



PUNCH TAVERNS

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PASSIONATE ABOUT OUR PUBS

BUSINESS PLAN

Applicant: Barry Read

Date completed: 16/01/14

Pub: Rising sun

Business Relationship Manager:

Taking on a pub is a serious decision. It is important that you have thought hard about why you want to take such a step and have planned exactly what you will need to do to ensure your venture will be a success. Only then can you judge whether you are likely to be able to achieve the income and rewards that you desire.

ABOUT BUSINESS PLANNING

Punch also wants to be convinced that you know what to do and why, and that your plans are right for you and the pub in question. For these reasons we ask all applicants to complete a business plan for the pub they are applying for.

A business plan can help you to:

- Consider all aspects of the business
- Decide the best course of action to take things forward
- Have a clear understanding of the pub and how you can make it work

Please complete each section including as much detail as possible. You can either use this template, or alternatively, write your own business plan. Guidance is available should you need it from one of our Business Relationship Managers.

THE SITE	
<p>Provide a description of the pub, its facilities and trading history. Also talk about the immediate area surrounding the pub, focusing on possible sources of customers</p> <ul style="list-style-type: none"> <i>Are any areas suitable for alternative use or redevelopment?</i> <i>Describe the existing building - shape, facilities & condition</i> <i>Include the exterior and outside areas</i> <i>What is the immediate area like? Residential, businesses, shops, roads, etc.</i> 	<p>The Rising sun is a lovely pub that has pride of place right in the center of four large residential areas with a thriving and active community and a truly wide spread customer base. I have lived in the Lakhall/Walcot area of Bath all of my life and the working classes through to the rich and famous can be found in these converging areas. The building itself with its quite recent refit still looks great. Inside could do with a slight attention in a couple of areas, nothing of any real issue just a little tlc, touch ups and general maintenance.</p> <p>Outside of the building is in great shape but garden could do with a good tidy up, and some attention needs to be paid to the outside furniture. It's all achievable.</p> <p>The skittle ally doubles nicely as a venue which could potentially be used for live music, private parties, charity fundraisers and a host of other entertainment events.</p> <p>The small but comfortably workable kitchen opens a wealth of suggestion and possibilities as well..</p>

DEMOGRAPHICS	
<p>Describe what sort of people live, work, or visit the area. Mention things such as age, occupation, wealth, housing, etc. This is your chance to show that the people that you intend to attract are around.</p> <ul style="list-style-type: none"> <i>Have you driven or walked around the area and talked to future customers, competitors and local businesses?</i> <i>The people who live nearby - how wealthy or poor are they? Are they old or young? Do they have families - old or young? What sort of houses do they live in? What condition is the housing in? How many people own a car? What do they do as jobs - work in an office, have a skilled trade, manual workers, unemployed? Do students live in the area?</i> <i>Who comes into the area WHY AND WHEN? Shoppers during the day? Office workers? Young people at night?</i> <i>Think about which people will be your 'target market'</i> 	<p>On one side you find a close knit working to middle class housing estate, Snow hill, this is where I grew as a young man and still have many close friends living here in this area. On the other side of the hill is a pretty little working to middle to upper middle class village Larkhall, this is where I live now, and hear as one of the organizers of Larkhall festival I would say I'm a fairly well known local face. To your left Camden road which is a highly populated upper middle class long terraced road and above you Fairfield park middle to upper middle to upper class home owner can be found heading up towards the Landsdown area. Most of the general local population are working people and own cars as we are just on the out skirts of the city.</p> <p>I believe that all of the different peoples in the surrounding areas should and could be catered for in this local community based pub. I think we can attract from young to old with the Mix of quiz, music, food, sports and specially themed nights, I believe we could offer.</p>

DEVELOPMENTS	
<p>Indicate whether there are developments in the area that may influence trade.</p> <ul style="list-style-type: none"> • <i>Ask around, speak to the council, find out what is happening in the area. Look in the local paper for licensing or planning applications</i> • <i>Is the area doing well or is it in decline? Are shops opening or closing? Are houses selling? Is new housing being built?</i> • <i>What specific future events might impact on trade - good or bad? e.g. the building of a shopping centre or the closure of a factory</i> 	<p>Very few developments are currently happening in this area of Bath, but those few that are occurring seem to be mainly housing. Larkhall, Fairfield and Camden have always highly sought after areas for home buyers.</p>

