



PART OF THE  HEINEKEN COMPANY



# BUSINESS PLAN

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Applicant Name

Date

Contact Number

Email

Pub Name & Address

# BUSINESS PLAN

<b>Licensed Trade Accountant Name &amp; Address</b>	<b>T</b>

<b>Contact Number</b>		<b>Email</b>	
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<b>Professional Qualifications &amp; Licensed Trade Experience</b>

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

<b>Licensed Trade Accountant</b>	
<b>Signature</b>	
<b>Date</b>	

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

<b>Applicant Name</b>	
<b>Signature</b>	
<b>Date</b>	

# 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.

## Required 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](http://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?

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# 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?

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# 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?

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# 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.

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<b>Main Competitor</b>			
Who are their customers?	What do they offer to attract customers?	Could/should we attract their customers and if so how?	RSP of std. lager, std. bitter packaged lager, house wine and key menu items
			<ul style="list-style-type: none"> <li>▪</li> <li>▪</li> <li>▪</li> <li>▪</li> <li>▪</li> </ul>

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# 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.

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Existing	A.M.	P.M.	Evening
Who are the pub customers? Why do they use your pub?			

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Target	A.M.	P.M.	Evening
Who should the target market be to increase and maximise the trade and profit?			



# 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.

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# 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.

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# 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?

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# 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 are the staff and equipment implications of this? 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.

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# 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).

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# 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.

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# BUSINESS PLAN

## 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 will you tell your target customers about your offer? Online presence is essential. Will you set up a Facebook page? If so, what content will you post? How frequently? Check the pub's web presence on TripAdvisor, 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 will cost, so make sure you factor them into your startup costs. Once you are open, how will you keep people coming back? What on-premise advertising could you use? What about loyalty schemes? How could you develop relationships with the local business or clubs to grow trade?

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# 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?

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## Targets and 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			

## Targets and 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 %

## Targets and 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

<b>Sample Inn</b>			
<b>Turnover</b>			<b>Sales Mix %</b>
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%
<b>TOTAL TURNOVER</b>		<b>£405,570</b>	
<b>Less: Cost of Sales</b>			
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		
<b>TOTAL COST OF SALES</b>		<b>£186,430</b>	
<b>Gross Profit</b>			<b>GP%</b>
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%
<b>TOTAL GROSS PROFIT</b>		<b>£219,140</b>	<b>54.0%</b>
<b>Less: Expenses</b>			<b>Expense as a % of sales</b>
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	£620		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%
<b>Total Expenditure</b>		<b>£183,929</b>	<b>45.4%</b>
<b>Total Expenditure less rent</b>		<b>£149,129</b>	<b>36.8%</b>
<b>NET PROFIT</b>		<b>£35,211</b>	<b>8.7%</b>
Drawings	£12,000		3.0%
Directors Salaries	£0		0.0%
Directors Remuneration	£0		0.0%
<b>RETAINED PROFIT</b>		<b>£23,211</b>	<b>5.7%</b>
<b>BREAKEVEN</b>		<b>Weekly</b>	<b>Annual</b>
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		
<b>TURNOVER</b>															
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		
<b>Total</b>	<b>£26,953</b>	<b>£37,223</b>	<b>£32,647</b>	<b>£33,639</b>	<b>£37,937</b>	<b>£31,325</b>	<b>£39,177</b>	<b>£29,796</b>	<b>£29,259</b>	<b>£35,458</b>	<b>£45,872</b>	<b>£26,283</b>	<b>£405,570</b>		
<b>LESS: COST OF SALES</b>															
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	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Total</b>	<b>£12,787</b>	<b>£17,327</b>	<b>£14,948</b>	<b>£15,403</b>	<b>£17,370</b>	<b>£14,343</b>	<b>£17,938</b>	<b>£13,643</b>	<b>£13,397</b>	<b>£16,235</b>	<b>£21,003</b>	<b>£12,034</b>	<b>£186,430</b>		
<b>GROSS PROFIT</b>															
Wet GP	£13,767	£17,488	£14,199	£14,630	£16,499	£13,624	£17,038	£12,959	£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		
<b>GROSS PROFIT (INC VAT)</b>	<b>£14,166</b>	<b>£19,896</b>	<b>£17,699</b>	<b>£18,237</b>	<b>£20,567</b>	<b>£16,982</b>	<b>£21,239</b>	<b>£16,153</b>	<b>£15,862</b>	<b>£19,223</b>	<b>£24,868</b>	<b>£14,249</b>	<b>£219,140</b>		
<b>LESS: EXPENSES</b>															
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	-	-	-	-	-	-	-	-	-	-	-	-	-		
Equipment / F&F Repair & Serv	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£1,200		
Telephone	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£600		
Satellite TV	£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		
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	£12,600		
Marketing & Advertising	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10	£120		
Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-		
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	£333	£333	£333	£333	£333	£333	£333	£333	£333	£333	£333	£333	£4,000		
<b>TOTAL EXPENDITURE</b>	<b>£14,217</b>	<b>£15,883</b>	<b>£15,141</b>	<b>£15,302</b>	<b>£15,999</b>	<b>£14,926</b>	<b>£16,200</b>	<b>£14,678</b>	<b>£14,591</b>	<b>£15,597</b>	<b>£17,286</b>	<b>£14,108</b>	<b>£183,929</b>		
<b>NET PROFIT / (LOSS)</b>	<b>£-51</b>	<b>£4,013</b>	<b>£2,558</b>	<b>£2,935</b>	<b>£4,568</b>	<b>£2,056</b>	<b>£5,039</b>	<b>£1,475</b>	<b>£1,271</b>	<b>£3,626</b>	<b>£7,582</b>	<b>£140</b>	<b>£35,211</b>		
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	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>RETAINED PROFIT / (LOSS)</b>	<b>£-1,051</b>	<b>£3,013</b>	<b>£1,558</b>	<b>£1,935</b>	<b>£3,568</b>	<b>£1,056</b>	<b>£4,039</b>	<b>£475</b>	<b>£271</b>	<b>£2,626</b>	<b>£6,582</b>	<b>£-860</b>	<b>£23,211</b>		



