

# Chris Tinning & Company

Hotel – Motel Brokers, Auctioneers and Consultants

## Make an Offer Royal Hotel

1 Arianh Street  
Mirrool NSW 2665



Existing freehold business including land & building, plant and equipment,

**UNDER INSTRUCTION FROM**  
Receivers & Managers Appointed:  
1 Arianh Street, Mirrool NSW 2665

RSM Australia Partners



117 Byrnes Rd, North Wagga, 2650

Nicholas Tinning 0417 252199

E Mail: [nick@hotelbroker.com.au](mailto:nick@hotelbroker.com.au)

Web: [www.hotelbroker.com.au](http://www.hotelbroker.com.au)

Real Estate & Business Agents License 314716

Loco Hotel Pty Ltd ATF Tinning Family Trust T/A Chris Tinning & Company

## Introduction

Chris Tinning & Company has been instructed by Andrew Bowcher of RSM Australia Partners Chartered Accountants as Receivers and Managers of the M.A and S.E Hopkins-Jones to sell the assets.

Offers are invited for the vendors existing freehold concern in the Royal Hotel at Mirrool, together with their plant and equipment; all written offers are to be made to Chris Tinning & Company as Agents for the vendor.

Contracts of Sale have been prepared by the Vendors solicitors and a draft copy of these will be made available for qualified potential purchasers. Any initial queries in relation to these Contracts of Sale should be directed to the Chris Tinning & Co. in the first instance.

As the property has ceased trading ALL inspections are by appointment only and potential purchasers should contact Chris Tinning & Co. to arrange a convenient time to inspect.

Please note all communication regarding the sale process should be directed to Chris Tinning & Co. Potential purchasers must not directly contact any officer or employee of the vendor without prior written consent from Chris Tinning & Co.

This "Property Report" contains information that is considered private and confidential. We request that you treat its contents in such a manner.

The Royal Hotel has been maintained and upgraded over the years to provide a balance between the "classic country pub" and the facilities demanded by patrons today.

A strong local community combined with 1900 daily traffic movements along the Newell Highway provide every opportunity to make the business a success.

The Royal Hotel will suit someone entering the industry or an experienced operator looking for that great country lifestyle.

## Location

The village of Mirrool is located adjacent to the busy Newell Highway, 47 Km south of West Wyalong and 88 km north of Narrandera.

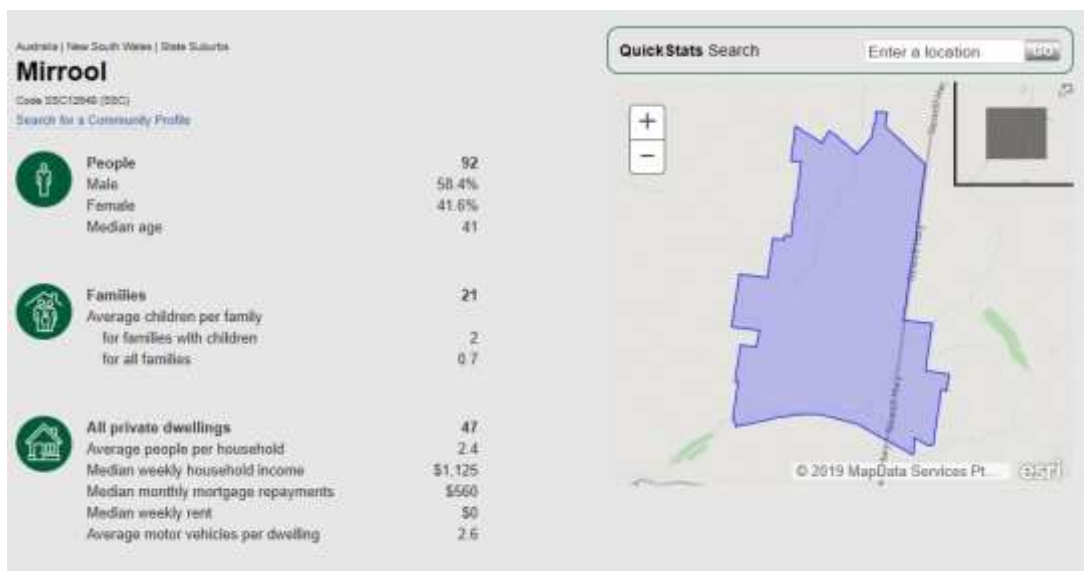
Traditionally a rural service centre for the surrounding farming district. This fertile and reliable land produces quality wheat, barley and oil seed crops; combined with fat lamb and beef production.