LOCAL MARKET	
<p>Show an understanding of where people drink, eat and also take part in other leisure activities (cinemas, retail parks). Talk specifically about the competition and why people chose to go to these places. If there is a “circuit” describe it - both for day and night trade. Attach any relevant maps to the Business Plan.</p> <ul style="list-style-type: none"> • <i>Have you visited and talked to local competitors?</i> • <i>Where are these venues in relation to your pub? Could/does it fit into the circuit?</i> • <i>How successful is the competition? Why are they successful - what do they offer customers? Describe the major competitors.</i> • <i>Is there anything missing from the circuit that people might look for?</i> 	<p>Living here in Larkhall gives me intimate knowledge of my local competitors as I am customer to some of them and have put on various fund raising events in most of their establishments. Something I see locally is many of the patrons alternate between the various public houses in the area, when there's something going on. We don't currently have a local establishment where you can sit down and have a bite to eat, Fairfield arms is now a curry house with a bar and One beaufort is an up market classy restaurant. Larkhall Inn offers a selection of crisps nuts or a pie, and that's about all you can find locally, except the selection of take ways in the area which I don't believe would be direct competition for what we will be offering.</p> <p>So many of the local pubs in your report including the Wagon and horses, the Bladud head, the Brain surgery, the Rose & crown, the First in last out, the Farmhouse, the Porter but and the Longacre have now gone, which I believe leave a large hole in the market that needs to be filled and expanded on.</p> <p>. The Larhall liberal club is members only, dealing with the older members of the community.</p>

LOCAL MARKET continued			
Main Competitors	Who are their customers?	What do they offer to attract customers?	Could/should we attract their customers and if so, how?
Venue Larkhall Inn	An older and sports based crowd.	Televised sports bar with a bookies across the road. Offering that old style spit and sawdust country pub feel. Skittles. Garden	Televised sports with some good wholesome yet affordable hot food on the go.
Brand			
Venue Liberal club	Mostly senior citizens	Televised sports, bridge nights, Oldie discos, Skittles.	Same as above.
Brand			
Venue	Bladud arms	Not much at all.	Don't seem to have much of a customer base. So same as above.
Brand			
Venue			
Brand			
Venue			
Brand			
Venue			
Brand			
Venue			
Brand			
Venue			
Brand			

CUSTOMER PROFILE			
Existing	am	pm	pm/late
<i>Who are your existing customers? Why do they use your pub?</i>	Opening only on the weekends in the day.	Locals seem to be the main source of the pubs current customer base. I have been involved in the pub over the last 5 months introducing a lot of private parties and music to the pub increasing the influx of people to the venue and area.	Same as pm.
Potential	am	pm	pm/late
<i>Are there customers you could move from your competitors, or aren't catered for in the area?</i>	Yes especially on the weekends.	Customers can easily be attracted to listen to music, eat good food, play games, watch sports meet and just relax in a lovely family run establishment.	Same as pm.
Target	am	pm	pm/late
<i>What should your target market be to increase and maximise your trade and profit?</i>	Weekend sports and obvious food market available for the taking from am to pm.	Food on offer every night from simple homemade bar snacks through to wholesome but simple affordable cooked food.	Same as pm.

