

Finsbury
PORTFOLIO

Fletchers Bakeries

2 CLAY WHEELS LANE | WADSLEY BRIDGE | **SHEFFIELD** | S6 1LY





INVESTMENT SUMMARY

- Rare opportunity to acquire a **highly successful and well established manufacturing facility** in north Sheffield.
- Fletchers Bakeries Limited is one of the most diverse and highly efficient bakery manufacturers in the UK to both the retail and foodservice industries, **producing 120 million products per year**.
- Fletchers Bakeries is a **significant employer in the local area**, with approximately 400 staff, covering nine high volume manufacturing lines, producing a wide variety of products.
- The site has been occupied by Fletchers Bakeries since the early 1970s, and has received significant investment over the years, including **a brand new buns & rolls line installed in 2022**.
- Well located with **good access to Sheffield city centre and to the A61, providing connections to the north via the M1**.
- The surrounding area is **mixed-use** with industrial, commercial and leisure uses immediately surrounding the property and residential use across the wider area.
- The property has a Gross Internal Area of **221,652 sq ft** across a manufacturing facility comprising a series of interconnected buildings and a two-storey office building.
- The site totals around **10.67 acres (4.32 ha)** and a **site coverage of circa 41%**.
- **A new 25 year lease to Fletchers Bakeries Limited**, with tenant only break options on the 10th, 15th and 20th anniversaries.
- Five yearly upward only **rent reviews to the higher of the open market rent or compounded CPI (1.0%–3.0% annual collar and cap)**, subject to an overall cap of **15.927%**.
- The initial rent will be **£625,000 per annum** equating to **£2.82 psf**.
- Fletchers Bakeries Limited has a **turnover of £117.6m and an EBITDA of £8.17m**.
- The lease will be **guaranteed by Finsbury Food Group Limited who have a turnover of £452m and D&B rating of 5A1**.
- **Freehold**.



PROPOSAL

We are instructed to seek offers in excess of **£6,825,000 (Six Million Eight Hundred and Twenty Five Thousand Pounds)** subject to contract and exclusive of VAT. A purchase at this level reflects a **net initial yield of 8.50%** assuming full sale & leaseback purchaser's costs of 7.65% and reflects a **low capital value of £31 per sq ft**.