## 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%
<b>BREAKEVEN</b>						
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	£9,584	£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	£228,835	
Catering CoS	£22,729	£23,639	£24,348	£24,835	£25,315	
Accommodation CoS	£0	£0	£0	£0	£0	
Other Sales CoS	£0	£0	£0	£0	£0	
Machines CoS	£0	£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)	(£86,574)	(£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: Fcasts 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

	£	£
<b><u>Fixed Assets</u></b>		
Tangible Fixed Asset at Cost	20,000	
Accumulated Depreciation	(4,000)	
		16,000
<b><u>Current Assets</u></b>		
Stock	5,184	
Brewery Deposit	16,000	
Prepayments	0	
Cash in Hand	9,359	
Cash at Bank	24,352	
		54,895
<b><u>Current Liabilities</u></b>		
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
<b><u>Capital and Reserves</u></b>		
Suspense and Mispostings	(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
<b>Profitability of the Business</b>	£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
<b>Profitability of the Business</b>	£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
<b>Profitability of the Business</b>	£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
<b>Profitability of the Business</b>	£34,136.91	£35,210.97	£36,285.03

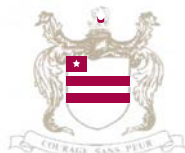
## Appendix 2

# 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](http://starpubssupport.co.uk)



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Specialist Accountants to the Leisure Industry

**Tel:** 0845 890 2270

**Fax:** 01274 727272

**Email:** [admin@innscribeuk.com](mailto:admin@innscribeuk.com)

**Web:** [www.innscribeuk.com](http://www.innscribeuk.com)



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**Web:** [www.rshospitality.co.uk](http://www.rshospitality.co.uk)



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**David Jones Accountants Ltd**

Professional Licensed Trade Accounting Services

**Tel:** 01937 581 356

**Fax:** 01937 587 991

**Email:** [info@drjaccountants.co.uk](mailto:info@drjaccountants.co.uk)

**Web:** [www.drjaccountants.co.uk](http://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](mailto:enquiries@cmspubaccountancy.co.uk)  
**Web:** [www.cmspubaccountancy.co.uk](http://www.cmspubaccountancy.co.uk)

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**Coverage:** London and Home Counties  
**PLS Management Services**  
**Tel:** 0208 977 6255  
**Email:** [office@pls.uk.com](mailto:office@pls.uk.com)  
**Web:** [www.pls.uk.com](http://www.pls.uk.com)

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**Coverage:** South and South West  
**Melrose Pubcare**  
Consultants to the Licensed Trade  
**Tel:** 01454 419262  
**Fax:** 01454 850903  
**Email:** [melrose@pubcare.co.uk](mailto:melrose@pubcare.co.uk)  
**Web:** [www.pubcare.co.uk](http://www.pubcare.co.uk)

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## Appendix 3

# RENTAL VALUATION ADVISORS



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

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

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