



BUSINESS PLAN

BUSINESS PLAN



DATE	<input type="text"/>
APPLICANT NAME	<input type="text"/>
CONTACT NUMBER	<input type="text"/>
EMAIL	<input type="text"/>

PUB NAME & ADDRESS	<input type="text"/>
<input type="text"/>	

BUSINESS PROPOSAL



LICENSED TRADE ACCOUNTANT NAME & ADDRESS



LICENSED TRADE ACCOUNTANT EMAIL ADDRESS



LICENSED TRADE ACCOUNTANT CONTACT NUMBER



'PROFESSIONAL QUALIFICATIONS & LICENSED TRADE EXPERIENCE



I confirm that I have provided independent advice in the preparation of this business plan:

LICENSED TRADE ACCOUNTANT NAME



SIGNATURE



DATE



I confirm that I have taken independent professional advice in the preparation of this business plan:

APPLICANT NAME



SIGNATURE



DATE



BUSINESS PROPOSAL

INTRODUCTION



Taking on a leased pub can be a challenging yet hugely rewarding venture. In order to ensure your business will be a success, it is important that you have fully considered what you will need to do and how you will go about it. Only then can you judge whether this venture is likely to be able to achieve the rewards you desire.

This document has been developed to make the planning of your business as simple as possible. It is set out to get you thinking about the pub, its environment, competition and opportunities, before developing the financial forecasts.

As well as assessing whether your business will be able to achieve the rewards you desire, your business plan will become the blueprint for the way the business will operate. Accordingly, our Pre-entry Training course will focus on your individual plan and get into the detail of how you will bring it to life, prior to opening the doors and in the first months of trade. As you complete your plan, think about where you and your team will need training and advice from us to deliver your offer.

Information needed to complete this plan.

Aside from conducting your own research in the field, you will also need all of the pub specific information as detailed in our Working with Star document. All of this information is available on our

website and will have been explained to you by our recruitment team. If you have problems retrieving or understanding this information, please contact the recruitment team on 08085 94 95 96.

Receiving independent advice.

We require that you seek advice from a Licensed Trade Accountant when finalising this plan. To help you, we have developed a panel of advisors that will provide this service and these can be found in Appendix 2. You can of course use your own Licensed Trade Accountants, but please provide their details and ask them to sign off the plan as per page 2 of this document.

In line with the Pubs Code, you are advised to seek property and rental valuation advice prior to finalising this plan. To help with this, the property surveyor who prepares our Schedules of Condition (available from the website) will warrant the Schedule to you. Also, rental valuation advice can be obtained from the companies listed in Appendix 3. Again

you are free to use your own advisors. Finally, it is also a requirement that you get independent legal advice for your lease or tenancy agreement. We will need you to nominate a solicitor for us to send the draft agreements to once we have reached agreement on this plan and the commercial terms.

As this advice needs to be completely independent, you will need to source your own Solicitor. If you are unsure of whom you will be using, or if you do not know a solicitor that can do this work for you, the BII (British Institute of Innkeepers) have details of a variety of different professional services providers, including solicitors, on their website:

www.bii.org/industry-advice/professional-services

What happens next?

Once your plan has been completed, please ensure it is signed by both yourself and your Licensed Trade Accountant and then get in touch with your Business Development Manager who will arrange a

meeting to go over it with you.

This will be an opportunity to ensure your proposals match what we believe the pub can achieve and discuss any support required from us to help you deliver the plan.

Assuming we are both happy to proceed, we will then move forward to finalise the agreement and arrange for you to take over the pub.

OUTLET ANALYSIS

LOCAL DEMOGRAPHICS



Use the Mosaic report provided by the recruitment team to assess the top three groups of people within the catchment area of the pub as detailed in the “Catchment Mosaic Profile”. How will your offer appeal to these people? Also focus on the demand for the various pub types in the “Standard Catchment Pub Channel Index”. How will your offer fit with the demand (as indicated by the green bars) for the particular outlet types in the area?

I

OUTLET ANALYSIS

THE PUB OR BAR



Describe the outlet, its facilities and current trading style. Think about how the layout could be put to better use. What is the immediate area like in terms of residential properties, businesses and roads or transport hubs? How does the outlet appeal to your target market? How could this be improved?

I

A large, empty rectangular box with a thin blue border, intended for the user to write their analysis. A small blue square with the letter 'I' is located in the top right corner of the box.

OUTLET ANALYSIS

LOCAL LEISURE MARKETS



Where do people spend their leisure time in the local area? As well as direct competitors in the food and drinks market, what other leisure activities do people undertake (e.g. cinema, sports clubs) and how could your offer attract these customers? Where are these venues and competitors in relation to your pub? Is there anything missing from the local area that your target customer might look for?

I

A large, empty rectangular box with a thin blue border, intended for handwritten notes or a diagram. It occupies most of the lower half of the page.

COMPETITOR ANALYSIS



Following from the previous section, list out your competitors, who their customers are, how they attract these customers through their offer, whether their customers should be your target market and if so how will you target them.

1 MAIN COMPETITOR		2 MAIN COMPETITOR	
WHO ARE THEIR CUSTOMERS?	WHAT DO THEY OFFER TO ATTRACT CUSTOMERS?	WHO ARE THEIR CUSTOMERS?	WHAT DO THEY OFFER TO ATTRACT CUSTOMERS?
COULD/SHOULD WE ATTRACT THEIR CUSTOMERS AND IF SO HOW?	WHAT DO THEY OFFER TO ATTRACT CUSTOMERS?	COULD/SHOULD WE ATTRACT THEIR CUSTOMERS AND IF SO HOW?	WHAT DO THEY OFFER TO ATTRACT CUSTOMERS?
	<ul style="list-style-type: none">■■■■■■		<ul style="list-style-type: none">■■■■■■

COMPETITOR ANALYSIS



Following from the previous section, list out your competitors, who their customers are, how they attract these customers through their offer, whether their customers should be your target market and if so how will you target them.

