

Running a pub

A guide to costs for tied tenants and lessees January 2015



Running a pub: a guide to costs for tied tenants and lessees

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Introduction

Business plans, and the negotiations over leases and tenancies in the UK pub trade should be as well informed as possible. This guide provides the latest data for tenants and lessees on typical operating costs in the UK pub industry.

This report represents the best available 2014 data from BBPA member companies on the costs of running a tied pub in the tenanted and leased sector. It is a vital reference tool for anyone running a tied pub or thinking of doing so.

The guide shows the average and range of costs in running a pub over a variety of pub models based on turnover and business types, including food and wet led models.

The report takes account of the significant variations that exist in the cost base even within those pubs that are broadly in the same category. Such costs are based on the size and location of the pub, the age and state of repair, the operating style and the experience of those in charge. Costs will also vary dependent on tenure type (for example repair and insurance obligations).

As well as providing average costs, the guide also includes the minimum and maximum typical costs providing a range of scenarios across different types of business.

However, we would point out that as input data and sources change each year, the information should not be used to determine trends from year to year. The data should also be used in conjunction with other sources such as the ALMR's annual benchmarking survey.

Background

The BBPA guide has been compiled from data supplied by BBPA members who own and rent out pubs on short term tenancies (typically three years), or on longer term leases (typically fully repairing leases on 10 - 20 year terms).

The tables represent a composite of accounts presented to tenants by companies based on their experience across their entire estate, and individual pub accounts that have been made available to their pub companies.

The information is supplied in summary form across six different pub models. While not inclusive of all business models, they are representative of the great majority of public houses run as either tenancies or leases.

Costs are shown on the basis that the pub business is directly operated by the tenant or leaseholder and that their income is derived from the profit remaining after operating expenses and rent payable is deducted.

The examples and figures supplied in the survey give an indication of costs that are likely to be incurred in the types of pub businesses described in this guide.

Where these figures are to be used in preparing business plans or for other purposes it should be borne in mind that all pubs are unique and that the actual costs incurred will be dependent on the different aims and styles of the business according to the location, the market and the skills of the tenant/lessee.

Costs do vary across the country and the size of the business, as well as its focus, will have significant impacts on costs. For further information on taking on a pub, please refer to the links section at the end of this guidance.

Pub models

Seven pub models are illustrated in the report:

- <u>Small community local</u> (c100% drink) turnover c£4,000/week
- <u>Community wet-led</u> (c90:10 drink/food) turnover c£5,000/week
- <u>Community wet-led</u> (c90:10 drink/food) turnover c£8,000/week
- <u>Rural character</u> (c50:50 drink/food) turnover c£5,000/week
- Rural character (c50:50 drink/food) turnover c£8,000/week
- <u>Town/country food-led</u> (c30:70 drink/food) turnover c£10,000/week
- Town centre pub or bar (c70:30 drink/food) turnover c£10,000/week

Please note the turnover and split for each model are general guidelines to give an indication of the focus of each business, and may not exactly relate to each data set presented.

Excluded costs

A number of costs (and income streams) have not been included in the guide. These include:

- <u>MANAGERS' SALARIES:</u> Individual tenanted and leased pubs (the focus of this survey) do not employ full-time managers and therefore such costs are not included. All other staff costs are included in the survey. Staff costs for heavily food-led pubs are greater, given the need for specialist expertise and the greater labour input required in running a food-led operation.
- <u>AMUSEMENT MACHINES</u>: Neither gaming machine (Category C or SWP) income nor the costs associated with them have been included in the figures. Not all pubs have them and arrangements differ across companies and estates.
- <u>ENTERTAINMENT</u>: The cost of specific entertainments, such as televised sport (Sky/BT) and live music, are not included, as they are optional to the pub models and can be added to any business plan or rental assessment where relevant.

Operating costs per pub model

The main body of the report has been arranged by the average reported **<u>operating</u>** <u>**costs**</u> for each pub category. As previously highlighted, costs exclude managers, gaming machines and entertainment.

