

Business Plan

Turnover Lease for new
Stonegate Pub Partners

Stonegate Group

PUB PARTNERS

The key to your business success is planning

The document will guide you through a structured process to produce a working document detailing the marketing, development and financial plan for your pub business.

We will require you to seek independent professional advice on your business plan. You will need to take advice from a suitably qualified accountancy firm and you will need to complete your own research specific to the pub you are interested in.

Remember that any business plan is a draft and that as the business develops, this will change and evolve over time. You need to be constantly mindful of changes in market forces and how they will affect your business.

Once you have taken the agreement on your pub, this business plan will become a working document for you to review at regular intervals with your Regional Manager. It will be used to track your business success to date and to formulate the strategy for further success.

About you

Please provide details of the pub you are applying for:

Name of Pub	
Address of Pub	

Your details:

Name	
Address	
Telephone Number	
Email Address	

Your personal profile:

Please describe yourself including your skills, experience, personal attributes and ambitions. Please include any trade qualifications currently held.

Your partner's profile:

Please describe your partner's skills, experience, personal attributes and ambitions. Please include any trade qualifications currently held.

Other key members of your team:

Please describe the other key members of your team including any trade qualifications currently held.

About the pub

The location:

Describe the environment in which the pub is located.

The amenity / facility:

Describe the attributes of the pub (including facilities) and the outside trading areas.

Local demographics:

Describe the local demographics and the type of customers that you expect to attract.

Current trading operation:

Describe the current trading operation, and consider whether you aspire to replicate or change the trading style.

Proposed trading style:

Describe the style of operation which will attract potential customers.

Unique selling point:

Describe what your pub will be famous for.

SWOT analysis

List your pub's main strengths and weaknesses.

Strengths:

Weaknesses:

Opportunities:

What can you do in your pub that is different, better or something you would stop doing that is damaging trade?

Threats:

Consider unexpected situations - such as environment issues, negative perceptions, new competition, changes to the economy or the law and trend shifts.

Summary:

How are you going to exploit your strengths, and overcome threats and weaknesses? Focus on how you can develop your business going forward.

Market overview

What drinking and eating trends are popular in your area? Please use demographic, customer and competitor information to form your evaluation and propose your target market(s).

Comepetitor analysis

It is very important that you fully understand the effectiveness of the local competition for your potential customers. The competition will be from other pubs, restaurant, bars, working men's clubs and other leisure activities.

Name of pub / outlet	
Location and distance	
Retail style	
What is the price of standard lager?	
What is the average price of an evening meal?	
Customer base	
How do you rate this competition?	

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Customer base	
How do you rate this competition?	

Planning for your pub

People:

How will you recruit your staff?

How will you train, develop, motivate and retain your staff?

Promotion:

How do you plan to promote your pub? Consider your mission statement, any food and drink offers, roadside presence, web presence, etc.

How are you going to launch your new business?

What items do you need to launch your new business?

Amusement With Prize (AWP) Gaming Machines

AWP gaming machines (and other games such as pool) can be significant income generators if used effectively. Consider how to make the most of the opportunity by selecting the right number of machines and keeping them well-maintained.

AWP machine selection - does the pub have AWP's? Or is there opportunity for new or additional machines?

How will you plan AWP locations to maximise income and minimise intrusion?

Maximising income – how will you ensure you maximise income from AWP's? Are there opportunities for other types of machines for example pool or vending?

Operating plan

Please consider the specific activities you will be undertaking each day to maximise the retail opportunities at the pub. Using the calendar below, tell us your plans for the year ahead, considering key events such as Christmas, Easter, Mothering Sunday, Valentine's Day, and sporting occasions (what activities you are going to host and how you are going to market them).

Day	Activities	Marketing required
Monday		
Tuesday		
Wednesday		
Thursday		
Friday		
Saturday		
Sunday		

Month	Activities	Marketing required
January		
February		
March		
April		
May		
June		

(Continued)

Month	Activities	Marketing required
July		
August		
September		
October		
November		
December		

Summary plan

Please outline your summary action plan into short, medium and long term goals.

In summary, your goals:

Short term (0-6 months):

Medium term (6-12 months):

Long term (Yr 2 onwards):

Some key questions to consider

There will be lots of questions that will need to be answered before you can convert your creative ideas which are contained in your operating plan into a financial appraisal.

1. Draught beer / cider potential

Main brands	Retail price per pint (inc VAT)	Retail price per pint (exc VAT)	Cost price per pint (exc VAT)	Gross margin per pint (exc VAT)	Gross margin per pint %
	£	£	£	£	%
	£	£	£	£	%
	£	£	£	£	%
	£	£	£	£	%
	£	£	£	£	%
	£	£	£	£	%
	£	£	£	£	%

It is assumed the inputs into the above table will be reflective having given an allowance for cask sediment and operational wastage across all draught products.

