

PROFIT & LOSS ACCOUNT		
	Quarter	Year to Date
<b>Sales Revenue</b>		
Drink	70,087	130,765
Food	17,919	44,511
Hotel	-	-
	<b>88,006</b>	<b>175,276</b>
<b>Cost of Sales</b>		
Drink	24,019	44,495
Food	6,215	15,363
	<b>30,234</b>	<b>59,858</b>
<b>Gross Profit</b>		
Drink	46,068	86,270
Food	11,704	29,148
Hotel	-	-
	<b>57,772</b>	<b>115,418</b>
<b>Labour Costs</b>		
Management salaries	11,500	23,000
Staff Wages	29,469	57,801
National Insurance	2,149	4,264
	<b>43,118</b>	<b>85,065</b>
<b>Operating Costs</b>		
Energy	1,314	3,504
Cleaning	1,100	2,190
Garden maintenance	420	560
Glasses & crockery	263	508
Laundry	174	375
Repairs	308	611
	<b>3,579</b>	<b>7,748</b>
<b>Entertainment Costs</b>		
TV Rental / licences	600	1,200
Pool tables (net)	75	198
Fruit machines (net)	- 125	- 125
Entertainment	600	1,550
	<b>1,150</b>	<b>2,823</b>
<b>Marketing Costs</b>		
Advertising	300	300
Market Research	-	-
Sponsorship	-	-
	<b>300</b>	<b>300</b>
<b>Administration Costs</b>	<b>691</b>	<b>1,377</b>
<b>Property Costs</b>		
Depreciation	2,000	3,825
Rates	4,100	8,200
	<b>6,100</b>	<b>12,025</b>
<b>Total Overheads</b>	<b>54,938</b>	<b>109,338</b>
<b>OPERATING PROFIT</b>	<b>2,834</b>	<b>6,080</b>
Interest paid	2,020	3,390
<b>Profit before tax</b>	<b>814</b>	<b>2,690</b>
Taxation	204	673
<b>Profit after tax</b>	<b>610</b>	<b>2,017</b>
Dividends	-	1
<b>Retained profit</b>	<b>610</b>	<b>2,016</b>

BALANCE SHEET		
<b>Fixed Assets</b>		
Freehold Building	495,000	
Other fixed assets	49,250	
		<b>544,250</b>
<b>Current Assets</b>		
Wet stock	7,349	
Dry stock	2,156	
		9,505
Debtors		137
Prepayments		145
Cash		5,306
		<b>15,093</b>
<b>Current Liabilities</b>		
Creditors		14,590
Accruals		572
		<b>15,162</b>
<b>Net Current Liabilities</b>		- 69
<b>NET ASSETS</b>		<b>544,181</b>
<b>Loan Capital</b>		
		118,578
<b>Shareholders' Funds</b>		
Share Capital	100,000	
Retained Profit	325,603	
		425,603
<b>CAPITAL EMPLOYED</b>		<b>544,181</b>

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MOVEMENT ON RESERVES			
	Share Capital	Retained Profit	Loan Capital
<b>Start of the quarter</b>	<b>100,000</b>	<b>324,993</b>	<b>115,284</b>
Shares issued during quarter	-		
Profit after tax for the quarter		610	
Dividends paid		-	
Repayment of/(increase in) loan			- 3,294
<b>End of the quarter</b>	<b>100,000</b>	<b>325,603</b>	<b>118,578</b>

CASH FLOW STATEMENT		
	Quarter	Year to date
Retained Profit/(loss) per P&L	610	2,016
add back Depreciation	2,000	3,825
(Inc.)/dec. in Stock	253	- 761
(Inc.)/dec. in Debtors	- 39	- 12
Inc./(dec.) in Creditors	1,114	- 3,281
Inc./(dec.) in Accruals	- 325	44
(Inc.)/dec. in Prepayments	- 34	71
Fixed assets purchased	- 6,000	- 17,000
Loan extended / (repaid)	3,294	15,987
<b>Net Cash Flow</b>	<b>873</b>	<b>889</b>
Cash at end of period	5,306	5,306
Cash at start of period	4,433	4,417
<b>Increase/(decrease)</b>	<b>873</b>	<b>889</b>