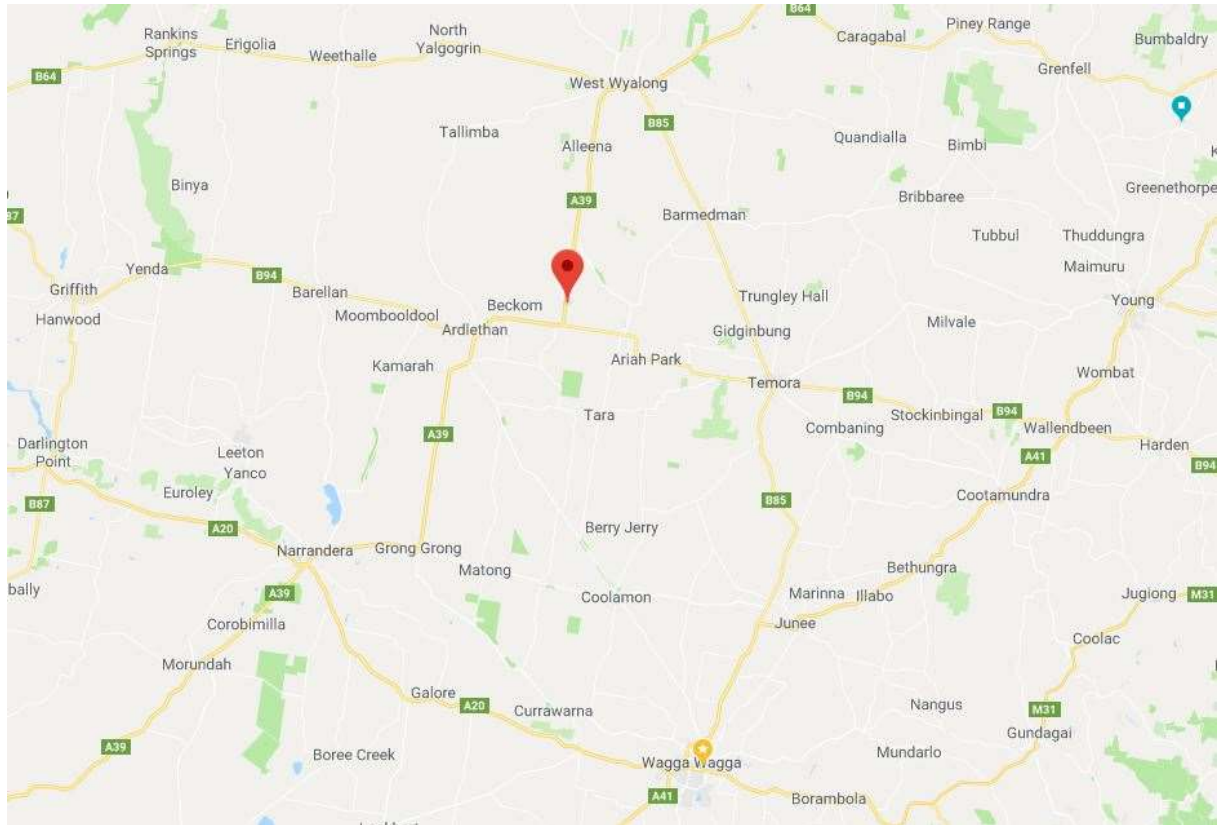
The 2015 Newell Highway Corridor Strategy produced by Transport NSW (page 74) provides the following Average Daily Traffic (ADT) volumes in 2011

Highway planning section (rural)	ADT (vehicles per day)	Average heavy vehicle ADT	Per cent heavy vehicles
Ardlethan to Mirrool	2231	690	31%
Mirrool to West Wyalong	1907	512	32%

*"The highway carries a seasonally high proportion of caravan and tourist traffic travelling between Victoria and Queensland. There is a general northbound increase in caravans at the beginning of winter and the reverse towards the end of winter. There are between 50 and 100 caravans per day during this time, which are primarily registered in other states."*

The Royal Hotel provides the social hub for the community. The surrounding free camping area, park and well equipped child play area attract locals and tourists alike. Mirrool is the home of the Mirrool Silo Kick, a hotly contested football kicking competition held on the 2nd Saturday in October each year attracting crowds of 600.