Summary tables

At the end of the report, summary tables have been arranged by the maximum and minimum reported total **operating cost** for each pub model, as well as the average. As previously highlighted, costs exclude managers, gaming machines and entertainment.

Value Added Tax

It is important to note that all figures are quoted **<u>exclusive</u>** of VAT.

Divisible balance

Divisible balance is the profit made before rent is deducted. It provides an indication of what rent might be asked for by the pub operating company. RICS guidance states that rents can be in a range of 35%-65% of divisible balance. However, many pub rent settlements are more typically in the 45%-55% of the divisible balance range. All rents can be subject to negotiation by both parties.

The divisible balance is also dependent on the margins achieved on the selling price of drinks and food passing through the business. This can be higher or lower, depending on the arrangements offered by the pub operating company, the location and style of the business and the expertise of the tenant/licensee in obtaining the best return.

Small community local



c. £4k turnover per week All figures exclusive of VAT

	£
Total Drinks Sales	4,129
Total Food Sales	43
Total Sales	4,173

Cost of drinks	2,024
Cost of food	20
Total Cost	2,049

Gross Profit	2,124		51% gross profit margin
		% cost to t	turnover
Wages & Salaries	521	12.5%	
Rates	165	4.0%	
Utilities	188	4.5%	
Repairs & Renewals	63	1.5%	
Insurance	42	1.0%	
Marketing/Promotion/Telephone	61	1.5%	
Consumables	23	0.6%	
Waste disposal/Cleaning/Hygiene	38	0.9%	
Professional fees	70	1.7%	
Bank charges	27	0.7%	
Equipment Hire etc	8	0.2%	
Other Costs	164	3.9%	

1,371

32.8%

Divisible Balance	753	18.0%
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Total Operating Costs

Notes

Figures show average for all pubs reported in this category. Figures are presented exclusive of VAT.

Machine income, manager's salary, income from room hire and entertainment/satellite television are NOT included in the above model – extra income/cost lines must be added if these will form part of your pub business. Rates are not necessarily subject to applicable reliefs – check with your pub company/brewery as to what discounts may be available.

Where these figures are to be used in preparing business plans or for other purposes it should be borne in mind that all pubs are unique and that the actual costs incurred will be dependent on the different aims and styles of the business according to the location, the market and the skills of the tenant/lessee.

Community wet-led

c. £5k turnover per week All figures exclusive of VAT



	£
Total Drinks Sales	4,472
Total Food Sales	446
Total Sales	4,933

Cost of drinks	2,181
Cost of food	191
Total Cost	2,373

Gross Profit	2,561		52% gross profit margin
		% cost to t	turnover
Wages & Salaries	710	14.4%	
Rates	173	3.5%	
Utilities	235	4.8%	
Repairs & Renewals	102	2.1%	
Insurance	53	1.1%	
Marketing/Promotion/Telephone	73	1.5%	
Consumables	12	0.2%	
Waste disposal/Cleaning/Hygiene	52	1.0%	
Professional fees	67	1.4%	
Bank charges	28	0.6%	
Equipment Hire etc	6	0.1%	
Other Costs	114	2.3%	
			1
Total Operating Costs	1,624	32.9%	
Divisible Balance	936	19.0%	
	500		

Notes

Figures show average for all pubs reported in this category. Figures are presented exclusive of VAT.

Machine income, manager's salary, income from room hire and entertainment/satellite television are NOT included in the above model – extra income/cost lines must be added if these will form part of your pub business. Rates are not necessarily subject to applicable reliefs – check with your pub company/brewery as to what discounts may be available.

Where these figures are to be used in preparing business plans or for other purposes it should be borne in mind that all pubs are unique and that the actual costs incurred will be dependent on the different aims and styles of the business according to the location, the market and the skills of the tenant/lessee.