Halifax Rd
to M1 North

Kilner Way Retail Park

Pro-Roll Limited

Hillfoot

Sheffield City Centre

A61
to Sheffield City Centre

Hillsborough Stadium

Hillsborough
Steelstock Limited

Sainsbury's

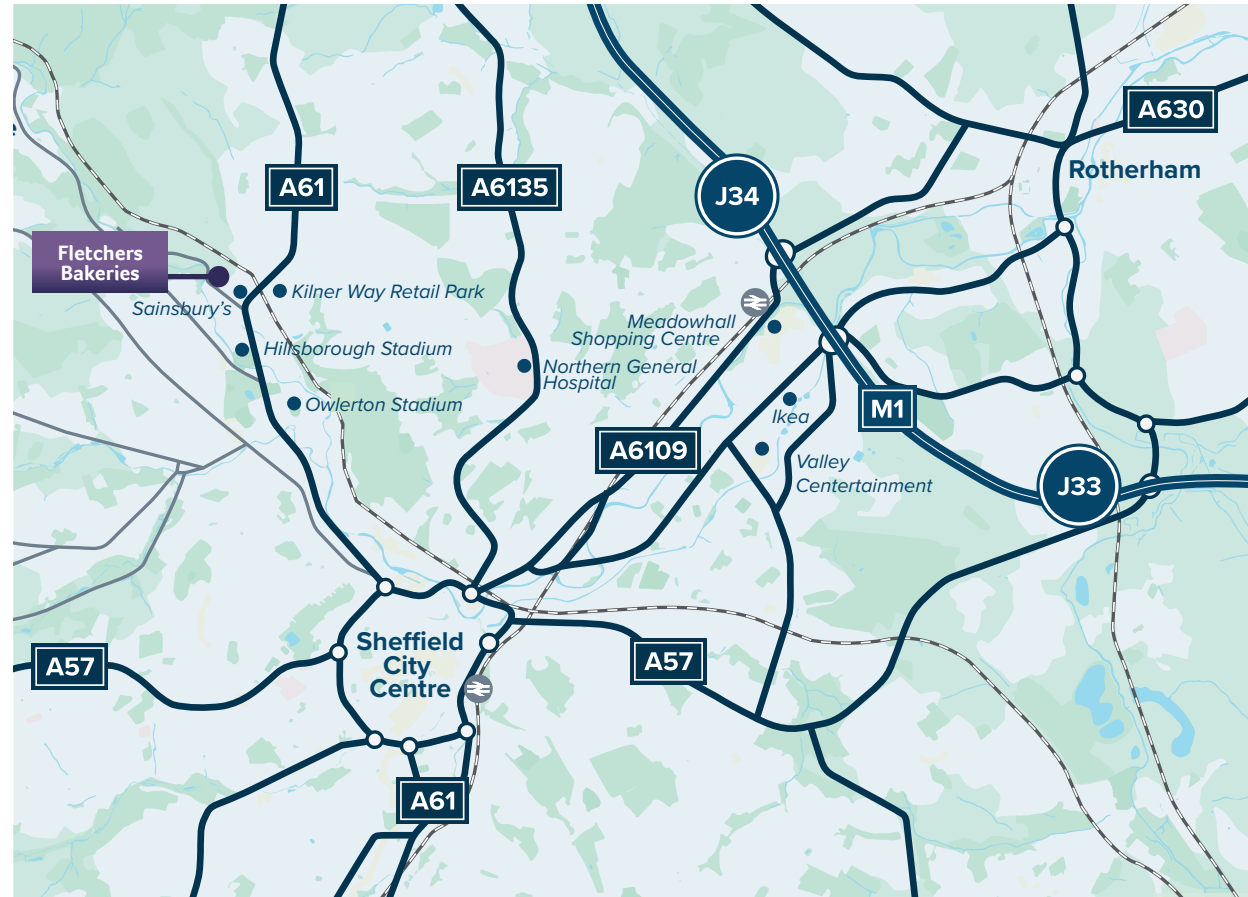
Claywheels
Industrial Estate

LOCATION

The property is located in the Hillsbrough area approximately 3.5 miles to the north of Sheffield City Centre. Sheffield is the second largest city in the Yorkshire and Humber region with a population of approximately 552,698 and serves as the commercial and administrative centre for South Yorkshire.

The city is located 4 miles to the east of J33 of the M1. Nearby conurbations include Leeds, 33 miles to the north, Manchester, 38 miles to the west and Doncaster 24 miles to the north-east.

Sat Nav: S6 1LY



Drive Times

Leeds	40 mins	33 miles
Manchester	1 hr 5 mins	38 miles
Liverpool	1 hr 40 mins	78 miles
Birmingham	1 hr 50 mins	93 miles

Train Times from Sheffield Station

Leeds	41 mins
Manchester Piccadilly	52 mins
Birmingham New Street	1 hr 8 mins
London St Pancras	2 hr 9 mins

SITUATION

Fletcher's Bakery is situated on Clay Wheels Lane, which leads from the A61, approximately 3.5 miles to the north of Sheffield City Centre. The A61 is the main arterial route connecting Sheffield City Centre to the M1, 6.5 miles to the north.

The area surrounding the property is mixed use; concentrated around the A61 there is a mix of industrial, commercial and leisure uses. The surrounding areas of Wadsley, Shirecliffe and Wisewood provide large areas of suburban housing.

