

Finsbury
PORTFOLIO

Memory Lane Cakes

MAES-Y-COED ROAD | **CARDIFF** | CF14 4XR



**CUSHMAN &
WAKEFIELD**



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PORTFOLIO

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INVESTMENT SUMMARY

- Rare opportunity to acquire a **highly successful and well established manufacturing facility** in north Cardiff.
- Memory Lane Cakes is one of the **UK's leading suppliers of pre-packed cakes** to leading supermarkets 'own label' cake ranges and produces under licence for the likes of Disney, Thorntons, Mars and Mary Berry.
- Memory Lane Cakes hosts five bakeries with nine main production lines, **producing 41 million cakes, traybakes and seasonal treats each year**. Located at the site since 1958, it is now **Cardiff's second-largest private employer**, with around 850 staff, managing a **round-the-clock operation**.
- The facility has been heavily invested in over the years, including a state of the art whole cake line installed in 2017. **Significant further automation investment is planned** over the next three years.
- Well located with **quick access to both central Cardiff and Junction 32 of the M4 motorway**.
- The property has a Gross Internal Area of around **210,305 sq ft** across three buildings.
- The site **totals around 8.59 acres and 130m of site frontage**.
- A new **25 year lease to Memory Lane Cakes Limited**, with tenant only break options on the 10th, 15th, and 20th anniversaries.
- 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 initial rent will be **£630,000 per annum** equating to **£3.00 psf**.
- Memory Lane Cakes Limited represents an **excellent tenant covenant** with a **turnover of £89.6m and a D&B rating of 3A2**.
- The lease will be **guaranteed by Finsbury Food Group Limited** who have a turnover of **£452m and D&B rating of 5A1**.
- The site is **underpinned by residential use** positioned in an affluent, well-connected and sought after suburb in north Cardiff.
- **Freehold**.



PROPOSAL

We are instructed to seek offers in excess of **£6,425,000 (Six Million Four Hundred and Twenty Five Thousand Pounds)** subject to contract and exclusive of VAT. A purchase at this level reflects a **net initial yield of 9.00%** assuming full sale & leaseback purchaser's costs of 8.77% and reflects a **low capital value of £31 per sq ft**.