Community wet-led



c. £8k turnover per week All figures exclusive of VAT

	£
Total Drinks Sales	6,535
Total Food Sales	748
Total Sales	7,312

Cost of drinks	3,219
Cost of food	312
Total Cost	3,533

Gross Profit	3,780		52% gross profit margin
		% cost to t	turnover
Wages & Salaries	1,195	16.3%	
Rates	262	3.6%	
Utilities	305	4.2%	
Repairs & Renewals	131	1.8%	
Insurance	60	0.8%	
Marketing/Promotion/Telephone	114	1.6%	
Consumables	12	0.2%	
Waste disposal/Cleaning/Hygiene	66	0.9%	
Professional fees	69	0.9%	
Bank charges	40	0.5%	
Equipment Hire etc	8	0.1%	
Other Costs	149	2.0%	
		22.00/	l
Total Operating Costs	2,410	33.0%	
Divisible Balance	1,369	18.7%	

Notes

Figures show average for all pubs reported in this category. Figures are presented exclusive of VAT.

Machine income, manager's salary, income from room hire and entertainment/satellite television are NOT included in the above model – extra income/cost lines must be added if these will form part of your pub business. Rates are not necessarily subject to applicable reliefs – check with your pub company/brewery as to what discounts may be available.

Where these figures are to be used in preparing business plans or for other purposes it should be borne in mind that all pubs are unique and that the actual costs incurred will be dependent on the different aims and styles of the business according to the location, the market and the skills of the tenant/lessee.

Rural character

c. £5k turnover per week All figures exclusive of VAT



	£
Total Drinks Sales	2,605
Total Food Sales	2,375
Total Sales	5,024

Cost of drinks	1,215
Cost of food	905
Total Cost	2,124

Gross Profit	2,901		58% gross profit margin
		% cost to t	turnover
Wages & Salaries	1,067	21.2%	
Rates	148	2.9%	
Utilities	272	5.4%	
Repairs & Renewals	101	2.0%	
Insurance	43	0.9%	
Marketing/Promotion/Telephone	70	1.4%	
Consumables	18	0.4%	
Waste disposal/Cleaning/Hygiene	62	1.2%	
Professional fees	68	1.4%	
Bank charges	42	0.8%	
Equipment Hire etc	9	0.2%	
Other Costs	111	2.2%	
Total Operating Costs	2,010	40.0%	
			1
Divisible Balance	890	17.7%	

Notes

Figures show average for all pubs reported in this category. Figures are presented exclusive of VAT.

Machine income, manager's salary, income from room hire and entertainment/satellite television are NOT included in the above model – extra income/cost lines must be added if these will form part of your pub business. Rates are not necessarily subject to applicable reliefs – check with your pub company/brewery as to what discounts may be available.

Where these figures are to be used in preparing business plans or for other purposes it should be borne in mind that all pubs are unique and that the actual costs incurred will be dependent on the different aims and styles of the business according to the location, the market and the skills of the tenant/lessee.

Rural character

c. £8k turnover per week All figures exclusive of VAT



	£
Total Drinks Sales	4,162
Total Food Sales	3,796
Total Sales	8,062

Cost of drinks	1,928
Cost of food	1,436
Total Cost	3,376

Gross Profit	4,687		58% gross profit margin
		% cost to ti	urnover
Wages & Salaries	1,802	22.3%	
Rates	267	3.3%	
Utilities	380	4.7%	
Repairs & Renewals	149	1.8%	
Insurance	58	0.7%	
Marketing/Promotion/Telephone	113	1.4%	
Consumables	29	0.4%	
Waste disposal/Cleaning/Hygiene	83	1.0%	
Professional fees	77	1.0%	
Bank charges	55	0.7%	
Equipment Hire etc	15	0.2%	
Other Costs	164	2.0%	
Total Operating Costs	3,192	39.6%	

Notes

Divisible Balance

Figures show average for all pubs reported in this category. Figures are presented exclusive of VAT

1.495

18.5%

Machine income, manager's salary, income from room hire and entertainment/satellite television are NOT included in the above model – extra income/cost lines must be added if these will form part of your pub business. Rates are not necessarily subject to applicable reliefs – check with your pub company/brewery as to what discounts may be available.