Immediately adjacent to the property is a Sainsbury's superstore and there is a trade estate opposite the property with occupiers including Howdens and Thunder Group UK. Kilner Way Retail Park is situated on the opposite side of the A61, approximately 0.5 miles from the property. Also in the vicinity is Sheffield Wednesday's Hillsborough Stadium and The Owlerton Stadium, which hosts greyhound racing and speedway events.

Local Occupiers:



DESCRIPTION

The property provides a manufacturing facility, in a series of interconnected buildings, a two-storey office building and associated yard and parking.

10.67 acres

41%
site cover



Unit 1

The original factory is situated to the front of the site, which dates from the mid 1900s. The building comprises a traditional steel truss industrial unit with part brick and profile metal clad elevations under a north light roof with an eaves height of approximately 4.42m. To the front of the building is a two-storey brick-built office block, providing a mix of office accommodation, workshops, WCs and kitchens.

Units 2, 3 & 4

A more modern extension at the rear of the site, dates from the late 1990s and provides a steel framed industrial unit with part brick and part metal clad elevations under an insulated profile metal sheet roof. The building has an eaves height of 12.51m and eight dock level roller shutter doors.

Unit 5 (Canopy B)

Canopy B is an open sided steel portal frame industrial unit.

Unit 6

Located to the eastern side of the site is a detached two-storey building with brick clad elevations providing storage accommodation.

Unit 7

Located to the western side of the site is a further detached industrial building dating from the mid 1900s. This building is of trussed steel framed construction with brick clad elevations and profile metal clad roof.

Externally the property provides two separate tarmac surfaced car parks and two yards.

ACCOMMODATION

The property has been measured by Stak and provides the following Gross Internal Areas (GIA):

Unit 1	Use	GIA (sq ft)
Ground	Production and Ancillary	59,659
Ground	Office	8,782
First	Office	15,429
Second	Ancillary	381
Total		84,250
Unit 2, 3 and 4	Use	GIA (sq ft)
Ground	Production and Ancillary	70,717
First	Production and Ancillary	12,227
Second	Production and Ancillary	3,126
Total		86,070
Unit 6	Use	GIA (sq ft)
Ground	Production and Ancillary	4,169
First	Production and Ancillary	467
Total		4,636
Unit 7	Use	GIA (sq ft)
Ground	Production and Ancillary	30,087
Total		30,087
Total Production/Other		180,833
Total Office		24,211
Total		205,044
Unit 5 Canopy B		16,609
Total (inc. Unit 5 Canopy B)		221,652