3 MAIN COMPETITOR	4 MAIN COMPETITOR		
WHO ARE THEIR CUSTOMERS?	WHAT DO THEY OFFER TO ATTRACT CUSTOMERS?	WHO ARE THEIR CUSTOMERS?	WHAT DO THEY OFFER TO ATTRACT CUSTOMERS?
COULD/SHOULD WE ATTRACT THEIR CUSTOMERS AND IF SO HOW?	WHAT DO THEY OFFER TO ATTRACT CUSTOMERS? <ul style="list-style-type: none">■■■■■■	COULD/SHOULD WE ATTRACT THEIR CUSTOMERS AND IF SO HOW?	WHAT DO THEY OFFER TO ATTRACT CUSTOMERS? <ul style="list-style-type: none">■■■■■■

COMPETITOR ANALYSIS



For your pub, now profile existing and target customers, who they are and why they will visit morning, afternoon and evening. For target customers, focus on ones that will increase your trade and maximise profit.

EXISTING	AM	PM	EVENING
<p>Who are the pub customers? Why do they use your pub?</p>			
TARGET	AM	PM	EVENING
<p>Who should the target market be to increase and maximise the trade and profit?</p>			

YOUR BUSINESS PROPOSITION



What type of pub is it, who is it aimed at and for what occasions? The pub can appeal to more than one customer type but must avoid being all things to all people (e.g. don't aim to be a young and edgy style bar whilst offering a carvery on a Sunday for families). Think about your unique selling proposition.

I

YOUR BUSINESS

PHYSICAL ENVIRONMENT



Describe the current/proposed interior and exterior appearance, what is the overall decorative style? What about soft elements (e.g. lighting, music, bric-a-brac?). How does it fit with the proposition? Think about how much this will cost and how long it may take.

I

A large, empty rectangular box with a thin blue border, intended for the user to describe the current or proposed interior and exterior appearance of the business. The box is mostly empty, with a small blue square containing the letter 'I' in the top right corner.

YOUR BUSINESS

DRINKS OFFER



Set out the drinks offer (e.g. mix of draught products, standard lager, premium lager, cider, cask ales, wines, spirits) What promotions will be run? What type of coffee offer will be in place? How many bar staff will you need to deliver this? How will you go about recruiting them? What training is required to make sure your service standards are met?

I

YOUR BUSINESS

FOOD OFFER



Food will be the most complex offering to get right. Start by thinking what 2 or 3 dishes your pub will become famous for. Then start to develop an outline menu. How will you deliver the menu to the standard that your pub will require? What skills will your kitchen team need, e.g. do you need a chef or a cook. How many kitchen team members do you need, how will you recruit and train them? Taking all of this into account, when will you be looking to launch your food offer?

Consider opening times and how your offering will change throughout the day. Remember to check this against the premises licence provided by recruitment.

I

YOUR BUSINESS

MACHINES & ACCOMMODATION



What machines will be in place, how many and what type (AWPs, pool tables)? Describe what the accommodation offer will be (if applicable).

YOUR BUSINESS ENTERTAINMENT



Entertainment is essential for some venues to drive trade at quieter times. Will entertainment be part of the pub's offer? Will it fit your proposition? Outline what you intend to do, and when. Have a think about the costs and the level of income you expect to generate. Include Sky TV/BT Sports, pub quizzes, and themed food and drink events.

I

YOUR BUSINESS

SALES RHYTHM OF THE WEEK



Key events to drive footfall in the pub each week.

	DAYTIME ACTIVITY	EVENING ACTIVITY	PRICING STRATEGY & PROMOTIONAL ACTIVITY	OPENING HOURS
MONDAY				
TUESDAY				
WEDNESDAY				
THURSDAY				
FRIDAY				
SATURDAY				
SUNDAY				

YOUR BUSINESS MARKETING



How do you plan to talk to your target audience? Online presence is essential. Which platforms are most suitable for your plans? Do you have a content calendar that will help you schedule your posts? Do you plan to take bookings or talk to your customers via your website? Check the pub's existing web presence on TripAdvisor, Google Reviews & Facebook Reviews, what would your approach be to comments and feedback? What will your tone of voice be? Traditional media such as mailshots, flyers and local press still have their place but cost money, so make sure you strike a good balance between digital and traditional. Once you are open, how will you keep people coming back? What on-site advertising could you use? What about running loyalty schemes? How could you develop relationships with local businesses, student groups or sports clubs to grow trade? Consider how you will continue to communicate your Rhythm of the Week plan and any other activity you will undertake.

I

YOUR BUSINESS CONCLUSION



Briefly summarise the preceding points. What sort of pub or bar do you want to create and who is it aimed at? What will the pub or bar be famous for? How will you attract customers and keep them coming back? How will you ensure that the business makes you a good living?

I

TARGETS & COSTS

NEW RETAIL SELLING PRICES



Now set out your target RSP for key food and drink offerings. You will need to think about how you will achieve these given the offer, your target customers and the competition.