Where these figures are to be used in preparing business plans or for other purposes it should be borne in mind that all pubs are unique and that the actual costs incurred will be dependent on the different aims and styles of the business according to the location, the market and the skills of the tenant/lessee.

Town/country food-led



c. £10k turnover per week All figures exclusive of VAT

	£
Total Drinks Sales	4,203
Total Food Sales	6,440
Total Sales	10,696

Cost of drinks	1,909
Cost of food	2,309
Total Cost	4,224

Gross Profit	6,472		61% gross profit margin
		% cost to t	turnover
Wages & Salaries	2,793	26.1%	
Rates	461	4.3%	
Utilities	464	4.3%	
Repairs & Renewals	187	1.7%	
Insurance	51	0.5%	
Marketing/Promotion/Telephone	116	1.1%	
Consumables	59	0.6%	
Waste disposal/Cleaning/Hygiene	147	1.4%	
Professional fees	77	0.7%	
Bank charges	69	0.6%	
Equipment Hire etc	35	0.3%	
Other Costs	152	1.4%	
Total Operating Costs	4,610	43.1%	

Notes

Divisible Balance

Figures show average for all pubs reported in this category. Figures are presented exclusive of VAT

1,861

17.4%

Machine income, manager's salary, income from room hire and entertainment/satellite television are NOT included in the above model – extra income/cost lines must be added if these will form part of your pub business. Rates are not necessarily subject to applicable reliefs – check with your pub company/brewery as to what discounts may be available.

Where these figures are to be used in preparing business plans or for other purposes it should be borne in mind that all pubs are unique and that the actual costs incurred will be dependent on the different aims and styles of the business according to the location, the market and the skills of the tenant/lessee.

Town centre pub/bar



c. £10k turnover per week All figures exclusive of VAT

	Ĺ
Total Drinks Sales	7,594
Total Food Sales	2,030
Total Sales	9,706

Cost of drinks	3,560
Cost of food	792
Total Cost	4,358

Gross Profit	5,349		55% gross profit margin
		% cost to tu	irnover
Wages & Salaries	1,991	20.5%	
Rates	345	3.6%	
Utilities	360	3.7%	
Repairs & Renewals	169	1.7%	
Insurance	70	0.7%	
Marketing/Promotion/Telephone	285	2.9%	
Consumables	23	0.2%	
Waste disposal/Cleaning/Hygiene	90	0.9%	
Professional fees	78	0.8%	
Bank charges	56	0.6%	
Equipment Hire etc	11	0.1%	
Other Costs	177	1.8%	
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Total Operating Costs	3,656	37.7%	

Notes

Divisible Balance

Figures show average for all pubs reported in this category. Figures are presented exclusive of VAT

1,693

17.4%

Machine income, manager's salary, income from room hire and entertainment/satellite television are NOT included in the above model – extra income/cost lines must be added if these will form part of your pub business. Rates are not necessarily subject to applicable reliefs – check with your pub company/brewery as to what discounts may be available.

Where these figures are to be used in preparing business plans or for other purposes it should be borne in mind that all pubs are unique and that the actual costs incurred will be dependent on the different aims and styles of the business according to the location, the market and the skills of the tenant/lessee.

Summary table (£ costs)