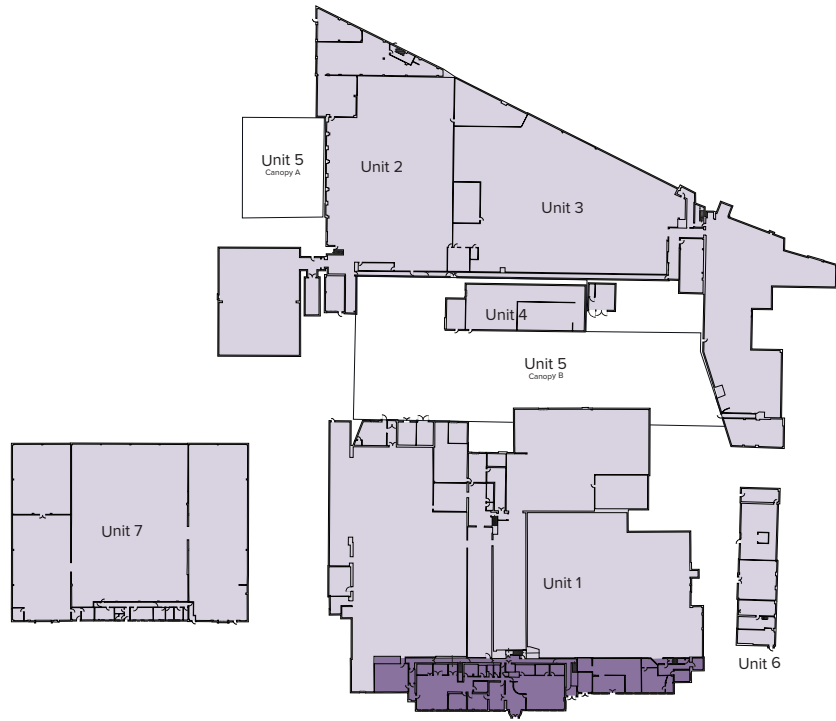


TENURE

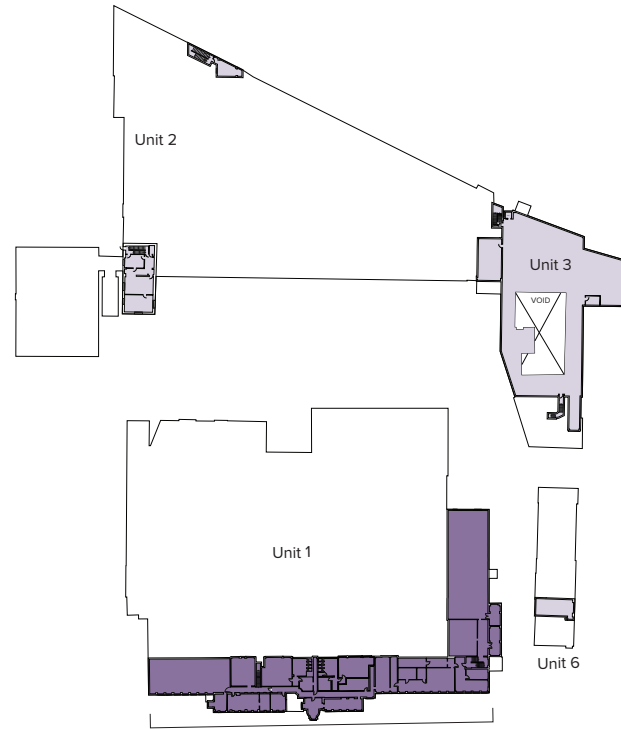
The property is held Freehold under title number SYK432315.

FLOOR PLANS

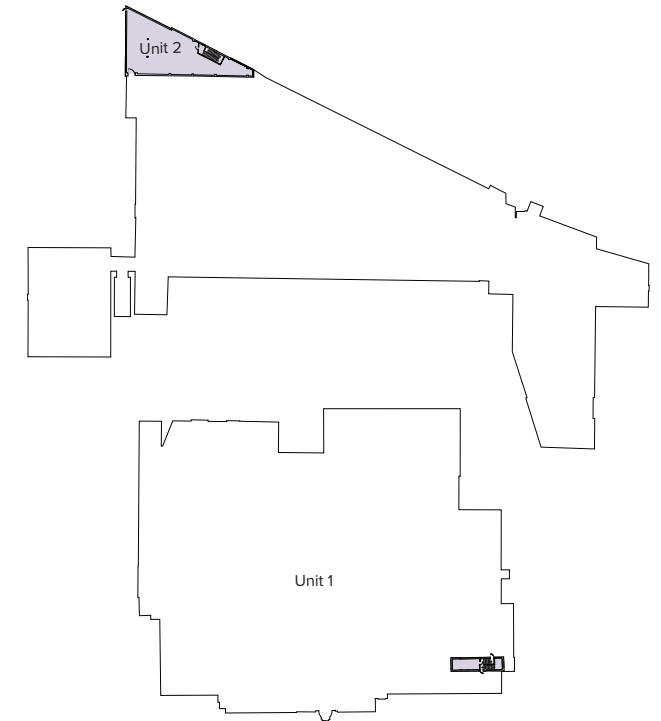
Ground Floor



First Floor



Second Floor



The measured survey is available in the data room and assignable subject to agreement of terms.