DRAUGHT CIDER & BEER	RSP EXISTING	RSP PROPOSED	GROSS PROFIT %
STRONGBOW			
HEINEKEN			
FOSTERS			
OTHER DRAUGHT			
OTHER DRAUGHT			
OTHER DRAUGHT			

BOTTLED CIDER & BEER	RSP EXISTING	RSP PROPOSED	GROSS PROFIT %
BULMERS			
HEINEKEN			
DESPERADOS			
OTHER BOTTLED			
OTHER BOTTLED			
OTHER BOTTLED			

TARGETS & COSTS

NEW RETAIL SELLING PRICES



Now set out your target RSP for key food and drink offerings. You will need to think about how you will achieve these given the offer, your target customers and the competition.

WINES, SPIRITS, MINERALS & COFFEE	RSP EXISTING	RSP PROPOSED	GROSS PROFIT %
HOUSE WINE 175ML GLASS			
PREMIUM WINE 175ML GLASS			
HOUSE SPIRIT 25ML MEASURE			
PREMIUM SPIRIT 25ML MEASURE			
AVERAGE MINERAL 1/2 PINT			
AVERAGE COFFEE PER CUP			

FOOD	RSP EXISTING	RSP PROPOSED	GROSS PROFIT %
KEY DISH			
KEY DISH			
KEY DISH			
KEY DISH			
KEY DISH			
KEY DISH			

TARGETS & COSTS

COST ESTIMATES



Estimate what it will cost to achieve your objectives.

STAFF COSTS	NUMBER OF STAFF	HOURLY RATE	HOURS PER WEEK	WEEKLY COST
BAR				
CHEF				
KITCHEN				
CLEANER				

OTHER COSTS	ANNUAL COST (EXCL. VAT)
RATES	
ENERGY	
SKY	
ENTERTAINMENT	
MARKETING	

WHAT TO DO NOW

Now that you have drafted out your plan, you need to take this document to your nominated Licensed Trade Accountant for advice and finalisation. Your advisor will examine your ideas and help set realistic financial projections and targets. Details of Star Pubs' nominated Trade Accountants are set out in Appendix 2. You may use your own Licensed Trade Accountant but they must produce financial forecasts including:

- A detailed Profit & Loss (P&L) for the first 12 months of trading, including a monthly P&L showing your break-even and target sales figures.
- Demonstrate your cashflow projections for the first 12 months.
- A projected balance sheet after 12 months of trading.
- A sensitivity analysis showing the effect of Net Profit if: turnover increases or decreases by 5%, costs increase or decrease by 5%, wet gross profit percentage increases or decreases by 2 percentage points and if dry gross profit percentage increases or decreases by 2 percentage points.
- Cashflow and P&L projections for the term of agreement or until the first rent review, whichever comes first.

APPENDIX 1

EXAMPLE FINANCIAL PROJECTIONS



FORECAST PROFIT & LOSS ACCOUNT - YEAR 1

*All figures exclusive of VAT

Sample Inn

		Sales Mix %
Turnover		
Wet Sales	£346,667	85.5%
Catering Sales	£53,703	13.2%
Accommodation	£0	0.0%
Other Sales	£0	0.0%
Machines	£5,200	1.3%
TOTAL TURNOVER	£405,570	
Less: Cost of Sales		
Wet Cost of Sales	£166,937	
Catering Cost of Sales	£19,493	
Accommodation Cost of Sales	£0	
Other Sales Cost of Sales	£0	
Machines Cost of Sales	£0	
TOTAL COST OF SALES	£186,430	
Gross Profit		GP%
Wet Gross Profit	£179,730	51.8%
Catering Gross Profit	£34,210	63.7%
Accommodation Gross Profit	£0	
Other Gross Profit	£0	
Machines Gross Profit	£5,200	100.0%
TOTAL GROSS PROFIT	£219,140	54.0%
Less: Expenses		Expense as a % of sales
Wages & Employer NI	£65,795	16.4%
Employee Pensions	£0	0.0%
Rent	£34,800	8.6%
Business Rates	£16,269	4.0%
Water Rates	£2,200	0.5%
Utilities: Gas / Oil & Electric	£13,200	3.3%
Insurance	£972	0.2%
Refuse Disposal	£1,080	0.3%
Cellar Gas	£0	0.0%
Cellar & Bar Sundries	£0	0.0%
Cleaning Materials & Laundry	£1,950	0.5%
Accommodation Sundries	£0	0.0%
Crockery, Cutlery & Utensils	£0	0.0%
Glassware	£0	0.0%
Machine Rental	£3,000	0.7%
Equipment / EPOS / F&F Hire	£0	0.0%
Equipment / F&F Repair & Service	£1,200	0.3%
Telephone	£600	0.1%
Satellite TV	£13,107	3.2%
Entertainment	£12,500	3.1%
Marketing & Advertising	£120	0.0%
Training & Development	£0	0.0%
Repairs - Property	£2,000	0.5%
Garden Expenses	£520	0.1%
Security	£0	0.0%
Uniform & Clothing	£0	0.0%
Petrol & Motor Expenses	£600	0.1%
Printing, Postage & Stationery	£100	0.0%
Window Cleaner	£120	0.0%
IT Expenses	£300	0.1%
Subscriptions	£0	0.0%
Legal Fees	£0	0.0%
Accountancy & Payroll Fees	£1,560	0.4%
Stocktaking Fees	£1,560	0.4%
Professional Fees	£1,560	0.4%
Licensing Costs	£2,416	0.6%
Bank Charges & Interest	£0	0.0%
Other Finance Charges	£2,400	0.6%
Tie Release Fees / Turnover rent	£0	0.0%
Other	£0	0.0%
Depreciation	£4,000	1.0%
Total Expenditure	£183,929	45.4%
Total Expenditure less rent	£149,129	36.8%
NET PROFIT	£35,211	8.7%
Drawings	£12,000	3.0%
Directors Salaries	£0	0.0%
Directors Remuneration	£0	0.0%
RETAINED PROFIT	£23,211	5.7%
BREAKEVEN	Weekly	Annual
Forecast sales (inc. VAT)	£9,359	£486,684
Breakeven sales (inc. VAT)	£7,685	£399,601
Margin of Safety (inc. VAT)	£1,675	£87,083