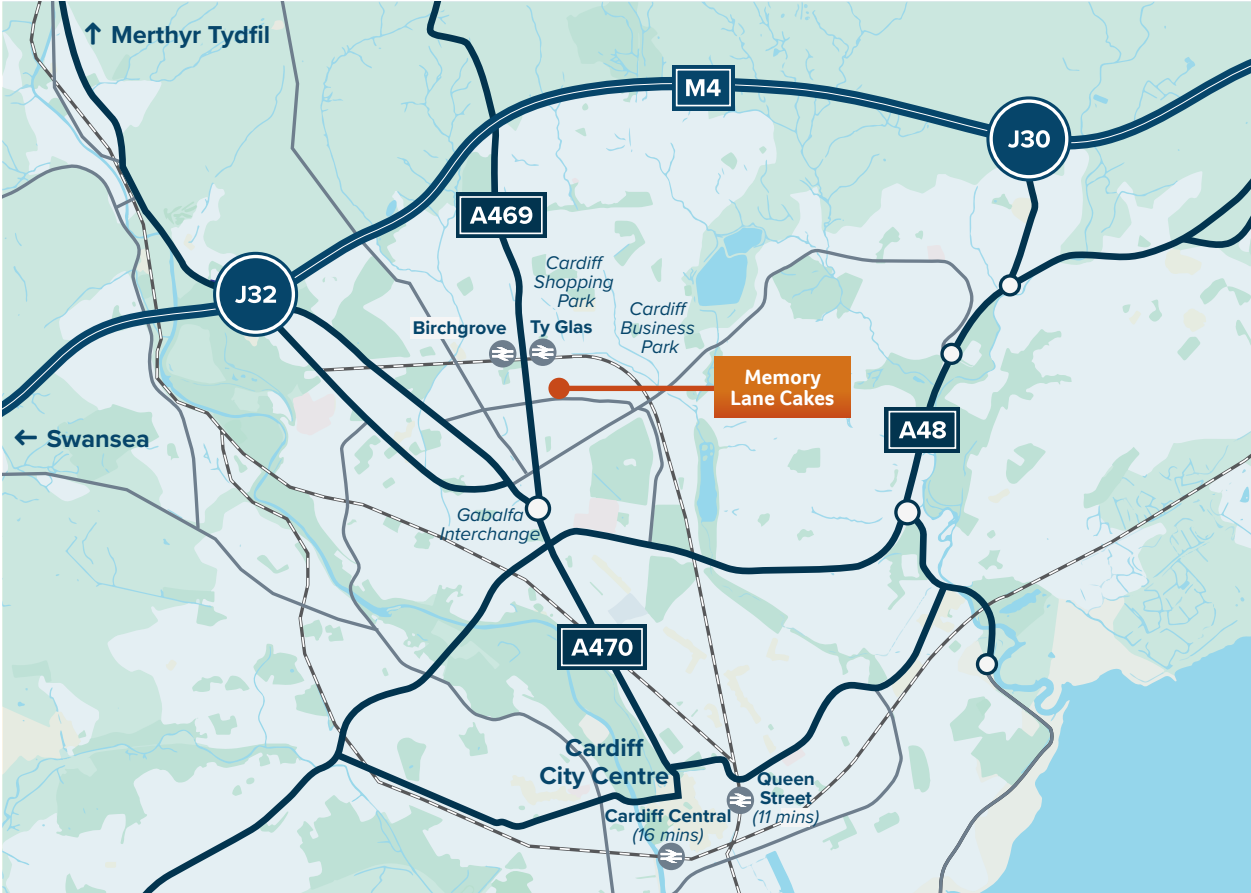
LOCATION

Cardiff is the capital city of Wales and the principle industrial and commercial centre for South Wales. Cardiff is well served by road and rail communications, situated to the south of the M4 motorway with access provided via junctions 29, 30, 32 and 33.

The city lies approximately 43 miles west of Bristol and 42 miles east of Swansea. Approximately 80% of the population lives within a four hour drive from Cardiff.

Birchgrove Railway Station is 400 metres to the west and provides regular 30 minute journeys to Cardiff Central in 16 minutes. Regular bus services connect Caerphilly Road and Maes-y-Coed Road to Cardiff city centre and surrounding residential districts.

Sat Nav: CF14 4XR



Drive Times

Cardiff City Centre	12 mins	4.2 miles
Newport	20 mins	13.5 miles
Bristol	50 mins	43 miles
London	2 hr 40 mins	150 miles

Train Times from Birchgrove Station

Cardiff Queen Street	11 mins
Cardiff Central	16 mins
Bristol Temple Meads	1 hr 33 mins
London Paddington	2 hr 53 mins

SITUATION

The property is situated on Maes-y-Coed Road, in the district of Birchgrove, approximately 4.2 miles to the north of the city centre and 2.2 miles south-east of Junction 32 of the M4 motorway. The area is a predominantly residential district with a commercial centre on Maes-y-Coed Road and Cardiff Business Park and Cardiff Lifestyle Shopping Park further north.

The A469 connects to Maes-y-Coed Road to the west of the property, providing onward access via the Gabalfa Interchange to the A470 trunk road, which runs south to Cardiff city centre and north to Junction 32 of the M4 motorway. Gabalfa Interchange also links to the A48 which runs east-west, connecting to Junctions 29 and 30 of the M4 motorway.

Notable occupiers in vicinity include Lidl, Kingsmill, Travis Perkins, Heath Tyres Autocentre and Tesco Express.

Local Occupiers:



DESCRIPTION

The property is prominently located fronting Maes-Y-Coed Road in the mixed commercial and residential area of Birchgrove. The site is of a regular shape and broadly flat, with a gentle slope towards the east and south.

The property is arranged with a large main manufacturing facility to the front with a number of ancillary outbuildings to the side and rear of the site including two detached buildings known as the Gwent Building and Back Warehouse.

8.59 acres

48%
site cover



Back Warehouse



Main Facility

Main Facility

The Main Facility comprises a single storey and part two storey ancillary office and staff facilities accommodation to the front and side, with a 7 bay factory to rear. The ancillary accommodation is of concrete framed construction, whilst the factory is of steel portal framed construction with a maximum eaves height of 4.8m. The building has 5 dock levellers providing goods in/out and a further 4 level loading access doors.