THE OFFER	
<p>Describe what you intend to offer in order to attract custom. Make specific mention of drink, food, music, entertainment, promotions, games, etc. Show reasons why the people that you want to attract would want to come to your pub. What is the unique selling point of the pub? Also how you intend to market the offer.</p> <p><i>General</i></p> <ul style="list-style-type: none"> What sort of pub is it going to be? How will it differ during the course of the day? <p><i>Drink</i></p> <ul style="list-style-type: none"> Is business going to be driven by cask ales, cream flow, standard draught lagers, premium draught lagers, bottled beers, spirits, wine? What will make your wet offer stand out from your competitors? <p><i>Food</i></p> <ul style="list-style-type: none"> What sort of food is going to be on offer? How big will the menu be? Give some sample menu items. What will the price of the meals be? How will the food offer change during the day? What will make your food offer stand out from your competitors? Attach any draft menus <p><i>Music</i></p> <ul style="list-style-type: none"> How will music be provided? What sort of music will it be? How will it change throughout the day? <p><i>Entertainment/promotions/games/etc</i></p> <ul style="list-style-type: none"> Will entertainment play a part in your offer? What sort of entertainment? What else - pub games, quizzes, charity nights, promotions, etc? How much additional income would you expect to generate from entertainment activities? <p><i>Other</i></p> <ul style="list-style-type: none"> Describe any other key parts of the offer <p><i>Marketing</i></p> <ul style="list-style-type: none"> How will you tell people about what is on offer? Adverts, flyers, radio, A-boards, direct mail, etc? 	<p>We want to come across and operate as a nice family run community based bar, staffed by my wife myself and my two eldest children. Offering a warm welcoming atmosphere, delivering friendly service, good vibes offering quality beverages, great food, lots of varied entertainments across the board from Quiz nights, sports, gaming, live music, retro d.j.s and pop up themed nights. None of which currently seem to happen.</p> <p>We want to do most of the bar snacks and food in house as my wife is a trained chef, i.e. Homemade dry roasted nuts, scotch eggs, tortilla chips, chips or cheesy chips, garlic bread, olives and this sort of thing. A small menu on the bar with hot food offered all the time. Fish and chips with mushy pea's. Beef or roasted Mediterranean veggie lasagne with garlic bread, salad and coleslaw. Good sausage and mash with onion gravy. Deserts including Crumbles, ice cream, sorbets, gateaux cakes and cookies. All achievable with little prep and next to no waste at all.</p> <p>I currently run an events company with over 20 years experience in the entertainments industry, and so have an storage facility of equipment ready to install in the pub so as to allow, accommodate and encourage more live music, karaoke and various other forms of fun into the everyday running of the pub and venue.</p> <p>Marketing in today's culture is so easy, we all know of the original tried and tested means of self-promotion, including Local press, posters, flyers, A-boards and word of mouth. We now have the whole expansion of social media to carry the word even further, for example Facebook, Twitter, Instagram and the ever growing cyber possibilities.</p>

THE OFFER	
<p><i>Responsible Retailing</i></p> <ul style="list-style-type: none"> As a Punch licensee you will need to adhere to Government legislation covering areas such as licensing, smoking, disability discrimination, health and safety and gambling. How will you ensure that your customers are served responsibly? 	<p>I currently hold a valid personal liquor license, a current food hygiene certificate and I am a trained and licensed SIA door supervisor, and so I feel I already have quite an established background in the area the law and government legislation. Having spent 20 years in the entertainment industry, customers and punters satisfaction are second nature to me and my family.</p>

CONCLUSIONS	
<p>Briefly summarise what you are trying to achieve. Constantly ask yourself “Why am I doing this?” to make sure there is a measurable cash benefit to any action or investment decision.</p> <ul style="list-style-type: none"> In a few words .. Who the customers are now and whether you intend to change them, attract different people as well, or build on this existing base How this fits into the opportunity in the area How you will attract these people by changing the look of the pub, the food you offer, etc. 	<p>Although the pub has a decent little customer base know we as a family feel there is so much more that this establishment has to offer. We feel we can really push the boundaries and at least triple the clientele over the first six months with the introduction of good affordable food, regular live music, themed nights, sporting occasions, quiz nights community and charity fundraisers and many other forms of entertainment. My wife Vanessa and I have been together 27 years and are very well known in the local community. My eldest son Lewis is 20 and has many friends in the close and surrounding areas. My daughter Desiree is almost seventeen and also a dab hand in the kitchen which I truly believe gives us winning and welcoming team.</p>

FINANCES

It is essential that you forecast how much money you are likely to make. This should be the major factor in deciding whether you want to proceed with your business plan.

If you are unsure how to do this yourself, seek the assistance of an accountant or another independent professional advisor.

In this section please complete the following forecasts:

- **A twelve month profit and loss forecast**
This predicts how profitable the business is likely to be.
 - **A twelve month cash flow forecast**
This will provide you with information on the actual flow of money into and out of the business. It will highlight the capital needs of the business, especially the working capital required.
 - **The money you will require**
This will ensure you have a full view of the costs associated with starting your business.
 - **Source of Funds**
This will provide a detailed account of where you will obtain the finance needed.
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Your decision to take a Punch Agreement should be influenced by these forecasts. Therefore every effort should be made to ensure the greatest accuracy possible.