APPENDIX 1

EXAMPLE FINANCIAL PROJECTIONS



MONTHLY PROFIT & LOSS ACCOUNT - YEAR 1													Sample Inn		*All figures exclusive of VAT	
Sales phasing:		7.7%	9.7%	7.9%	8.1%	9.2%	7.6%	9.5%	7.2%	7.1%	8.6%	11.1%	6.4%	100.0%		
% mature sales? Wet, other & machines		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		
% mature sales? Catering & accomm.		0%	50%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		
	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	YEAR 1			
TURNOVER																
Wet Sales	£26,555	£33,731	£27,387	£28,219	£31,824	£26,277	£32,864	£24,995	£24,544	£29,744	£38,480	£22,048	£346,667			
Catering Sales	-	£2,987	£4,850	£4,997	£5,636	£4,654	£5,820	£4,426	£4,347	£5,267	£6,815	£3,905	£53,703			
Accommodation	-	-	-	-	-	-	-	-	-	-	-	-	-			
Other Sales	-	-	-	-	-	-	-	-	-	-	-	-	-			
Machines	£398	£506	£411	£423	£477	£394	£493	£375	£368	£446	£577	£331	£5,200			
Total	£26,953	£37,223	£32,647	£33,639	£37,937	£31,325	£39,177	£29,796	£29,259	£35,458	£45,872	£26,283	£405,570			
LESS: COST OF SALES																
Wet CoS	£12,787	£16,243	£13,188	£13,589	£15,325	£12,654	£15,826	£12,036	£11,819	£14,323	£18,530	£10,617	£166,937			
Catering CoS	-	£1,084	£1,760	£1,814	£2,046	£1,689	£2,112	£1,607	£1,578	£1,912	£2,473	£1,417	£19,493			
Accommodation CoS	-	-	-	-	-	-	-	-	-	-	-	-	-			
Other Sales CoS	-	-	-	-	-	-	-	-	-	-	-	-	-			
Machines CoS	-	-	-	-	-	-	-	-	-	-	-	-	-			
Total	£12,787	£17,327	£14,948	£15,403	£17,370	£14,343	£17,938	£13,643	£13,397	£16,235	£21,003	£12,034	£186,430			
GROSS PROFIT																
Wet GP	£13,767	£17,488	£14,199	£14,630	£16,499	£13,624	£17,038	£12,969	£12,725	£15,421	£19,950	£11,431	£179,730			
Catering GP	-	£1,903	£3,090	£3,183	£3,590	£2,964	£3,708	£2,820	£2,769	£3,356	£4,341	£2,487	£34,210			
Accommodation GP	-	-	-	-	-	-	-	-	-	-	-	-	-			
Other Sales GP	-	-	-	-	-	-	-	-	-	-	-	-	-			
Machines GP	£398	£506	£411	£423	£477	£394	£493	£375	£368	£446	£577	£331	£5,200			
GROSS PROFIT (INC VAT)	£14,166	£19,896	£17,699	£18,237	£20,567	£16,982	£21,239	£16,153	£15,862	£19,223	£24,868	£14,249	£219,140			
LESS: EXPENSES																
Wages & Employer NI	£4,373	£6,039	£5,296	£5,457	£6,155	£5,082	£6,356	£4,834	£4,747	£5,752	£7,442	£4,264	£65,795			
Employee Pensions	-	-	-	-	-	-	-	-	-	-	-	-	-			
Rent	£2,900	£2,900	£2,900	£2,900	£2,900	£2,900	£2,900	£2,900	£2,900	£2,900	£2,900	£2,900	£34,800			
Business Rates	£1,356	£1,356	£1,356	£1,356	£1,356	£1,356	£1,356	£1,356	£1,356	£1,356	£1,356	£1,356	£16,269			
Water Rates	£183	£183	£183	£183	£183	£183	£183	£183	£183	£183	£183	£183	£2,200			
Utilities: Gas / Oil & Electric	£1,100	£1,100	£1,100	£1,100	£1,100	£1,100	£1,100	£1,100	£1,100	£1,100	£1,100	£1,100	£13,200			
Insurances	£81	£81	£81	£81	£81	£81	£81	£81	£81	£81	£81	£81	£972			
Refuse Disposal	£90	£90	£90	£90	£90	£90	£90	£90	£90	£90	£90	£90	£1,080			
Cellar Gas	-	-	-	-	-	-	-	-	-	-	-	-	-			
Cellar & Bar Sundries	-	-	-	-	-	-	-	-	-	-	-	-	-			
Cleaning Materials & Laundry	£163	£163	£163	£163	£163	£163	£163	£163	£163	£163	£163	£163	£1,950			
Accommodation Sundries	-	-	-	-	-	-	-	-	-	-	-	-	-			
Crockery, Cutlery & Utensils	-	-	-	-	-	-	-	-	-	-	-	-	-			
Glassware	-	-	-	-	-	-	-	-	-	-	-	-	-			
Machine Rental	£250	£250	£250	£250	£250	£250	£250	£250	£250	£250	£250	£250	£3,000			
Equipment / EPOS / F&F Hire	-	-	-	-	-	-	-	-	-	-	-	-	-			
Telephone	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£1,200			
Satellite TV	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£600			
Entertainment	£1,092	£1,092	£1,092	£1,092	£1,092	£1,092	£1,092	£1,092	£1,092	£1,092	£1,092	£1,092	£13,107			
Marketing & Advertising	£1,042	£1,042	£1,042	£1,042	£1,042	£1,042	£1,042	£1,042	£1,042	£1,042	£1,042	£1,042	£12,500			
Training & Development	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10	£120			
Repairs - Property	£167	£167	£167	£167	£167	£167	£167	£167	£167	£167	£167	£167	£2,000			
Garden Expenses	£43	£43	£43	£43	£43	£43	£43	£43	£43	£43	£43	£43	£520			
Security	-	-	-	-	-	-	-	-	-	-	-	-	-			
Uniform & Clothing	-	-	-	-	-	-	-	-	-	-	-	-	-			
Petrol & Motor Expenses	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£600			
Printing, Postage & Stationery	£8	£8	£8	£8	£8	£8	£8	£8	£8	£8	£8	£8	£100			
Window Cleaner	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10	£120			
IT Expenses	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£300			
Subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-			
Legal Fees	-	-	-	-	-	-	-	-	-	-	-	-	-			
Accountancy & Payroll Fees	£130	£130	£130	£130	£130	£130	£130	£130	£130	£130	£130	£130	£1,560			
Stocktaking Fees	£130	£130	£130	£130	£130	£130	£130	£130	£130	£130	£130	£130	£1,560			
Professional Fees	£130	£130	£130	£130	£130	£130	£130	£130	£130	£130	£130	£130	£1,560			
Licensing Costs	£201	£201	£201	£201	£201	£201	£201	£201	£201	£201	£201	£201	£2,416			
Bank Charges & Interest	-	-	-	-	-	-	-	-	-	-	-	-	-			
Other Finance Charges	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£2,400			
Tie Release Fees / Turnover rent	-	-	-	-	-	-	-	-	-	-	-	-	-			
Other	-	-	-	-	-	-	-	-	-	-	-	-	-			
Depreciation	£333	£333	£333	£333	£333	£333	£333	£333	£333	£333	£333	£333	£4,000			
TOTAL EXPENDITURE	£14,217	£15,883	£15,141	£15,302	£15,999	£14,926	£16,200	£14,678	£14,591	£15,597	£17,286	£14,108	£183,929			
NET PROFIT / (LOSS)	-£1	£4,013	£2,558	£2,935	£4,568	£2,056	£5,039	£1,475	£1,271	£3,626	£7,582	£140	£35,211			
Drawings	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£12,000			
Directors Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-			
Directors Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-			
RETAINED PROFIT / (LOSS)	-£1,051	£3,013	£1,558	£1,935	£3,568	£1,056	£4,039	£475	£271	£2,626	£6,582	-£860	£23,211			