Gwent Building

The Gwent Building is a single storey building with two storey ancillary accommodation with an eaves height of 4m and one level loading access door.

Back Warehouse

The Back Warehouse is a modern unit of steel portal framed construction with metal profiled sheet cladding to roof and elevations. The building has a minimum eaves height of 4m and one level loading access door.

External

Externally the site is generally surfaced with tarmac and concrete hardstanding. Staff parking is provided to the front and rear, with the remainder used for circulation, storage and goods in/out. Dual access is available from Maes-y-Coed Road, with staff and visitor parking to the front of the Main Building and a separate gated access to the east for HGV's and staff.



Gwent Building

ACCOMMODATION

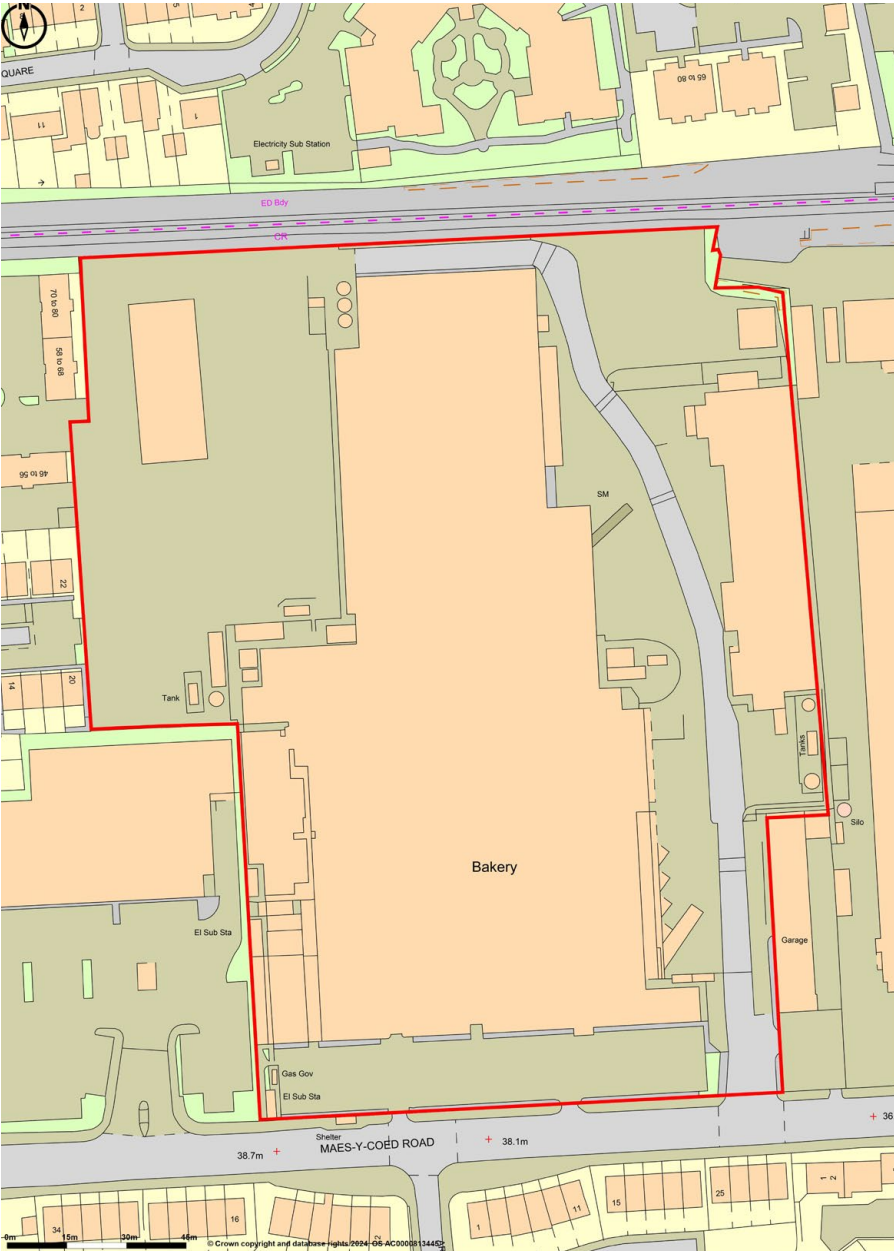
The property has been measured by Stak and provides the following Gross Internal Areas (GIA):