RATIOS	This Pub	Market Average
Stock days (wet)	27.9	26.7
Stock days (dry)	31.7	22.5
Creditor days	44.0	45.4
Gearing %	21.8%	25.0%

Gross Margin - drink	65.7%	65.6%
Gross Margin - food	65.3%	67.8%
<b>Gross Margin - avg</b>	<b>65.6%</b>	<b>67.4%</b>
Labour % (of sales)	49.0%	47.2%
Operating Costs %	4.1%	3.9%
Ent'ment Costs %	1.3%	2.3%
Marketing Costs %	0.3%	1.0%
Admin. Costs %	0.8%	0.7%
Property Costs %	6.9%	6.8%
<b>Overheads %</b>	<b>62.4%</b>	<b>61.9%</b>

**Operating Profit %** 3.2% 5.5%

**Interest %** 2.3%

**Profit before Tax** 0.9%

Interest rate 6.9%

MARKET SIZE & PROFILE		Drinks	Food	Hotel	
Estimated size this qtr (£'000)		611	218	30	
Estimated age profile of drinks market (by value)					
	18-25s	25s-35s	35s-50s	50s-70s	70+
	31%	25%	20%	14%	9%

**ESTIMATED MARKET SHARE: The Red Lion 10.2%**  
(all shares based on revenue, not number of customers)

Drinks		Food		Hotel	
18-25	9%	Lunch	13%	Available	n/a
25-35	12%	Evening	0%	Sold	n/a
35-50	13%			Yield	n/a
50-70	13%			% Occup.	n/a
70+	13%				
<b>Market</b>	<b>11%</b>	<b>Market</b>	<b>8%</b>	<b>Market</b>	<b>n/a</b>

**Who drinks at The Red Lion** (based on revenue)

**VERY POPULAR** Fairly Popular Fairly Unpopular **VERY UNPOPULAR**

18-25s

PROMOTIONS	£'000
Estimated extra drink revenue:	5.3
Estimated extra food revenue:	1.4
% of drinks sold at promo prices	12%
% of meals sold at promo prices:	13%

Families	Students
Business ppl	
Factory staff	
Sporty types	
Tourists	
	<b>Pub Crawlers</b>

FUNCTIONS	£'000
Est. revenue from function room	0.4
Market share of functions revenue	11%

SPENDING PER HEAD	Revenue	People	Spend
Drinkers	63,662	20776	£ 3.06
Diners	25,794	2012	£ 12.82
Overnight guests	-	0	n/a
<b>Total / Average</b>	<b>89,456</b>	<b>22788</b>	<b>£ 3.93</b>

STAFF & PAY	Peak no.s	Pay rate
The Red Lion	4	6.25
Highest in village	8	6.50
Low est in village	4	5.50

POPULAR FEATURES	Drinkers	Diners
<b>1st:</b>	All day opening	Price of food
<b>2nd:</b>	Price of food	Size of menu
<b>3rd:</b>	Car Park	Quality of staff