APPENDIX 1

EXAMPLE FINANCIAL PROJECTIONS



MONTHLY CASHFLOW PROJECTION - YEAR 1												Sample Inn	*All figures are inclusive of VAT	
TURNOVER (INC VAT)	Pre-trading	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	YEAR 1
Wet Sales		£31,866	£40,477	£32,864	£33,862	£38,189	£31,533	£39,437	£29,994	£29,453	£35,693	£46,176	£26,458	£416,000
Catering Sales		-	£3,584	£5,820	£5,997	£6,763	£5,584	£6,984	£5,312	£5,216	£6,321	£8,177	£4,685	£64,444
Accommodation		-	-	-	-	-	-	-	-	-	-	-	-	-
Other Sales		-	-	-	-	-	-	-	-	-	-	-	-	-
Machines		£398	£506	£411	£423	£477	£394	£493	£375	£368	£446	£577	£331	£5,200
Total		£32,264	£44,567	£39,095	£40,282	£45,429	£37,511	£46,914	£35,680	£35,037	£42,460	£54,931	£31,474	£485,644
LESS: COST OF SALES														
Wet CoS	£4,000	£11,345	£19,492	£15,826	£16,306	£18,390	£15,185	£18,991	£14,443	£14,183	£17,188	£22,236	£12,741	£200,324
Catering CoS		-	£1,084	£1,760	£1,814	£2,046	£1,689	£2,112	£1,607	£1,578	£1,912	£2,473	£1,417	£19,493
Accommodation CoS		-	-	-	-	-	-	-	-	-	-	-	-	-
Other Sales CoS		-	-	-	-	-	-	-	-	-	-	-	-	-
Machines CoS		-	-	-	-	-	-	-	-	-	-	-	-	-
Total	£4,000	£11,345	£20,576	£17,586	£18,120	£20,435	£16,874	£21,103	£16,050	£15,761	£19,100	£24,709	£14,158	£219,817
GROSS PROFIT (INC VAT)	-£4,000	£20,919	£23,991	£21,509	£22,162	£24,994	£20,638	£25,811	£19,630	£19,276	£23,360	£30,221	£17,316	£265,827
LESS: EXPENSES (INC VAT)														
Wages & Employer NI		£4,373	£6,039	£5,296	£5,457	£6,155	£5,082	£6,356	£4,834	£4,747	£5,752	£7,442	£4,264	£65,795
Employee Pensions		-	-	-	-	-	-	-	-	-	-	-	-	-
Rent		£3,480	£3,480	£3,480	£3,480	£3,480	£3,480	£3,480	£3,480	£3,480	£3,480	£3,480	£3,480	£41,760
Business Rates		-	-	£1,627	£1,627	£1,627	£1,627	£1,627	£1,627	£1,627	£1,627	£1,627	£1,627	£16,269
Water Rates		£183	£183	£183	£183	£183	£183	£183	£183	£183	£183	£183	£183	£2,200
Utilities: Gas / Oil & Electric		£1,320	£1,320	£1,320	£1,320	£1,320	£1,320	£1,320	£1,320	£1,320	£1,320	£1,320	£1,320	£15,840
Insurances		£81	£81	£81	£81	£81	£81	£81	£81	£81	£81	£81	£81	£972
Refuse Disposal		£108	£108	£108	£108	£108	£108	£108	£108	£108	£108	£108	£108	£1,296
Cellar Gas		-	-	-	-	-	-	-	-	-	-	-	-	-
Cellar & Bar Sundries		-	-	-	-	-	-	-	-	-	-	-	-	-
Cleaning Materials & Laundry		£195	£195	£195	£195	£195	£195	£195	£195	£195	£195	£195	£195	£2,340
Accommodation Sundries		-	-	-	-	-	-	-	-	-	-	-	-	-
Crockery, Cutlery & Utensils		-	-	-	-	-	-	-	-	-	-	-	-	-
Glassware		-	-	-	-	-	-	-	-	-	-	-	-	-
Machine Rental		£300	£300	£300	£300	£300	£300	£300	£300	£300	£300	£300	£300	£3,600
Equipment / EPOS / F&F Hire		-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment / F&F Repair & Service		£120	£120	£120	£120	£120	£120	£120	£120	£120	£120	£120	£120	£1,440
Telephone		£60	£60	£60	£60	£60	£60	£60	£60	£60	£60	£60	£60	£720
Satellite TV		£1,311	£1,311	£1,311	£1,311	£1,311	£1,311	£1,311	£1,311	£1,311	£1,311	£1,311	£1,311	£15,728
Entertainment		£1,042	£1,042	£1,042	£1,042	£1,042	£1,042	£1,042	£1,042	£1,042	£1,042	£1,042	£1,042	£12,500
Marketing & Advertising		£12	£12	£12	£12	£12	£12	£12	£12	£12	£12	£12	£12	£144
Training & Development		-	-	-	-	-	-	-	-	-	-	-	-	-
Repairs - Property		£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£2,400