2. Bottled beer / cider potential

Main brands	Retail price per bottle (inc VAT)	Retail price per bottle (exc VAT)	Cost price per bottle (exc VAT)	Gross margin per bottle (exc VAT)	Gross margin per bottle %
	£	£	£	£	%
	£	£	£	£	%
	£	£	£	£	%
	£	£	£	£	%

3. Wines, spirits and minerals potential

Main brands	Retail price per unit (inc VAT)	Retail price per unit (exc VAT)	Cost price per unit (exc VAT)	Gross margin per unit (exc VAT)	Gross margin per unit %
Average wine 175ml glass	£	£	£	£	%
Average spirit 25ml measure	£	£	£	£	%
Average mineral drink ½ pint draught	£	£	£	£	%

4. What is the extent of the food opportunity?

How many covers are in the pub?						
	Average daily servings no.	Average retail price per serving (inc VAT)	Average retail price per serving (exc VAT)	Average weekly turnover (exc VAT)	Average weekly gross margin (exc VAT)	Gross margin %
Restaurant		£	£	£	£	%
Bar Food		£	£	£	£	%
Breakfast				£	£	%
Sandwiches/Wraps/Other				£	£	%
Sundry food/hot drinks (snacks, crisps, etc.)				£	£	%
Total				£	£	

5. Accommodation potential

	No. of letting rooms	Average retail price per room (inc VAT)	Average retail price per room (exc VAT)	Average occupancy %	Average weekly turnover (exc VAT)
Letting rooms		£	£	%	£

6. Machine potential

	No. of machines	Average weekly income / machine	Average weekly income
AWPs (fruit machines)		£	£
Other machines		£	£
Vending machines		£	£

7. Other income potential

Consider what other opportunities may arise.

	Average weekly takings (inc VAT)	Average weekly turnover (exc VAT)	Gross Margin (exc VAT)	Gross Margin %
Other income	£	£	£	%

8. Staff costs

	Number of staff	Hourly rates	Hours per week	Weekly cost
Bar		£		£
Chef		£		£
Kitchen		£		£
Cleaner		£		£
Doorman		£		£
Other		£		£
Total		£		£
Ave rate %				
Employers National Insurance		£		£
Employers pension contribution (if applicable)		£		£
Total cost				£

9. Utilities

	Annual cost (inc VAT)	Annual cost (exc VAT)
Water	£	£
Gas	£	£
Electricity	£	£
Other	£	£
Total	£	£

10. Repairs and maintenance

	Annual cost (inc VAT)	Annual cost (exc VAT)
Compliance service health & safety	£	£
Compliance heating / maintenance	£	£
Cellar cooling	£	£
Exterior decoration	£	£
Interior decoration	£	£
Building maintenance	£	£
Other maintenance	£	£
Total	£	£

11. Insurance

	Annual cost (inc VAT)	Annual cost (exc VAT)
Buildings insurance	£	£
Contents and Liability insurance	£	£
Other insurance	£	£
Total	£	£

12. Entertainment

	Annual cost (inc VAT)	Annual cost (exc VAT)
TV costs including SKY	£	£
PRS / PPL costs	£	£
Quiz	£	£
Bands	£	£
Poker / Bingo / Other	£	£
Other	£	£
Total	£	£

13. Other costs

	Annual cost (inc VAT)	Annual cost (exc VAT)
Marketing	£	£
Advertising	£	£
Promotional costs	£	£
Stock taker	£	£
Accountant	£	£
Other professional costs	£	£
Bank charges	£	£
Telephone	£	£
Travel / Car	£	£
Cleaning materials	£	£
Waste management	£	£
Printing / Stationery	£	£
Glassware / Crockery	£	£
Equipment hire for events	£	£
Sundries	£	£
Total	£	£

14. Initial investment

	Annual cost (inc VAT)	Annual cost (exc VAT)
Trade fixtures and fittings	£	£
Security deposit	£	£
One month's rent in advance & other contractual costs	£	£
Stock, glassware and cleaning materials	£	£
Legal fees, licensing and removal costs	£	£
Training fees	£	£
Cash floats & machine floats	£	£
Initial decoration	£	£
Initial cleaning	£	£
Equipment repairs	£	£
Other	£	£
Total	£	£

Forecast maintainable P&L

This represents your view of the annual sustainable trade that may be achieved after you have developed the trade in line with your expectations. All numbers below are exclusive of VAT.

1. Calculate your annual turnover

Category	Turnover (Sales)	Gross margin	Cost of sales	Gross margin
Beers, ciders, fabs	£	%	£	£
Wines, spirits, minerals	£	%	£	£
Food	£	%	£	£
Machines	£	%	£	£
Accommodation	£	%	£	£
Other	£	%	£	£
Total	£	%	£	£

It is assumed the inputs into the above table will be reflective having given an allowance for cask sediment and operational wastage across all draught products and therefore the impact to both turnover and margin.