Main Building	Use	GIA (sq ft)
Ground	Production and Ancillary	133,325
Ground	Office	22,263
First	Production and Ancillary	15,358
First	Office	1,081
Total		172,027

Gwent Building	Use	GIA (sq ft)
Ground	Production	16,164
First	Production and Storage	12,108
First	Office	2,752
Total		31,024

Back Warehouse	Use	GIA (sq ft)
Ground	Storage	7,254
Total		7,254

Total Production/Other Storage		184,209
Total Office		26,096
Total		210,305

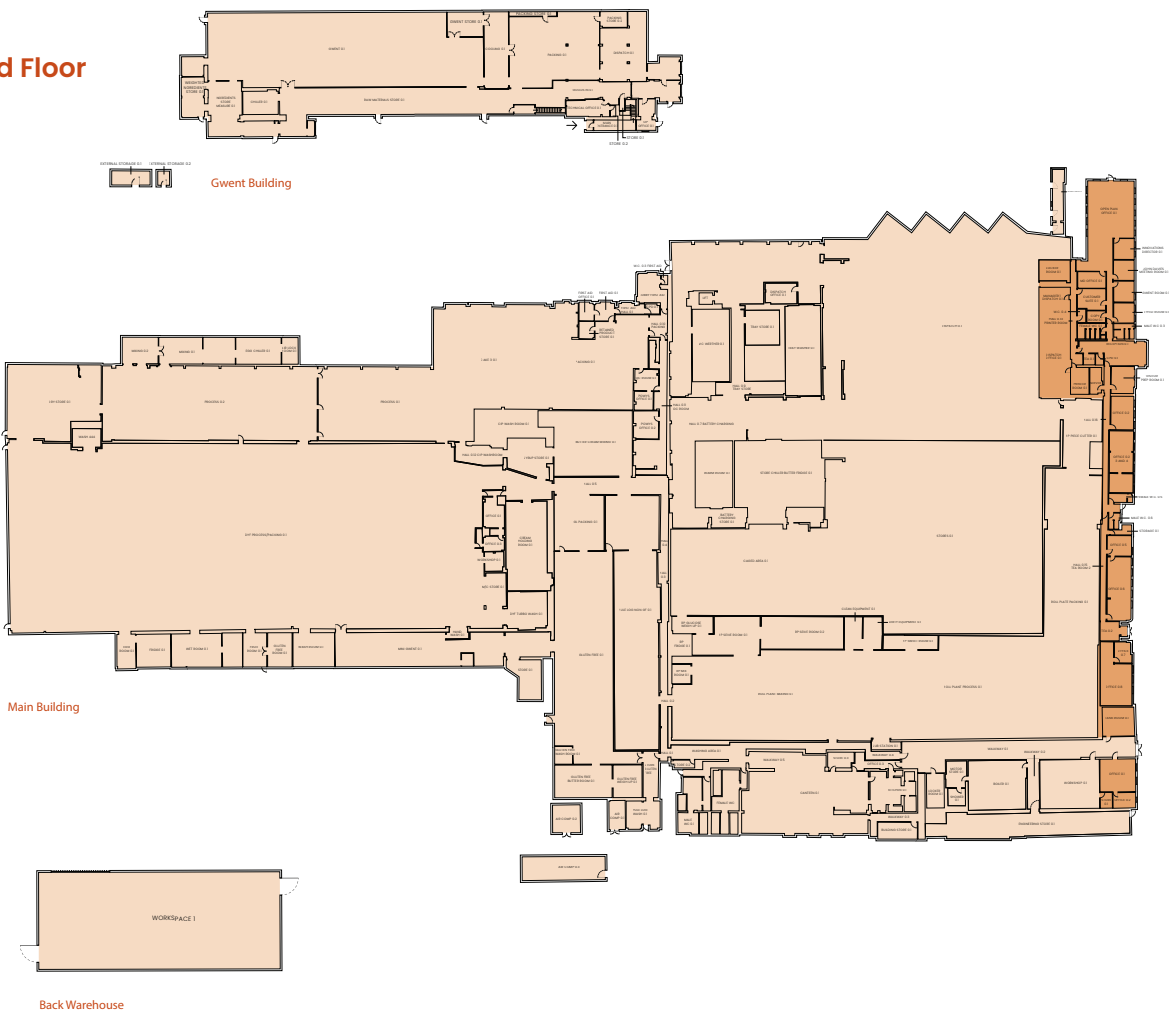


TENURE

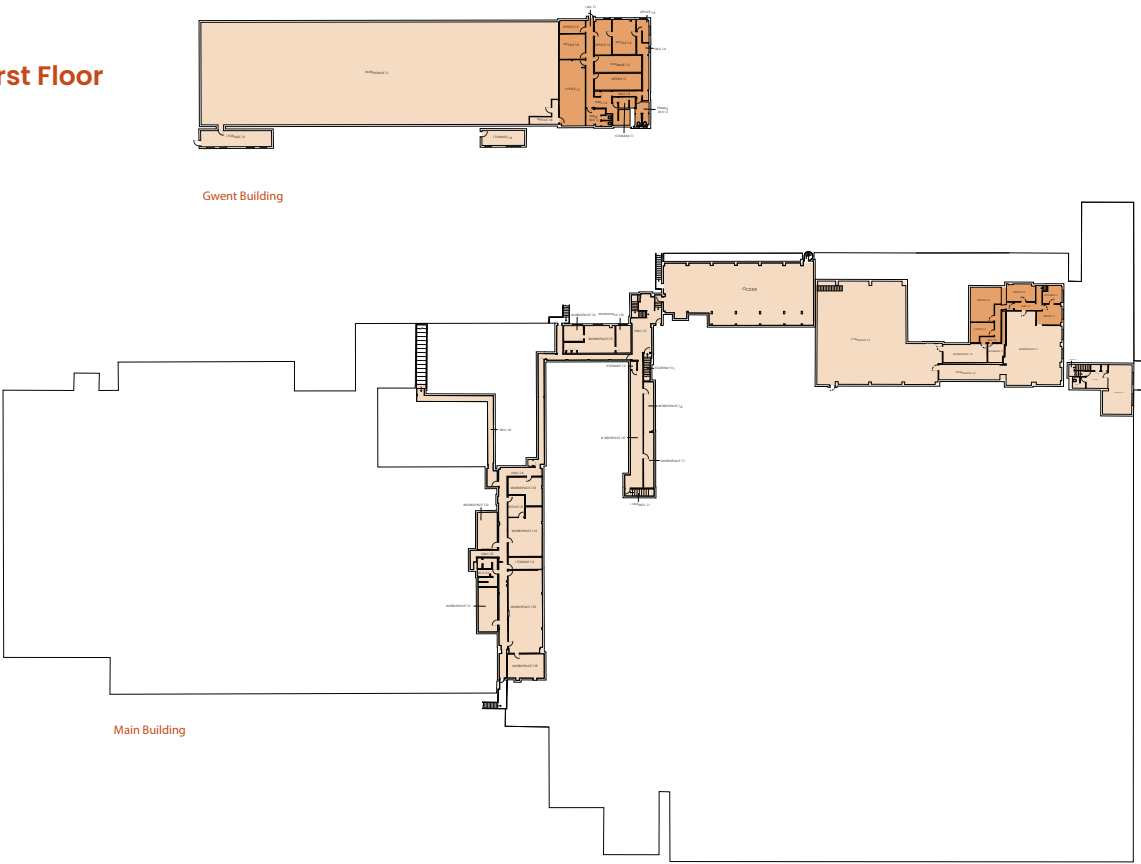
The property is held Freehold under four titles (WA288391, WA806570, WA359290 & WA311570).

FLOOR PLANS

Ground Floor



First 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 Memory Lane Cakes Limited on a new 25 year full repairing and insuring lease, subject to a schedule of condition. The initial rent will be £630,000 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	Memory Lane Cakes 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	£630,000 (£3.00 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 of 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

Memory Lane Cakes Limited

Producing 41 million cakes per annum, Memory Lane Cakes is one of the UK’s leading suppliers of pre-packed cakes to multiple retailers and the leading supplier of supermarkets’ own-label ‘sharing’ cake ranges. It also produces under licence for Thorntons, Disney, Mars and other licensed brands.