Garden Expenses		£52	£52	£52	£52	£52	£52	£52	£52	£52	£52	£52	£52	£624
Security		-	-	-	-	-	-	-	-	-	-	-	-	-
Uniform & Clothing		-	-	-	-	-	-	-	-	-	-	-	-	-
Petrol & Motor Expenses		£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£600
Printing, Postage & Stationery		£10	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10	£120
Window Cleaner		£10	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10	£120
IT Expenses		£30	£30	£30	£30	£30	£30	£30	£30	£30	£30	£30	£30	£360
Subscriptions		-	-	-	-	-	-	-	-	-	-	-	-	-
Legal Fees		-	-	-	-	-	-	-	-	-	-	-	-	-
Accountancy & Payroll Fees		£156	£156	£156	£156	£156	£156	£156	£156	£156	£156	£156	£156	£1,872
Stocktaking Fees		£156	£156	£156	£156	£156	£156	£156	£156	£156	£156	£156	£156	£1,872
Professional Fees		£156	£156	£156	£156	£156	£156	£156	£156	£156	£156	£156	£156	£1,872
Licensing Costs		£242	£242	£242	£242	£242	£242	£242	£242	£242	£242	£242	£242	£2,899
Bank Charges & Interest		-	-	-	-	-	-	-	-	-	-	-	-	-
Other Finance Charges		£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£2,400
Tie Release Fees / Turnover rent		-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation		-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE	-	£13,846	£15,512	£16,397	£16,557	£17,255	£16,182	£17,456	£15,934	£15,847	£16,852	£18,542	£15,384	£195,744
NET CASHFLOW BEFORE FINANCING & CAPEX	(£4,000)	£7,073	£8,479	£5,112	£5,605	£7,739	£4,456	£8,355	£3,696	£3,429	£6,508	£11,679	£1,952	£70,083
Working Capital Introduced		£10,000	-	-	-	-	-	-	-	-	-	-	-	£10,000
Loan Capital Introduced		£40,000	-	-	-	-	-	-	-	-	-	-	-	£40,000
Other Capital Introduced		-	-	-	-	-	-	-	-	-	-	-	-	-
MGD Left on Site		£302	£383	£311	£321	£362	£299	£373	£284	£279	£338	£437	£251	£3,939
F&F Payments (capital element)		(£20,000)	-	-	-	-	-	-	-	-	-	-	-	(£20,000)
Security Deposit		(£16,000)	-	-	-	-	-	-	-	-	-	-	-	(£16,000)
Ingoing Costs: legal fees, training (VATable)		(£1,800)	-	-	-	-	-	-	-	-	-	-	-	(£1,800)
Other Ingoing Costs (non VATable)		(£3,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£10,000)
Loan Repayments (capital element)		-	(£667)	(£667)	(£667)	(£667)	(£667)	(£667)	(£667)	(£667)	(£667)	(£667)	(£667)	(£8,000)
Quarterly VAT Payments		-	(£667)	(£667)	(£667)	(£6,404)	(£667)	(£667)	(£8,054)	(£667)	(£7,509)	(£667)	(£8,604)	(£30,572)
Quarterly MGD Payments		-	-	-	-	(£996)	-	(£981)	-	-	(£936)	-	(£1,026)	(£3,939)
FINANCING & CAPEX CASHFLOWS	£9,200	(£1,365)	(£1,283)	(£1,355)	(£8,747)	(£1,306)	(£1,368)	(£10,328)	(£383)	(£388)	(£8,774)	(£229)	(£10,046)	(£36,372)
NET CASHFLOW (before drawings)	£5,200	£5,708	£7,196	£3,757	(£3,142)	£6,434	£3,087	(£1,974)	£3,314	£3,042	(£2,267)	£11,450	(£8,094)	£33,711
OPENING BANK & CASH (before drawings)	-	£5,200	£10,908	£18,104	£21,861	£18,719	£25,153	£28,240	£26,267	£29,580	£32,622	£30,355	£41,805	-
CLOSING BANK & CASH (before drawings)	£5,200	£10,908	£18,104	£21,861	£18,719	£25,153	£28,240	£26,267	£29,580	£32,622	£30,355	£41,805	£33,711	£33,711
Drawings		(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£12,000)
Directors Salaries		-	-	-	-	-	-	-	-	-	-	-	-	-
Directors Remuneration		-	-	-	-	-	-	-	-	-	-	-	-	-
NET CASHFLOW (after drawings)	£5,200	£9,908	£16,104	£18,861	£14,719	£20,153	£22,240	£19,267	£21,580	£23,622	£20,355	£30,805	£21,711	£21,711