COMMUNITY WET LED (100% wet

		ET LED (100% wet		WET LED LOCAL (90:10		UNITY WET LED LOCAL (90:10)		URAL CHARACTE	
		veek (ex. VAT)		veek turnover (ex. VAT)		000/week turnover (ex. VAT)		.000/week turnov	
	Min OC	Max OC	Min OC	Max OC	Min	OC Max OC	Min	UC	Max OC
All figures below ex. VAT									
Total Drinks Sales		4,341	4,630		5,5			555	3,936
Total Food Sales		37	192		1 1	54 1,953		708	1,625
Total Sales	2,848	4,378	4,822	5,099	6,1	20 7,815	4	264	5,561
Cost of drinks	1,231	2,086	2,491	2,085	2,7	42 2,538	1	324	1,928
Cost of food		16	96	254		00 773		769	662
Total Cost		2,103	2,587		3,0		1 1	092	2,590
Gross Profit	1,579	2,275	2,235	2,760	3,0	78 4,503	2	171	2,971
Wages & Salaries	305	551	625	791	9	40 1,399		745	645
Rates	117	161	271	176	2	266		66	235
Utilities	111	197	186	233	1	.75 242		255	394
Repairs & Renewals		74	48			72 70		53	98
Insurance		51	20			39 31		25	13
Marketing/Promotion/Telephone		52	12			77 344		178	33
Consumables		20	19			22 86		63	16
Waste Disposal/Cleaning/Hygiene		33	28			65 86		31	96
			55		,	31 94		48	69
Professional fees		85							
Bank charges		28	9			58 55		50	77
Equipment Hire etc	17	8	10			42 148		20	-
Other Costs	23	231	32	243	1	.00 55		20	714
Total costs	903	1,491	1,315	1,855	1,9	97 2,876	1	553	2,390
		RACTER (50:50)		NTRY FOOD LED (30:70)		OWN CENTRE PUB/BAR			
	c.£8,000/week	turnover (ex. VAT)	c.£10,0	00/week (ex. VAT)	c	£10,000/week (ex. VAT)			
All figures below ex. VAT	c.£8,000/week Min OC					£10,000/week (ex. VAT)			
Total Drinks Sales	c.£8,000/week Min OC	turnover (ex. VAT) Max OC	c.£10,0 Min OC	00/week (ex. VAT) Max OC	c Min (. £10,000/week (ex. VAT) DC Max OC			
Total Drinks Sales Total Food Sales	c.£8,000/week Min OC 6,192	turnover (ex. VAT) Max OC 4,853	c.£10,0 Min OC 7,513	00/week (ex. VAT) Max OC 4,226	c Min (8,2	£10,000/week (ex. VAT) DC Max OC 50 7,576			
Total Drinks Sales	c.£8,000/week Min OC 6,192 2,917	turnover (ex. VAT) Max OC 4,853 3,860	c.£10,0 Min OC 7,513 2,400	00/week (ex. VAT) Max OC 4,226 7,611	6 Min (8,2 7	E10,000/week (ex. VAT) DC Max OC 50 7,576 763 5,050			
Total Drinks Sales Total Food Sales Total Sales	c.£8,000/week Min OC 6,192 2,917 9,109	turnover (ex. VAT) Max OC 4,853	c.£10,0 Min OC 7,513	00/week (ex. VAT) Max OC 4,226 7,611	c Min (8,2	E10,000/week (ex. VAT) DC Max OC 50 7,576 763 5,050			
Total Drinks Sales Total Food Sales Total Sales Cost of drinks	c.£8,000/week Min OC 6,192 2,917 9,109	turnover (ex. VAT) Max OC 4,853 3,860	c.£10,0 Min OC 7,513 2,400	00/week (ex. VAT) Max OC 4,226 7,611	6 Min (8,2 7	E10,000/week (ex. VAT) DC Max OC 50 7,576 763 5,050			
Total Drinks Sales Total Food Sales Total Sales	c.£8,000/week Min OC 6,192 2,917 9,109	turnover (ex. VAT) Max OC 4,853 3,860	c.£10,0 Min OC 7,513 2,400	00/week (ex. VAT) Max OC 4,226 7,611 11,837	6 Min (8,2 7	£10.000/week (ex. VAT) DC Max OC 50 7,576 63 5,050 13 12,626 77 3,409			