Established in 1958, the bakery is the second largest private employer in Cardiff with approximately 850 staff, supplemented with agency staff when required, managing a 24 hour operation. The facility has been heavily invested in over the years, including a state of the art whole cake line installed in 2017, and significant further automation investment is planned over the next three years.

The site hosts five bakeries across nine main production lines, with product formats including; round cakes, caterpillar cakes, traybakes, seasonal lines and a separate gluten free area.

Company No: 03359828
Dun & Bradstreet rating: ‘3A2’

Year End	July 2024 (£'000)	July 2023 (£'000)	July 2022 (£'000)
Turnover	£89,630	£89,050	£80,501
EBITDA	£7,078	£6,125	£6,111
Net Assets	£9,556	£13,834	£15,761



16,000
tonnes
annual volumes

41
million cakes
produced per annum

850
staff
on site

Finsbury Food Group Limited

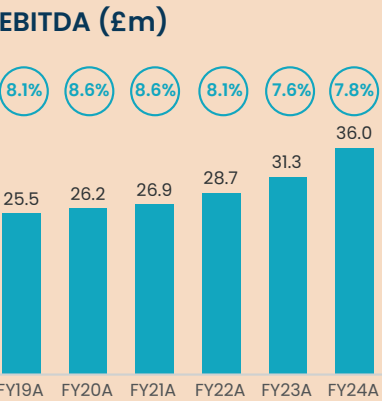
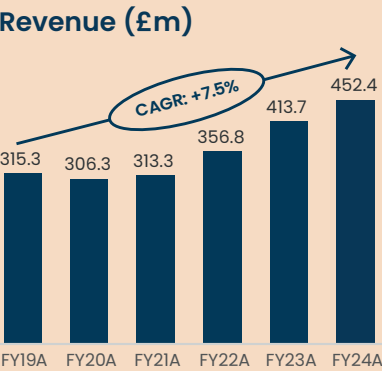
Finsbury Food Group is a leading UK speciality bakery manufacturer of bread, morning goods, cake and sweet treat products. The Group has long-standing relationships with all major UK grocery retailers and multiple leading foodservice providers, including Tesco, Co-op, Asda, Waitrose, Morrisons, Brakes, 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’



MARKET OVERVIEW

The tables below evidence rental and investment transactions in the Industrial and Logistics sector. The site is also underpinned by residential use being positioned in an affluent, well connected and sought after suburb in north Cardiff.

Rental Evidence

Property	Tenant	Size (sq ft)	Rent (psf)	Term (Break)	Comments	Date
Unit 7 St Modwen Park Newport	Microsoft	43,665	£9.75	10 years	New build	Sept-24
Axis 32 Longwood Drive Cardiff	Platinum International	36,704	£11.00	15 years (10 years)	New build Under construction	May-24
1 Heol Crochendy Parc Nantgarw	DHL Ecommerce Limited	56,790	£7.50	10 years	Refurbished unit	May-24
RYB 1, Rhyd Y Blew Ebbw Vale	Flamguard Engineering	52,582	£6.50	10 years	New build	May-24
Unit S1-S3 Capital Business Park Cardiff	SSC Fulfilment	14,325	£7.00	3 years	Unit completed in 2000's	Jan-24
6-7 Spring Meadow Industrial Estate Cardiff	Trade Choice Distribution Ltd	18,773	£7.38	10 years (5 years)	Refurbished 1980's unit	Sep-23

Investment Evidence

Property	Tenant	Size (sq ft)	WAULT	Price	NIY	CV (psf)	Date
Booker, Batchelor Road Cardiff	Booker Ltd	106,000	6 years	£8.85m	6.86%	£83	Apr-24
DPD Group, Parc Felindre Swansea	DPD Group	59,070	21 years	£9.42m	6.25%	£159	Jan-24
Unit 1 Pencoed Technology Park Bridgend	Sainsbury's	46,338	10 years	£4.5m	6.00%	£97	Sep-23
Unit 24-26 Mardon Park Baglan	Swansea University	27,654	2.4 years	£1.50m	7.50%	£54	Sep-23
50-54 Lambourne Crescent Cardiff	University of South Wales	15,540	7.2 years	£1.68m	5.04%	£108	Oct-22



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 building has the following EPC ratings:

- Back Warehouse (D 81)
- Gwent Building Complete (C 71)
- Engineering Building (C 61)
- Main Warehouse (D 89)

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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