**LOST REVENUE**  
(estimated lost revenue caused by capacity problems) **0%**

Building |  
Space |  
Staffing |

**CAPACITY CONSTRAINTS**  
- Building  
- Space  
- Staffing

	Black Horse	White Hart	Red Lion	Green Man	Bluecoat Arms	Orange Tree	Golden Eagle	Silver Bullet
<b>Drinks prices?</b>		quite pricey		quite pricey		PRICIEST		CHEAPEST
<b>Range of beers?</b>	quite small	quite good		quite small		quite small	quite good	
<b>Range of other drinks?</b>	extensive	quite good			extensive	quite small	quite small	
<b>Typical lunch price?</b>	£ 10	£ 10	£ 10	£ 12	£ 14	£ 15	£ 11	£ 9
<b>Evening food?</b>	yes	yes	no	yes	yes	yes	yes	yes
<b>Size of menu?</b>	extensive	quite large	quite large		quite large		very limited	quite small
<b>Quality of food?</b>	good			good	excellent		good	reasonable
<b>Number of guest rooms?</b>	2				3	5		4
<b>Room rate?</b>	£ 45.00				£ 60.00	£ 65.00		£ 25.00
<b>Staffing levels?</b>		few staff						many staff
<b>Pool tables?</b>	1	1	1				1	1
<b>Dart boards?</b>	1	1						1
<b>Fruit machines?</b>	1		1	2		2	2	3
<b>Satellite TV?</b>	yes	big screen	yes	big screen			yes	big screen
<b>Quiz nights?</b>	occasional		occasional	occasional			frequent	
<b>Loud music?</b>		loudish						LOUD
<b>Live bands?</b>	occasional			occasional			frequent	frequent
<b>Discos?</b>	occasional	frequent		occasional				
<b>Karaoke?</b>	occasional	frequent	occasional	frequent				
<b>Comedy nights?</b>				occasional			frequent	
<b>Adult entertainment?</b>								frequent
<b>Price promotion - drink</b>	real bargain!	strong offer	yes	strong offer				yes
<b>Price promotion - food</b>	real bargain!	strong offer	yes	strong offer				
<b>Advertising?</b>	just a bit			quite a lot	quite a lot	quite a lot		
<b>Pub Guide?</b>			listings only		major entry	major entry		
<b>Sponsorship?</b>		cricket team						
<b>Open all day?</b>	no	yes	yes	yes	no	yes	yes	yes
<b>Family friendly?</b>	18+ only	kids allowed	kids r us	kids r us	kids allowed	kids r us	kids allowed	18+ only
<b>Garden</b>	small	large	small	small	very large	small		large
<b>Playground?</b>		small		small	small			
<b>Car park?</b>	small		large	small	large	very large	large	
<b>External lighting?</b>		good	not bad	rather dark	rather dark	rather dark	not bad	rather dark
<b>Dining room?</b>	large		small		very large	large		
<b>Function room?</b>			small				large	very large
<b>State of décor?</b>	good	good	reasonable		very good	reasonable		run down

**WHO'S WHERE?**

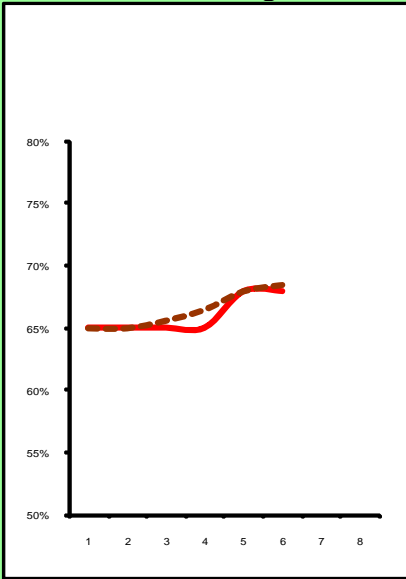
	Black Horse	White Hart	Red Lion	Green Man	Bluecoat Arms	Orange Tree	Golden Eagle	Silver Bullet
<b>Which pubs are the most popular with the different groups in the village?</b>	18-25s 25-35s	18-25s						18-25s
	Pensioners		Families	Families	Families			
	Students			Business ppl		Business ppl	Students	Students
		Factory staff		Factory staff				
	Pub Crawlers	Pub Crawlers						Pub Crawlers
	Sporty types	Sporty types						
					Tourists	Tourists		