Produced by Geoff Tempterton of Roslyns Accountants on 19/11/15

Please note: final quarter VAT & MGD Payments will actually be made after the year end but are included in the final period here to give a more realistic picture of available cash

APPENDIX 1

EXAMPLE FINANCIAL PROJECTIONS



5 YEAR FINANCIAL FORECASTS						
Sample Inn						
ASSUMPTIONS						
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	
% Turnover increase attributable to growing market share		2.0%	2.0%	1.0%		
% Additional Total Expenditure required to grow market share (exc. rent)			2.0%	1.0%		
% Turnover increase attributable to increasing RSPs			2.0%	2.0%	2.0%	
% Increase applied to Rent			1.5%	1.5%	1.5%	
% Increase applied to Wages		10.7%	6.0%	6.0%	6.0%	
% increase applied to Cost of Sales (wet & catering purchases)			2.0%	2.0%	2.0%	
% Inflation applied to Total Expenditure (exc. interest)			2.0%	2.0%	2.0%	
Desired level of drawings	£12,000	£12,000	£12,000	£12,000	£12,000	
P&L PROJECTIONS						
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEARS 1 - 5
TOTAL TURNOVER	£405,570	£421,524	£438,385	£451,537	£460,568	£2,177,584
TOTAL COST OF SALES	£186,430	£193,005	£200,803	£206,867	£211,004	£998,108
TOTAL GROSS PROFIT	£219,140	£228,519	£237,583	£244,670	£249,564	£1,179,476
GROSS PROFIT %	54.0%	54.2%	54.2%	54.2%	54.2%	54.2%
TOTAL EXPENDITURE (less rent & Wages)	£83,334	£82,614	£85,952	£88,547	£90,318	£430,765
Rent Payable	£34,800	£34,800	£35,322	£35,852	£36,390	£177,163
Wages	£65,795	£74,216	£78,669	£83,389	£88,393	£390,462
NET PROFIT / (LOSS) (before drawings)	£35,211	£36,889	£37,640	£36,882	£34,463	£181,085
NET PROFIT %	8.7%	8.8%	8.6%	8.2%	7.5%	8.3%
BREAKEVEN						
Forecast weekly sales (inc. VAT)	£9,369	£9,727	£10,117	£10,420	£10,628	
Breakeven weekly sales (inc. VAT) BEFORE Capex & Financing	£7,685	£7,987	£8,343	£8,679	£8,990	
Margin of Safety (inc. VAT) BEFORE Capex & Financing	£1,675	£1,741	£1,773	£1,741	£1,638	
Breakeven weekly sales (inc. VAT) AFTER Capex & Financing	£9,564	£3,687	£3,830	£3,941	£4,221	
Margin of Safety (inc. VAT) AFTER Capex & Financing	£205	£6,041	£6,286	£6,479	£6,407	
RETAINED PROFIT / (LOSS) (after drawings)	£23,211	£24,889	£25,640	£24,882	£22,463	£121,085
RETAINED PROFIT %	5.7%	5.9%	5.8%	5.5%	4.9%	5.6%
CASHFLOW PROJECTIONS						
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEARS 1 - 5
TURNOVER (INC VAT)	£485,644	£504,768	£524,959	£540,708	£551,522	£2,607,601
Wet CoS		£204,331	£212,504	£218,879	£223,257	
Catering CoS		£22,729	£23,639	£24,348	£24,835	
Accommodation CoS		£0	£0	£0	£0	
Other Sales CoS		£0	£0	£0	£0	
Machines CoS		£0	£0	£0	£0	
COST OF SALES	£219,817	£227,060	£236,143	£243,227	£248,091	£1,174,338
TOTAL EXPENDITURE	£195,744	£202,821	£210,881	£216,375	£221,834	£1,047,655
NET CASHFLOW BEFORE FINANCING & CAPEX	£70,083	£74,887	£77,935	£81,106	£81,596	£385,608
Capital introduced	£50,000	-	-	-	-	£50,000
F&F payments (& continued capex in yr 5)	(£20,000)	-	-	-	(£4,800)	(£24,800)
Security Deposit	(£16,000)	-	-	-	-	(£16,000)
Ingoing costs	(£11,800)	-	-	-	-	(£11,800)
Loan repayments	(£8,000)	(£8,000)	(£8,000)	(£8,000)	(£8,000)	(£40,000)
Output VAT (pay to HMRC)	(£80,074)	(£83,244)	(£88,574)	(£89,171)	(£90,954)	(£430,017)
Input VAT (recover from HMRC)	£49,502	£49,246	£50,279	£48,946	£48,621	£246,594
FINANCING & CAPEX	£-36,372	£-41,998	£-44,295	£-48,225	£-55,133	£-226,023
NET CASHFLOW (before drawings)	£33,711	£32,889	£33,640	£32,882	£26,463	£159,585
OPENING BANK & CASH BALANCE	-	£33,711	£66,600	£100,240	£133,122	-
CLOSING BANK & CASH (before drawings)	£33,711	£66,600	£100,240	£133,122	£159,585	£159,585
NET CASHFLOW (after drawings)	£21,711	£20,889	£21,640	£20,882	£14,463	£99,585
CLOSING BANK & CASH (after drawings)	£21,711	£42,600	£64,240	£85,122	£99,585	£99,585