TENANCY

Lease Terms

The property will be let to Fletchers Bakery Limited on a new 25 year full repairing and insuring lease, subject to a schedule of condition. The initial rent will be £625,000 per annum, with five yearly upwards only rent reviews to the higher of the open market rent or compounded CPI (1.0%-3.0% annual collar and cap), subject to an overall cap of 15.927%. The lease will be guaranteed by Finsbury Food Group Limited.



Tenant	Fletchers Bakeries Limited
Guarantor	Finsbury Food Group Limited
Lease Term	A new 25-year lease with tenant only break options on the 10th, 15th and 20th anniversaries.
Rental	£625,000 (£2.82 psf)
Rent Review	Five yearly upwards only rent reviews to the higher of the open market rent or compounded CPI (1.0%-3.0% annual collar and cap), subject to an overall cap 15.927%.
Repairing Obligation	Full repairing and insuring basis subject to a photographic schedule of condition. All tenant fixtures, fittings, machinery or equipment to be removed upon expiry of the lease.
1954 Act	Inside

A copy of the lease and associated documentation is available in the data room.

COVENANT

Fletchers Bakeries Limited

Producing 120 million products per annum and dating back to 1895, Fletchers Bakeries is one of the most diverse and highly efficient bakery manufacturers in the UK, serving both the retail and foodservice channels. Based in north Sheffield, Fletchers Bakeries is a significant employer in the local area with around 400 staff. Fletchers Bakeries also operates from a site in Whitefield, Greater Manchester.

The site has nine high-volume manufacturing lines producing a wide range of products, including buns and rolls, English and American muffins, baguettes, doughnuts and sliced breads in both fresh and frozen formats. These are produced both as private label and under the Kara brand for Foodservice.

Fletchers Bakeries has occupied the site since early 1970's and has invested significantly over the years, including a brand new buns & rolls line installed in 2022.

Company No: 00249790

Dun & Bradstreet rating: 'E2'

Year End	July 2024 (£'000)	July 2023 (£'000)	July 2022 (£'000)
Turnover	£117,623	£102,301	£88,057
EBITDA	£8,170	£8,860	£5,597
Net Assets	£2,422	£2,095	£1,158



A*

BRC accredited

Over
45,000

tonnes
annual volumes

120
million products
produced per annum

400
staff
on site

Finsbury Food Group Limited

Finsbury Food Group is a leading UK speciality bakery manufacturer of bread, morning goods, cake and sweet treat products. The Group has long-standing relationships with all major UK grocery retailers and multiple leading foodservice providers, including Tesco, Co-op, Asda, Waitrose, Morrisons, Brakes, Sainsbury's, Bidfood and M&S. The Group has also established a broad range of brand licensing partners including Mars, Disney, Universal and Thorntons.

The Group operates across 8 locations in the UK as well as operations in France and Poland. It has well-invested manufacturing facilities with an array of production capabilities and capacity to support strong demand-led growth. Over the next three years the Group has a Capex programme of over £40m to further drive productivity and efficiency throughout its operations. The Group has a track record of delivering long term revenue growth and margin improvement, with FY24 Revenue and EBITDA of £452m and £36m, respectively. Despite recent macroeconomic headwinds, the Group has delivered consistent EBITDA growth and has proven to withstand unprecedented cost pressures through commercial negotiation and well executed purchasing strategies.

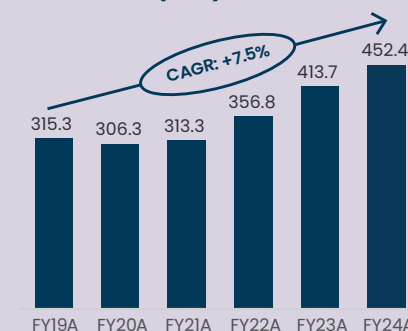
Year End	July 2024 (£'000)	July 2023 (£'000)	July 2022 (£'000)
Turnover	£452,360	£413,738	£356,808
Adjusted EBITDA	£35,950	£31,274	£28,747
Net Assets	£134,465	£126,568	£118,854