# The Red Lion - Graphs Based on Decisions

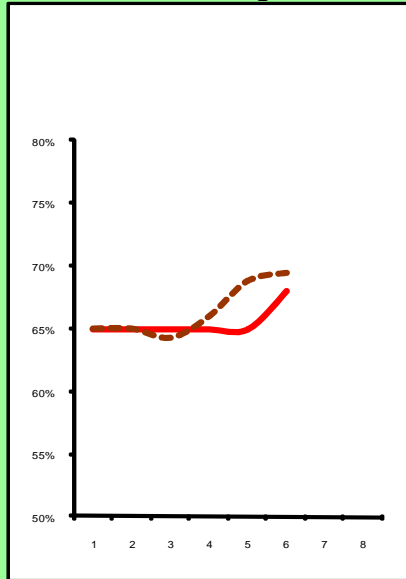
Spring 2

(Dotted lines represent the market average based on all eight pubs)

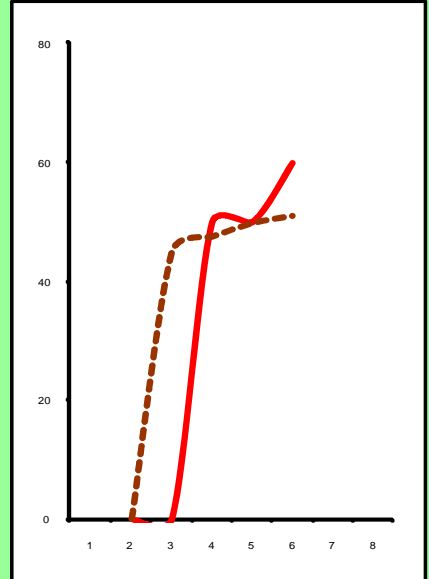
### Drinks Margin



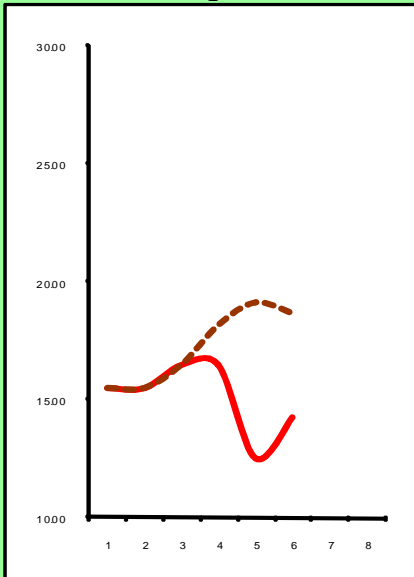
### Food Margin



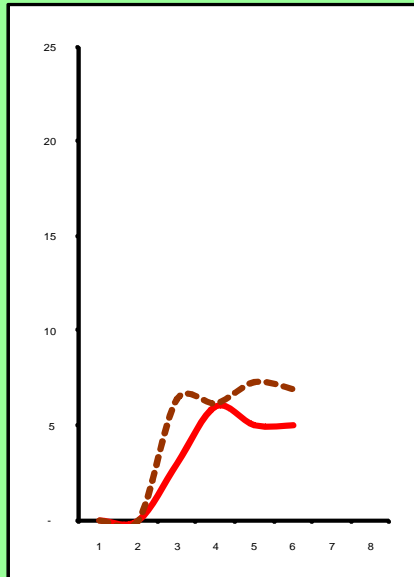
### Hotel Room Rate



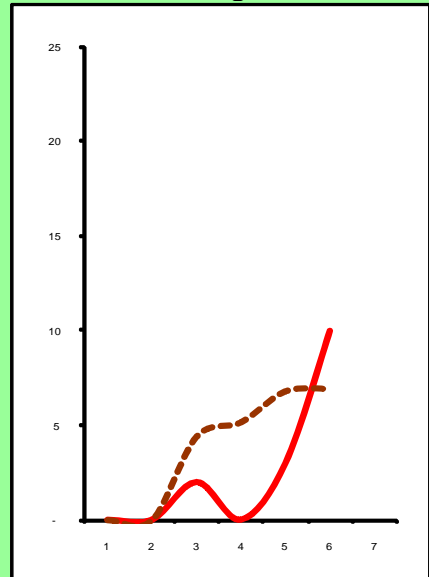
### Staffing Index



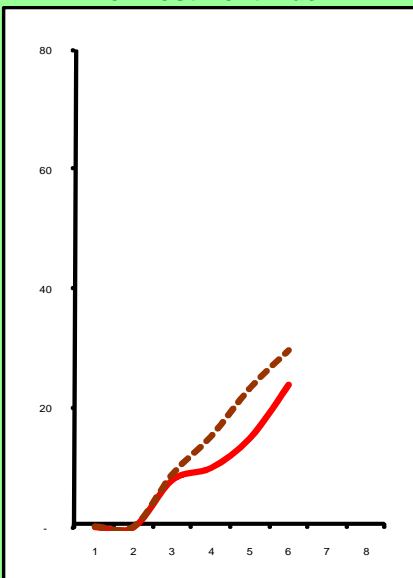