Total Drinks Sales Total Food Sales Total Sales Cost of drinks	c.£8,000/week Min OC 6,192 2,917 9,109 3,233	turnover (ex. VAT) Max OC 4,853 3,860 8,713	c.£10,0 Min OC 7,513 2,400 9,913	00/week (ex. VAT) Max OC 4,226 7,611 11,837 1,756	6, Min (8,7 9,0 3,8	£10.000/week (ex. VAT) DC Max OC 50 7,576 63 5,050 113 12,626 777 3,409 43 1,768			
Total Drinks Sales Total Food Sales Total Sales Cost of drinks Cost of food Total Cost	c.£8,000/week Min OC 6,192 2,917 9,109 3,233 1,133 4,367	turnover (ex. VAT) Max OC 4,853 3,860 8,713 2,276	c.£10,0 Min OC 7,513 2,400 9,913 3,606	00/week (ex. VAT) Max OC 4,226 7,611 11,837 1,756 2,577	6, Min (8,7 9,0 3,8	£10.000/week (ex. VAT) DC Max OC 550 7,576 63 5,050 13 12,626 77 3,409 43 1,768			
Total Drinks Sales Total Food Sales Total Sales Cost of drinks Cost of food	c.£8,000/week Min OC 6,192 2,917 9,109 3,233 1,133 4,367	turnover (ex. VAT) Max OC 4,853 3,860 8,713 2,276 1,596 3,872	c.£10,0 Min OC 7,513 2,400 9,913 3,606 792 4,398	00/week (ex. VAT) Max OC 4,226 7,611 11,837 1,756 2,577 4,333	6,7 8,7 9,0 3,8 4,7	x£10.000/week (ex. VAT) DC Max OC 50 7,576 63 5,050 113 12,626 77 3,409 43 1,768 20 5,177			
Total Drinks Sales Total Food Sales Total Sales Cost of drinks Cost of food Total Cost Gross Profit	c.£8,000/week Min OC 6,192 2,917 9,109 3,233 1,133 4,367 4,742	turnover (ex. VAT) Max OC 4,853 3,860 8,713 2,276 1,596	c.£10,0 Min OC 7,513 2,400 9,913 3,606 792	00/week (ex. VAT) Max OC 4,226 7,611 11,837 1,756 2,577 4,333	6,7 8,7 9,0 3,8	x£10.000/week (ex. VAT) DC Max OC 50 7,576 63 5,050 113 12,626 77 3,409 43 1,768 20 5,177			
Total Drinks Sales Total Food Sales Total Sales Cost of drinks Cost of food Total Cost Gross Profit Wages & Salaries	c.£8,000/week Min OC 6,192 2,917 9,109 3,233 1,133 4,367 4,742	turnover (ex. VAT) Max OC 4,853 3,860 8,713 2,276 1,596 3,872 4,841	c.£10,0 Min OC 7,513 2,400 9,913 3,606 792 4,398 5,515	00/week (ex. VAT) Max OC 4,226 7,611 11,837 1,756 2,577 4,333 7,504	6,7 8,7 9,0 3,8 4,2 4,7	xE10.000/week (ex. VAT) DC Max OC 50 7,576 63 5,050 113 12,626 77 3,409 43 1,768 20 5,177 '93 7,449			
Total Drinks Sales Total Food Sales Total Sales Cost of drinks Cost of food Total Cost Gross Profit Wages & Salaries Rates	c.£8,000/week Min OC 6,192 2,917 9,109 3,233 1,133 4,367 4,742 1,410	turnover (ex. VAT) Max OC 4,853 3,860 8,713 2,276 1,596 3,872 4,841 2,062	c.£10,0 Min OC 7,513 2,400 9,913 3,606 792 4,398 5,515 2,090	00/week (ex. VAT) Max OC 4,226 7,611 11,837 1,756 2,577 4,333 7,504 3,390	6,7 8,7 9,0 3,8 2 4,7 4,7 1,5	x±10.000/week (ex. VAT) DC Max OC 50 7,576 63 5,050 113 12,626 77 3,409 43 1,768 20 5,177 793 7,449 12 2,843			