## Property Details:

Royal Hotel  
1 Arianh Street  
Mirrool NSW 2665

**Hoteliers License:** LIQH400 120486

**Minors Area Authorisation:** Foyer, Hallway, Dining Room, Lounge, Pool Room & Amenities (1/07/2008)

Title: Lot 22, Section 5, of Deposited Plan 758684

Property Area: 1,012 square metres

Zoning: Village

Land Value: \$7,000 (01/07/2018)

Services: Electricity, town water, telephone, septic services  
NBN via Sky Muster Satellite

## Gaming Machine Entitlements: 0

LGA Bland Shire Council  
SA2 West Wyalong  
Classification Band 2



## Improvements

Erected on the site is a two storey, hotel comprising:

- ▶ Public Bar
- ▶ Pool room
- ▶ Saloon
- ▶ Dining Room
- ▶ 5 first floor guestrooms
- ▶ Self-contained Licensee Flat

The general construction is as follows:

### External Walls

Brick

### Roof

Corrugated iron.

### Window Frames

Timber

### Flooring

Timber

### Internal Linings

Decorative tile and rendered brick

### Ceilings

Pressed metal

### General Comment

An attractive country pub, featuring decorative tile, marble surround fire places. Extensive improvements such as a commercial kitchen and modern bulk beer system have been added over recent years.



### Public Bar

- Opens to the front veranda
- T-Bar four tap font
- Full Glycol system from below ground cellar/coolroom
- Entry directly to pool room, parlour and dining room

### Pool Room

Pool Table & Juke box on a profit share handshake arrangement.



### Parlour

Combustion heater fitted to the fireplace.



### Dining Room

Access from front veranda, bar area or rear beer garden.  
Attractive well presented.

### Hotel Kitchen

Commercially equipped  
Includes cutlery, crockery and cooking utensils



The ground floor also includes:

- A walk-in package beer cool room.
- Renovated male toilet facilities
- Ladies facilities (All in the main building)
- An additional room that could be used for a number of purposes.



## First Floor:

5 **Guest rooms** (not furnished) with access to the veranda

### Fully self-contained owners unit

including bedroom, dressing room, kitchen/dining, toilet and shower



## FINANCIAL DETAILS

Attached, the Accountants financial records from Evans & Lorenz (Previous hotel owner). Purchased the Hotel in October 2014.

M & S Hopkins-Jones Pty Ltd commenced operating the business in January 2017. We have been provided with the Accountants figures for 2017 financial year and a record of daily sales from 1<sup>st</sup> July 2018 to 31 March 2019.

### Income Analysis:

Average Weekly sales excluding GST					
	Evans & Lorenz		M & S Hopkins-Jones		
No Weeks	40	52	26	0	39.14
Financial Year	2015	2016	2017	2018	2019
Bar	\$3,900	\$3,915	\$3,105		
Bottleshop	\$720	\$740			
Cigarettes	\$370	\$615	\$257		
Kitchen	\$1,443	\$1,932	\$1,447		
Merchandise	\$6	\$25			
<b>TOTAL SALES</b>	<b>\$6,439</b>	<b>\$7,228</b>	<b>\$4,808</b>		<b>\$5,658</b>
<b>GROSS PROFIT</b>	<b>\$3,350</b>	<b>\$3,427</b>	<b>\$1,014</b>		
<b>G.P %</b>	<b>52.03%</b>	<b>47.42%</b>	<b>21.10%</b>		

## Business Operating Profit:

The value of a hotel today as judged by the marketplace is a combination of core asset value and business profitability.

Traditionally a capitalisation rate has been applied to the business profit (earnings before interest, taxation, depreciation, amortisation and exceptional items - EBITDAE).