### Entertainments Index



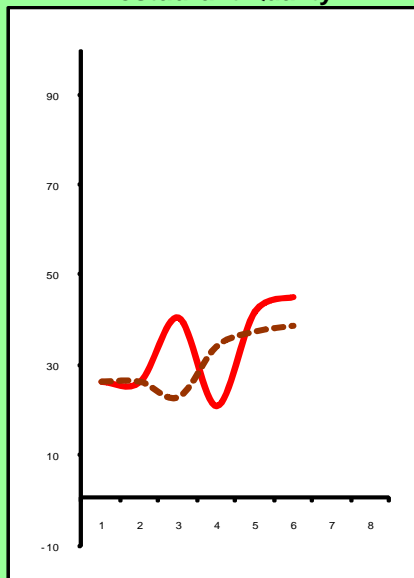
### Marketing Index



### Reinvestment Index



### Restaurant Quality



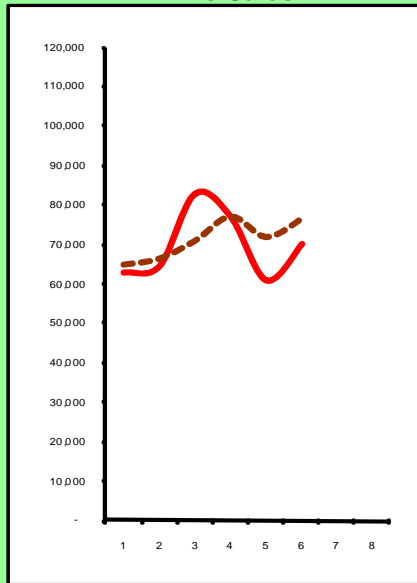
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# The Red Lion - Sales, Share, Gross Profit

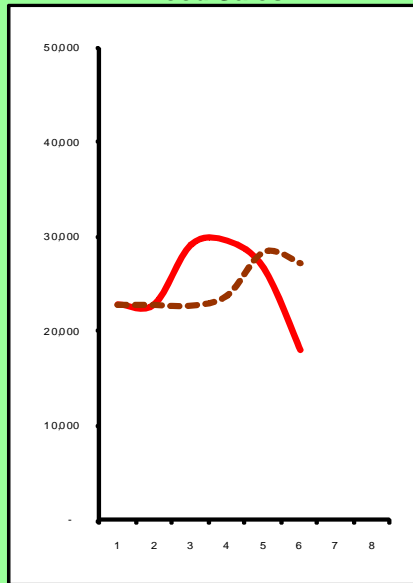
(Dotted lines represent the market average based on all eight pubs)