Please note: forecasts above assume the entire VAT liability for each year is paid in the year it arises (in reality the final quarter will be paid the following year)
Produced by Geoff Temperton of Roslyns Accountants on 19/11/15

APPENDIX 1

EXAMPLE FINANCIAL PROJECTIONS



Year End Balance Sheet Projection

Sample Inn

The following is supplied as a projection of possible Year End Balance Sheet based on the information supplied. It is in no way a guarantee of trade

	£	£
<u>Fixed Assets</u>		
Tangible Fixed Asset at Cost	20,000	
Accumulated Depreciation	(4,000)	
		16,000
<u>Current Assets</u>		
Stock	5,184	
Brewery Deposit	16,000	
Prepayments	0	
Cash in Hand	9,359	
Cash at Bank	24,352	
		54,895
<u>Current Liabilities</u>		
Creditors	0	
Accruals	0	
Vat Liability	8,604	
MGD Liability	1,026	
PAYE	177	
		9,807
Current Assets Less Current Liabilities		45,088
Total Assets Less Current Liabilities		61,088
Long Term Liabilities		32,000
Total Assets Less Total Liabilities		29,088
<u>Capital and Reserves</u>		
Suspense and Mispastings	(68,123)	
P&L Account	35,211	
Capital Introduced	50,000	
Drawings	12,000	
		29,088

APPENDIX 1

EXAMPLE FINANCIAL PROJECTIONS



Sensitivity Analysis

Sample Inn

1 This Business Plan expects turnover to be **£413,259**

below shows the effect on the profitability of the business if the actual turnover achieved differs by 5%:

	Turnover 5% less than BP	Turnover as per the BP	Turnover 5% more than BP
Profitability of the Business	£24,253.96	£35,210.97	£46,167.97

2 This Business Plan expects overheads to be **£183,929**

Below shows the effect on the profitability of the business if the actual overheads achieved differs by 5%:

	Overheads 5% less than BP	Overheads as per the BP	Overheads 5% more than BP
Profitability of the Business	£44,407.43	£35,210.97	£26,014.51

3 This Business Plan expects Wet GP to be **52%**

Below shows the effect on the profitability of the business if the actual Wet GP achieved differs by 2%:

	Wet GP% worse than BP	Wet GP% as per the BP	Wet GP% 2% better than the BP
Profitability of the Business	£28,277.64	£35,210.97	£42,144.30

4 This Business Plan expects Dry GP to be **64%**

Below shows the effect on the profitability of the business if the actual Dry GP achieved differs by 2%:

	Dry GP% worse than BP	Dry GP% as per the BP	Dry GP% 2% better than the BP
Profitability of the Business	£34,136.91	£35,210.97	£36,285.03

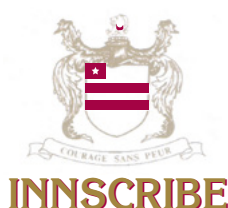
APPENDIX 2

LICENSED TRADE ACCOUNTANTS



When contacting the Inside Track suppliers please ensure you let them know that the pub you are applying for is a Star Pubs & Bars outlet.

More information about the Inside Track programme can be at starpubssupport.co.uk



Coverage: National
Innscribe

Specialist Accountants to the Leisure Industry

Tel: 0845 890 2270

Fax: 01274 727272

Email: admin@innscribeuk.com

Web: www.innscribeuk.com



Coverage: National
Roslyns

A new vision in accounting (it's not what we do it's the way that we do it!)

Tel: 0114 213 8330

Fax: 0114 249 3656

Email: enquiries@roslyns.co.uk

Web: www.roslyns.co.uk



Specialist Consultancy & Accountancy Services To The Hospitality Industry

Coverage: Northern England and Scotland

RS Hospitality Solutions

Tel: 01228 904904

Email: mail@rshs.co.uk

Web: www.rshospitality.co.uk



Coverage: North and Central Regions

David Jones Accountants Ltd

Professional Licensed Trade Accounting Services

Tel: 01937 581 356

Fax: 01937 587 991

Email: info@drjaccountants.co.uk

Web: www.drjaccountants.co.uk

APPENDIX 2

LICENSED TRADE ACCOUNTANTS



Coverage: England South East, South West, Midlands and Wales
CMS Pub Accountancy Services
Tel: 0121 730 2269
Email: enquiries@cmspubaccountancy.co.uk
Web: www.cmspubaccountancy.co.uk



Coverage: London and Home Counties
PLS Management Services
Tel: 0208 977 6255
Email: office@pls.uk.com
Web: www.pls.uk.com



Coverage: South and South West
Melrose Pubcare
Consultants to the Licensed Trade
Tel: 01454 419262
Fax: 01454 850903
Email: melrose@pubcare.co.uk
Web: www.pubcare.co.uk

APPENDIX 3

RENTAL VALUATION ADVISORS



Fleurets
4 Roger Street
London
WC1N 2JX
Tel: 0207 280 4700



Christie & Co
Whitefriars House
6 Carmelite Street
London
EC4Y 0BS
Tel: 0207 227 0700