## “Estimated Profit & Loss” EBITAR

	Royal Hotel			
<b>Income:</b>				
	<b>Weekly</b>	<b>Annually</b>	<b>@ G.P %</b>	<b>Gross Profit</b>
Bar	\$6,000	\$312,000	50.00%	\$156,000
Bottleshop	\$0	\$0		\$0
Cigarettes	\$0	\$0		\$0
Kitchen	\$0	\$0		\$0
Accommodation	\$0	\$0		\$0
<b>TOTAL</b>	<b>\$6,000</b>	<b>\$312,000</b>	<b>50.00%</b>	<b>\$156,000</b>
<b>Expenditure</b>				
	<b>Weekly</b>	<b>Annually</b>		
Accountancy	\$48	\$2,500		
Advertising	\$2	\$100		
Bank Merchant Fees	\$48	\$2,500		
Cleaning & Laundry	\$25	\$1,300		
Entertainment	\$33	\$1,700		
Freight	\$38	\$2,000		
Insurance	\$288	\$15,000		
Light & Power	\$260	\$13,500		
Motor Vehicle	\$96	\$5,000		
Liquor Licensing	\$11	\$595		
Printing, Postage, Papers	\$19	\$1,000		
Rates & Water	\$38	\$2,000		
Repairs & Maintenance	\$135	\$7,000		
Replacements	\$38	\$2,000		
Sponsorship	\$19	\$1,000		
Telephone	\$38	\$2,000		
Wages	\$346	\$18,000	5.77%	
Subscriptions	\$11	\$550		
Staff Superannuation	\$33	\$1,710	**	
<b>TOTAL</b>	<b>\$1,528</b>	<b>\$79,455</b>		
<b>Net Profit per Week</b>				\$1,472
<b>Net Profit per Annum</b>				\$76,545

## Comment

Chris Tinning & Company are recognised as one of the leading country hotel brokerage firms in NSW. Established in 1976 this experience provides both vendor and purchaser with comfort in the niche market of hospitality sales.

The "Estimated Profit & Loss – EBITAR" provided above has been provided using the attached accountants figures and trading records provided by the vendor, together with our skills and knowledge gained within the hotel marketplace.

The Royal Hotel provides the opportunity for an energetic purchaser to enjoy this classic country pub.

Points that should be emphasised include:

**The property presentation** – the "bones" are good, with the decorative tile and timber finishes, whilst the working items such as coolroom and cooking facilities are as found in modern hotels today.

**Location** – The highway location, with 1900 traffic movements per day provides that opportunity for an entrepreneurial operation to not only enjoy the surrounding district patronage, but encourage tourist visitors to the hotel.

**The opportunity** – traditionally distressed asset sales end with comments from observers that "I should have brought that". The vendor has instructed that I submit all offers for consideration. Now is the time for action.

As the property is currently not operating ALL inspections will need to be organised and conducted through us as agents.

## DISCLAIMER

The information contained is private details and we ask that you treat them with confidentiality. This report is for the exclusive use of the person to whom it is addressed and for no other purpose than as an introduction to this property.

Whilst every care has been taken in the preparation of this report, utilising our research and information supplied by the vendor or his accountant; this report does not provide or supply any warranty as to the accuracy of the whole or part contained.

The financial information contained in this report has been obtained from third parties who are not subject to the appointment of the Receivers and Managers. The Receivers and Managers have not reviewed or audited this financial information and make no representations or warranties as to its accuracy.

An inventory listing will be provided to purchasers to confirm included plant and equipment. Security interests in certain items of plant and equipment have been granted by M & S Hopkins-Jones Pty Ltd. Their availability will subject to negotiation between the respective secured creditor and the purchaser.

The whole of this report is the property of Chris Tinning & Company. No part of it may be reproduced without permission.

**Nicholas Tinning**  
**0417 252199**

Hospitality Brokerage, Liquor Licensing, Management Consultant



Loco Hotel Pty Ltd As Trustee For Tinning Family Trust Trading as Chris Tinning & Company  
Licensed Real Estate & Business Agents License, Accredited Auctioneer: 314716

## Financial Figures