Spring 2

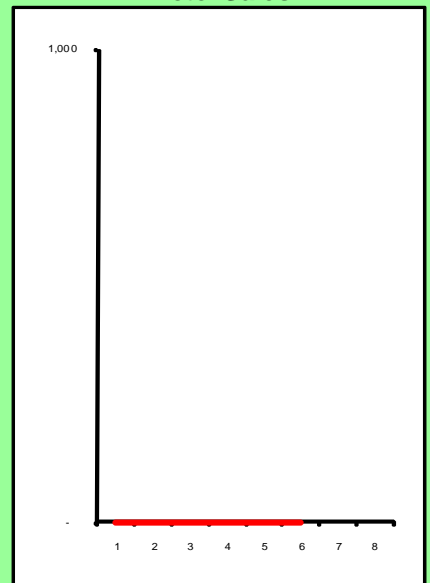
**Drinks Sales**



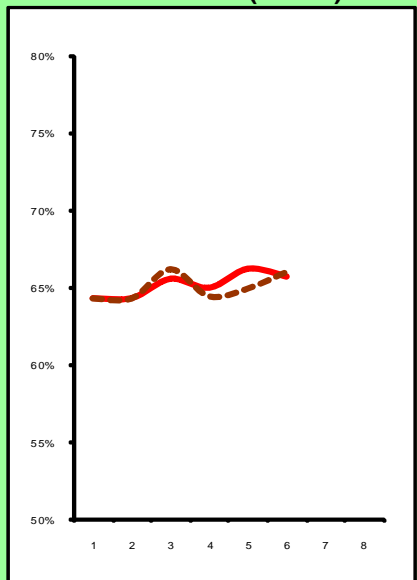
**Food Sales**



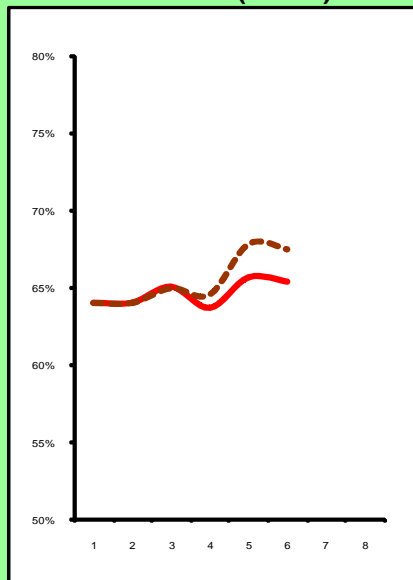
**Hotel Sales**



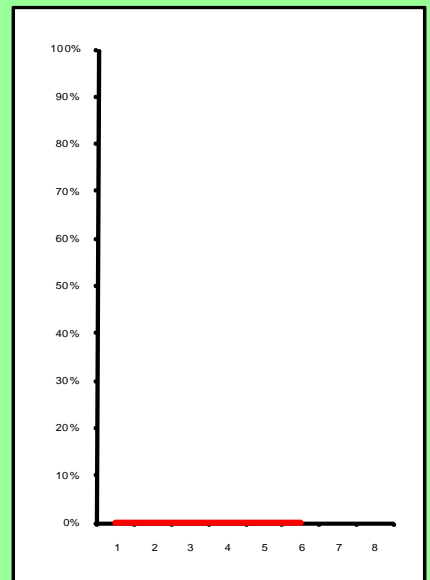
**Drinks GP % (actual)**



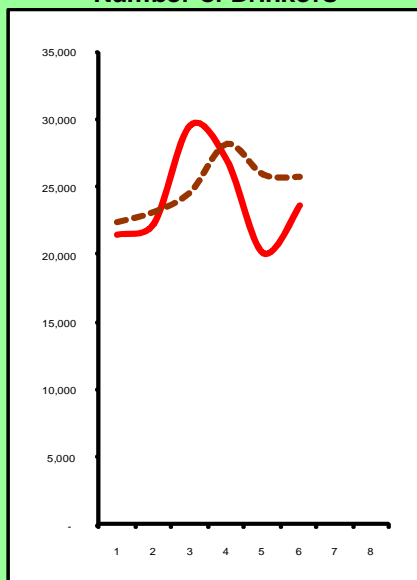
