

Your Investment

Initial Investment

The following chart outlines initial costs for a *Muffin Break* franchise in Australia. Cost will vary according to location.

Typical Initial Investment	Kiosk with seating	In-line shop
Leasehold improvements and fixtures	\$145,000	\$190,000
Equipment	\$75,000	\$75,000
General Items (eg. uniforms, crockery and small wares)	\$13,000	\$13,000
Working Capital	\$7,000.00	\$7,000.00
Opening Promotion	\$3,000.00	\$3,000.00
Initial Franchise Fee	\$50,000.00	\$50,000.00
Training Fee	\$10,000.00	\$10,000.00
Document Preparation Fee	\$3,000.00	\$3,000.00
Insurance	\$1,500.00	\$1,500.00
Design and Approval Fee	\$7,500.00	\$12,500.00
Construction Project Management Fee	\$7,500.00	\$7,500.00
Legal Fees payable to lessor (if applicable)	\$2,000.00	\$2,000.00
Total - without seating (all figures are exclusive of GST)	\$324,500	\$369,500
Total - with seating (all figures are exclusive of GST)	\$344,500	\$389,500

Muffin Break prepares detailed budgets for each specific location and allowances must be made for insurance, rental bonds and bank guarantees.

Additional expenses above the shop establishment costs:

- ◆ Bank Guarantee (varies from site to site).
- ◆ First month's rent in advance (varies from site to site).
- ◆ Accommodation and airfares for training/orientation.
- ◆ Legal/financial advice.

Notes: Lessor Legal Fees are only applicable in some states. Level of investment may be reduced if lessor contribution is provided and full category 1 works are paid by the lessor.

Ongoing Investment

Muffin Break franchise owners are responsible for all store related operating expenses. Additionally, franchise owners are responsible for the following monthly fees:

- ◆ A Franchise Fee of 7% of gross sales (excluding GST).
- ◆ An Advertising Fee of 3% of gross sales (excluding GST).

Your 'Letter of Offer' and 'Franchisor Disclosure Statement' will provide further details and explanation of fees.