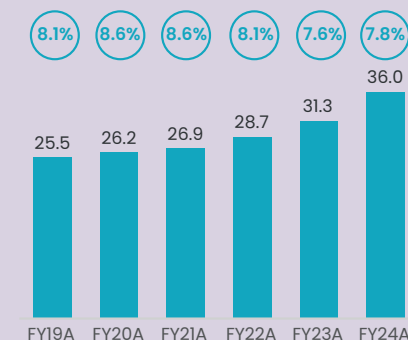
Company No: 00204368

Dun & Bradstreet rating: '5A1'

Revenue (£m)



EBITDA (£m)



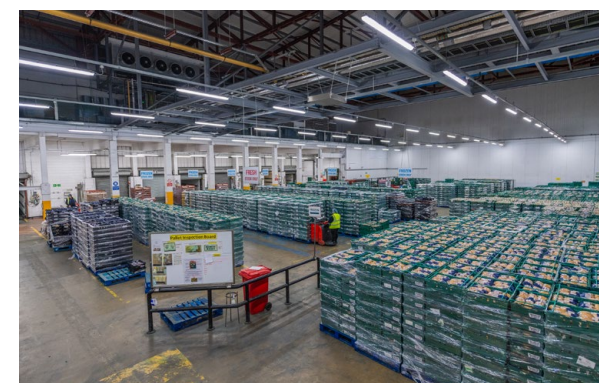
MARKET OVERVIEW

Rental Evidence

Property	Tenant	Size (sq ft)	Rent (psf)	Term (Break)	Comments	Date
Balby Carr Bank Doncaster	Capita	147,000	£5.95	10	Constructed in 1998	Q2 2023
Unit 1 Catalyst Business Park Sheffield	JLA Group	108,845	£8.50	15 (10)	Newly constructed unit	June 2023
Xenon Park Doncaster	National Grid	70,000	£4.25	5 (3)	Secondary stock	Q2 2023
Holbrook 55, Holbrook Avenue Rotherham	Beetson Clarke	55,408	£5.95	3	Second hand building	Q2 2023

Investment Evidence

Property	Tenant	Size (sq ft)	WAULT	Price	NIY	CV (psf)	Date
Calder Bank Road Dewsbury	Westex Flooring	159,713	25 (15)	£8,715,000	8.50%	£55	Under offer
Unit 9, Leeds 27 Industrial Estate Leeds	Likewise North	80,654	7.00	£7,208,614	5.50%	£89	Under offer
Unit C2, Telford Way Wakefield	Jenkar Shipping Limited	37,118	10	£3,000,000	7.75%	£81	August 2024
Altofts Lane Castleford & Units 10-11 Bruntcliffe Avenue Leeds	Viamaster	131,616 & 34,316	15	£14,395,000	6.75%	£87	August 2024
Stadium Way, South Elmsall Pontefract	Superdrug	300,000	1.50	£17,250,000	6.63%	£58	July 2024
Interchange 26 Bradford	Advanced Supply Chain Group	231,252	19.50	£30,250,000	5.37%	£131	May 2024



FURTHER INFORMATION

Phase 1 Environmental Site Assessment

Ramboll have undertaken a Phase 1 Environmental Assessment of the site and considers it to be a Low to Moderate risk. A copy of the report is available within the data room.

EPC

The buildings have the following EPC ratings:

- Unit 1 (C 56)
- Unit 2, 3 & 4 (D 76)
- Unit 6 (C 58)
- Unit 7 (C 60)

Copies of the EPC reports are available within the data room.

VAT

The property is not elected for VAT.

AML

To discharge its legal obligations, including under applicable anti-money laundering regulations, Cushman & Wakefield will require certain information of the successful bidder. In submitting a bid, you agree to provide such information when heads of terms are agreed.

Data Room

Further information can be found in the data room and access can be provided upon request.

www.FinsburyPortfolio.co.uk

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CONTACTS

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