**Food GP % (actual)**



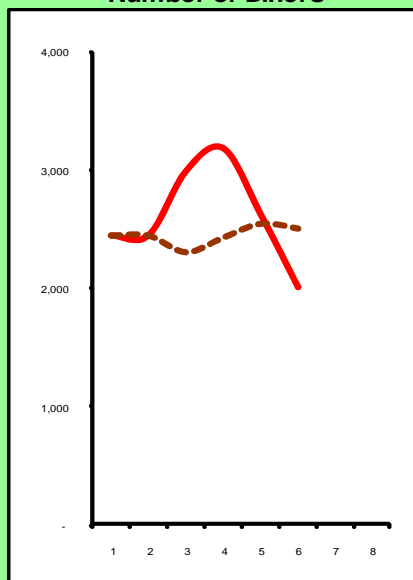
**Hotel Share**



**Number of Drinkers**



**Number of Diners**



**Hotel Occupancy**

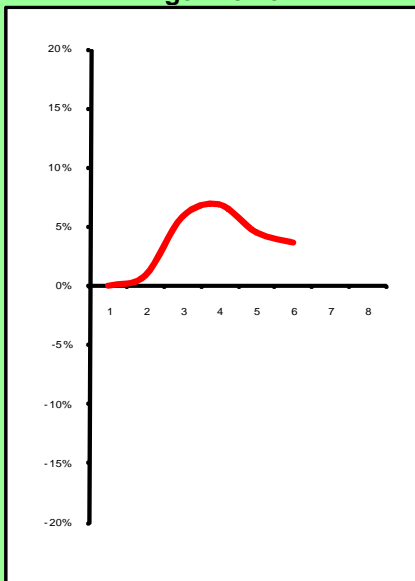


# The Red Lion - Overheads, Profits

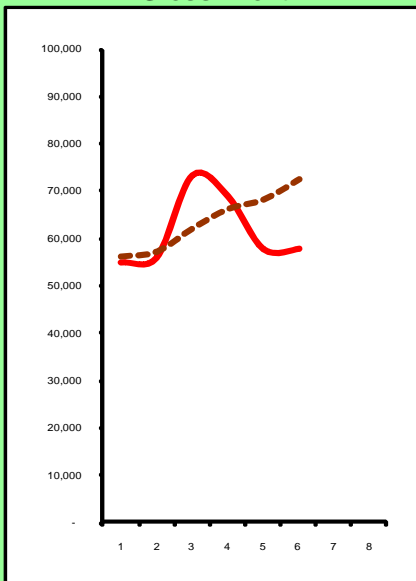
(Dotted lines represent the market average based on all eight pubs)