2. Calculate your gross margin percentage

Total turnover	£
Total gross margin	£
Gross margin %	%

3. Calculate your annual overheads

Staff costs (excluding own earnings)	£
Business rates	£
Utilities	£
Repairs & maintenance	£
Insurance	£
Entertainment	£
Interest	£
Other (including bank charges)	£
Rent payable to Stonegate Pub Partners	£
Tie release fees payable to Stonegate Pub Partners	£
Total overheads	£

4. Calculate your estimated net profit

Gross profit	£
Total overheads	£
Estimated net profit	£

5. Sales breakeven analysis

Total overheads	£
Gross margin percentage	%
Annual sales required to breakeven	£
Weekly sales required to breakeven	£

Profit and loss (excluding VAT)

Year 1

(if Year 1 is not representative of mature trade, also provide additional years until maturity is reached)

Sales (£)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total (£)
Drinks													
Food													
Accommodation													
Other													
Total Cost of Sales (£)													

Cost of Sales (£)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total (£)
Drinks													
Food													
Accommodation													
Other													
Total Cost of Sales (£)													
Gross profit (£)													

Overheads (£)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total (£)
Staff costs (excluding publican's own earnings)													
Business rates													
Utilities													
Repairs and maintenance													
Insurance													
Entertainment													
Interest													
Other (including bank charges)													
Rent payable to Stonegate Pub Partners													
Tie release fees payable to Stonegate Pub Partners													
Total overheads													
Net Profit (£)													

Cashflow

(including VAT)

(if Year 1 is not representative of mature trade, also provide additional years until maturity is reached)

Sales (£)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Drinks												
Food												
Accommodation												
Other												
Total Cost of Sales (£)												

Purchases (£)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Drinks												
Food												
Accommodation												
Other												
Total Purchases (£)												
VAT payments (£)												

Business cashflow (£)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Opening cash*												
Ingoings												
Outgoings including overheads												
New finance/loans												
Capital investment												
Loan repayments and interest												
Other**												
Your drawings												
Business cashflow												
Closing cash (£)												

* For Year 1 this would be start-up cash. For Year 2 this would be the closing cash at the end of Year 1.

** The cashflow assumes the pub is an unincorporated business. If the business is incorporated and there are corporation tax liabilities, please include corporation tax in this line.

5 year profit and loss summary

	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	£	£	£	£	£
Cost of sales	£	£	£	£	£
Gross Profit	£	£	£	£	£
Rent	£	£	£	£	£
Other overheads	£	£	£	£	£
Nett Profit	£	£	£	£	£

Sensitivities <i>*(impact on net profit)</i>					
10% increase in sales	£	£	£	£	£
10% decrease in sales	£	£	£	£	£

10% increase in overheads	£	£	£	£	£
10% decrease in overheads	£	£	£	£	£

- * Notes:
1. If a different % is more appropriate to your business then it should be used.
 2. If the analysis results in a significant deterioration in profit, then a contingency plan must be provided below.

Contingency Plan
(Actions you would take to reduce the impact of a significant deterioration in profit or loss).

5 year profit and loss summary

Summary in the event of a landlord triggering the Full Tie Release and you being able to obtain products on a free of tie (FOT) basis and paying the Full Tie Release fee (FTRF).

Sales (£)	Year 1	Year 2	Year 3	Year 4	Year 5
Sales (same as above - if different to tied sales please explain in the box below))	£	£	£	£	£
Cost of sales (to include the additional operating profit from being FOT)	£	£	£	£	£
Gross profit (to include the additional operating profit from being FOT)	£	£	£	£	£

Rent (to now include the FTRF value)					
Other Overheads (same as above - if different to tied overheads please explain in the box below)					
Net profit (to now take account of both the increased operating profit and payment of FTRF)					

* This is to take into account the adjusted net profit position in the event that the FTRF is triggered.

Sensitivities *(<i>impact on net profit</i>)	Year 1	Year 2	Year 3	Year 4	Year 5
10% increase in sales	£	£	£	£	£
10% decrease in sales	£	£	£	£	£

10% increase in overheads	£	£	£	£	£
10% decrease in overheads	£	£	£	£	£

Contingency Plan

(Actions you would take to reduce the impact of a significant deterioration in profit or loss).

Business plan sign-off sheet

Accountant declaration:

The business plan for (Pub name)

This has been prepared and / or reviewed and is an accurate reflection of the business opportunity based on the information provided to me.

Name of Accountant

Professional Qualification

Address of Accountant's Business

I confirm that I hold the qualification above

☐

I confirm I have attended the pub

☐

Date of visit:

I confirm I have met with the Applicant

☐

Date of visit:

Signed and dated

Applicant declaration:

Name of Applicant(s)

Name of Limited company, if applicable

I / We confirm this business plan is a realistic representation of my / our plans for the pub.

☐

I / We confirm I / we have visited the pub prior to completion of the business plan.

☐

Or

Date of visit:

I / We confirm that my / our representative has visited the pub prior to the business plan and provided me / us all the necessary information.

☐

Date of visit:

The prospective publican understands the impact of any TRF's they have opted for as well as the potential fee payable in the event of the landlord exercising a full tie release under the agreement.

☐

I / We confirm I / we have considered independent professional advice before completing the business plan:

☐

I / We confirm I / we have received all Pub Factual* information for a new letting
(*Information contained in regulation 10 of the Scottish Pubs Code)

☐

Signed and dated (applicant(s))

Position within company (if applicable)
(e.g. Director, Company Secretary)

Stonegate Group

PUB PARTNERS

stonegategroup.co.uk

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