

BUSINESS FOR SALE

SMALL MACHINE SHOP

This very successful business was founded in **1987** and **re-structured** to the current services in **1993** and is operated by the owner and his wife.

A great opportunity is presented for an entrepreneurial **toolmaker** or **expert in (precision) machining**. Would be also well suited for a new immigrant with appropriate skills and background to start off their own business.

The company is well established with a loyal clientele in a sheltered niche market. Customers are mainly businesses in the areas of marine equipment, electronics, special manufacturing, research and data collection, and other specialist businesses.

The owner is looking to retire within the next two years – he would be available for a reasonable **transition and training period** including personal introduction to customers and suppliers.

The Business involves:

- Short production runs – precision work
- Metals and plastics
- Prototype and custom work
- Tool making
- Construction of special machinery
- Expandable to CNC work

Location:

- Very attractive and growing sea side town in the south of Vancouver Island
- Excellent transportation and accessibility options (Highway, Airport, Harbour, BC Ferry)

Shop:

- Approx. 1,600 sq.ft. with current rental arrangement for \$1,600 per month all inclusive
- Parking and optional storage on the premises
- Office, shelving and tool boxes for small tools and supplies

Equipment / tools:

- High quality and in excellent condition: Lathes, milling machine, precision cutter, grinder, band saw, welding equipment, precision tools
- Replacement value estimated up to \$200,000
- Additional CNC work possible



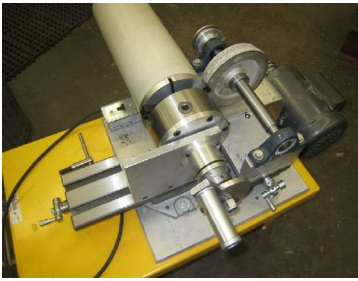
Workshop



Display shelf



Kingston Lathe



Grinding machine



Profiler with electronic mounting plate



Kingston Lathe

Financial Status and Development:

- Company has a steady revenue flow of about **\$130,000** per annum
- The profits or owners' salaries top **\$70,000** per annum, plus car and other expenses
- Low inventory / overheads. Rental obligation (all inclusive) is about **\$19,000p.a.**
- Low receivables and small payment periods
- Currently no pro-active marketing or business development, potential for significant growth in sales and profitability
- Historical pricing in long-term relationships, revenue could be increased by raising hourly base rates
- No debt or obligations; no obligations outside of the Financial Statements
- The company owns a life insurance contract (no cash value) on the life of the owner

Evaluation and Price:

The asking price of **\$225,000** is based on a multiple of the owner's profit. This is about \$75,000 per year times 3.

Financing through the Federal Business Development Bank or other commercial lenders may be available. The life insurance contract could be assigned to provide security.

CONTACT and INFO:

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