# Spring 2

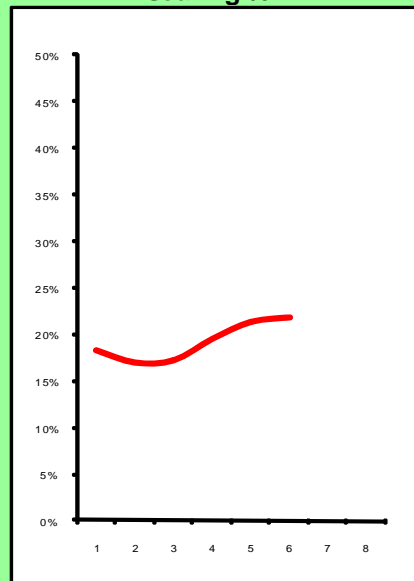
### Age Profile



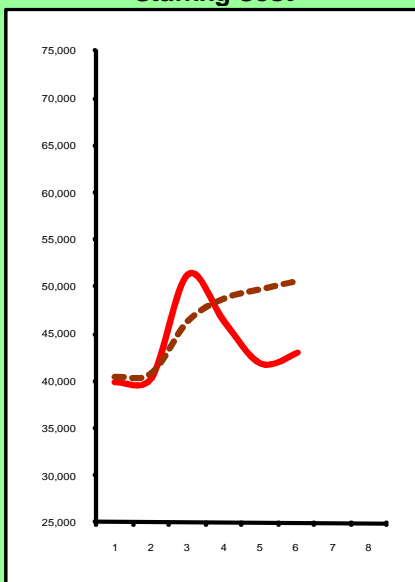
### Gross Profit



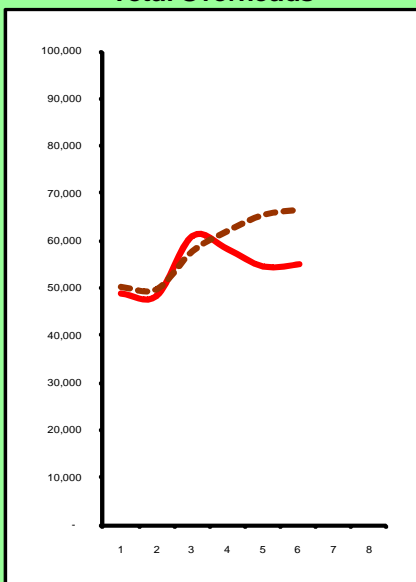
### Gearing %



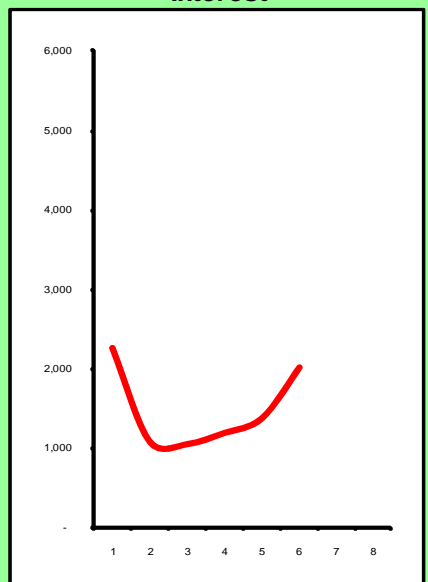
### Staffing Cost



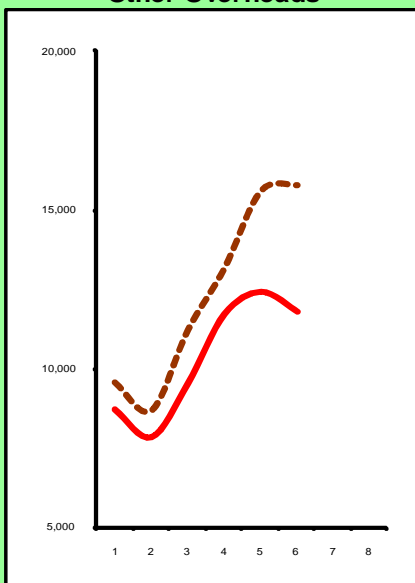
### Total Overheads



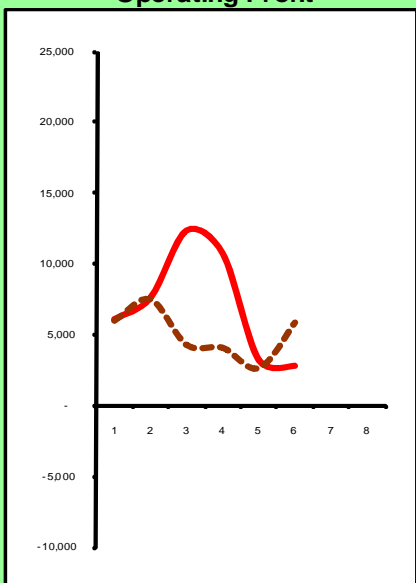
### Interest



### Other Overheads



### Operating Profit



### Profit Before Tax

