPENS NOW?

1

You have just undertaken this Step by reviewing the initial information about the business.

2

Schedule a business inspection through the Business Broker, giving you the opportunity to analyse it further.

3

If you are ready to move forward you can negotiate a conditional offer for the business.

4

Once the offer is accepted, there will be a heads of agreement to sign, this will give the vendors solicitors all they need to draw the contract of sale.

5

Once the contract of sale is signed a 10% Deposit will be paid to the Chess Trust Account.

6

Once the conditions (if any) have been satisfied, the contract moves to Unconditional and awaits settlement date.

7

When settlement day arrives, you will need to get together with the vendor or representative, to count the stock at hand, usually paid separately, and the balance of monies to be paid to the vendors solicitors.

BROKER PROFILE

John has many years of experience in the business brokerage and real estate sector in Victoria, having an exceptional knowledge of the Franchise Industry, John can make the sale process of your business as smooth a transaction as possible.

JOHN FERRARO

Principal Business Broker / Licensed Estate Agent

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