Note - templates for all forms in the next four pages can be downloaded from www.punchtaverns.com

12 MONTHS PROFIT AND LOSS FORECAST

SALES

Drink Sales

Food Sales

Machine Takings

Accommodation

Other (specify)

Total Sales

PURCHASES

Drinks Purchases

Food Purchases

Other (specify)

Total Purchases

GROSS PROFIT

Drinks

Food

Machine Takings

Accommodation

Other (specify)

Total Gross Profit

Net Profit (before drawings)

Drawings

Net Profit after Drawings

WEEKLY BREAK EVEN SALES CALCULATION:

- 1) Total cost figure from above
- 2) Overall GP% from above
- 3) Divide (1) by (2) and multiply by 100
- 4) Multiply by 1.175 to add VAT
- 5) Divide by 52 to give weekly break even point

OPERATING COSTS

Rent

Business Rates

Wages Inc. NI

Insurance

Utilities, Gas, Electric, Water

Bank Charges

Accountancy Fees

Machine Rental

Entertainment

Promotions (sky)

Staff Uniforms

Travel and Transport

Telephone and Postage

Cleaning Materials

Glassware and Crockery

Stocktaking Fees

Legal Fees

Licenses

Repairs and Decoration

Training Courses

Sundries

Other (gas/F&F)

Loan Repayments

Total Costs (1)

CASH FLOW

The cash flow projection is a support for your ideas for the pub and an aid to help you take an objective look at the financial aspects of the business. It will ensure that you have enough working capital or banking facilities to enable you to operate effectively throughout the first and most difficult year of trading.

Most of the items covered in this projection will match your profit and loss projection. However, it is worth mentioning that the profit and loss does not include VAT and the cash flow does include VAT.

You must try and project each month in turn thinking about how much money you intend to take and what expenses you may have in each particular month. For instance you will probably project taking more money in December than January. You can do this by thinking about your likely drinks sales for each day of the week, adding this together for a weekly total and multiplying for the month. The same can be done for food, by working out how many meals you intend to serve and how much cash you intend to generate from each customer.

NB: Closing bank balance is carried forward each month to balance brought forward. Therefore the calculation in the second month will be total income less expenditure plus balance brought forward equals closing bank balance. This figure may on occasions be a minus figure. This would therefore tell you when it would be necessary to arrange an overdraft facility or that you will need extra working capital.

[illegible]

[illegible]

THE MONEY REQUIRED

Outline the overall cost of starting the business and if you have not already done so state the intended investment including VAT.

COSTS

Fixtures and Fittings	?
Deposit	£6000
Solicitors	£100
Training	N/A
Stock on Valuation	?
Survey	N/A
Working Capital	?
Investment Capital Inc. VAT	?
TOTAL	?

SOURCE OF FUNDS

Cash	£6000
Secured Loan	
Unsecured Loan	
Overdraft	
Other please state	£2000 Credit card
TOTAL	£8000

ADDITIONAL INFORMATION	
SWOT ANALYSIS - SUMMARISE YOUR THOUGHTS:	
<p>Strengths Our strength is our family, our commitment, our dedication and our involvement in the music and entertainments business for the last 20 years.</p>	<p>Weaknesses I suppose the book keeping side of things, However a problem is only a mother to a solution.</p>
<p>Opportunities So many to undertake.</p>	<p>Threats None.</p>

ADDITIONAL INFORMATION
<p>The following area allows you to include any further information you feel may be appropriate to include in your business plan.</p> <p>I feel that myself and my family could really do something great with this place as we feel the local untapped potential is massive, I believe we can make a success of this business, but I also think it will need to be carefully grown and nurtured to achieve its full potential. This is the proposal that I put to you and given a year with this in place I look forward to putting wheels in motion.</p>

By completing this Business Plan Punch Taverns does not commit itself to accept your application and, for the avoidance of doubt, it does not constitute any offer, expressed or implied, of any appointment, lease, tenancy or business opportunity.