Total Drinks Sales Total Food Sales Total Sales Cost of drinks Cost of food Total Cost Gross Profit Wages & Salaries Rates Utilities	c.£8,000/week Min OC 6,192 2,917 9,109 3,233 1,133 4,367 4,742 1,410 162	turnover (ex. VAT) Max OC 4,853 3,860 8,713 2,276 1,596 3,872 4,841 2,062 305	c.£10,0 Min OC 7,513 2,400 9,913 3,606 792 4,398 5,515 2,090 260	00/week (ex. VAT) Max OC 4,226 7,611 11,837 1,756 2,577 4,333 7,504 3,390 396	6,7 8,7 9,0 3,8 4,7 4,7 1,5	xt10.000/week (ex. VAT) DC Max OC 50 7,576 63 5,050 13 12,626 77 3,409 43 1,768 20 5,177 793 7,449 12 2,843 50 248			
Total Drinks Sales Total Food Sales Total Sales Cost of drinks Cost of food Total Cost Gross Profit Wages & Salaries Rates Utilities Repairs & Renewals	c.£8,000/week Min OC 2,917 9,109 3,233 1,133 4,367 4,742 1,410 162 403	turnover (ex. VAT) Max OC 4,853 3,860 8,713 2,276 1,596 3,872 4,841 2,062 305 247	c.£10.0 Min OC 7,513 2,400 9,913 3,606 792 4,398 5,515 2,090 260 412	00/week (ex. VAT) Max OC 4,226 7,611 11,837 1,756 2,577 4,333 7,504 3,390 396 772	a Min 0 8,2 7, 9,0 3,8 4,2 4,2 1,5 2,2	£10.000/week (ex. VAT) DC Max OC 50 7,576 63 5,050 13 12,626 77 3,409 43 1,768 20 5,177 '93 7,449 12 2,843 50 248 79 252			
Total Drinks Sales Total Food Sales Total Soles Cost of drinks Cost of food Total Cost Gross Profit Wages & Salaries Rates Utilities Repairs & Renewals Insurance	c.£8,000/week Min OC 2,917 9,109 3,233 1,133 4,367 4,742 1,410 162 403 77	turnover (ex. VAT) Max OC 4,853 3,860 8,713 2,276 1,596 3,872 4,841 2,062 305 247 425	c.£10.0 Min OC 7,513 2,400 9,913 3,606 792 4,398 5,515 2,090 260 412 30	00/week (ex. VAT) Max OC 4,226 7,611 11,837 1,756 2,577 4,333 7,504 3,390 396 772 125	a Min 0 8,2 7, 9,0 3,8 4,2 4,2 1,5 2,2	#10.000/week (ex. VAT) DC Max OC 50 7,576 63 5,050 113 12,626 77 3,409 43 1,768 20 5,177 793 7,449 12 2,843 50 248 79 252 66 62			
Total Drinks Sales Total Food Sales Total Soles Cost of drinks Cost of food Total Cost Gross Profit Wages & Salaries Rates Utilities Repairs & Renewals Insurance Marketing/Promotion/Telephone	c.£8,000/week Min OC 2,917 9,109 3,233 1,133 4,367 4,742 1,410 162 403 77 63	turnover (ex. VAT) Max OC 4,853 3,860 8,713 2,276 1,596 3,872 4,841 2,062 305 247 425 15	c.£10,0 Min OC 7,513 2,400 9,913 3,606 792 4,398 5,515 2,090 260 412 30 25	00/week (ex. VAT) Max OC 4,226 7,611 11,837 1,756 2,577 4,333 7,504 3,390 396 772 125 51	a Min 0 8,2 7, 9,0 3,8 4,2 4,2 1,5 2,2	#10.000/week (ex. VAT) DC Max OC 50 7,576 63 5,050 113 12,626 77 3,409 43 1,768 20 5,177 93 7,449 12 2,843 50 248 79 252 66 62 30 35			
Total Drinks Sales Total Food Sales Total Sales Cost of drinks Cost of food Total Cost Gross Profit Wages & Salaries Rates Utilities Repairs & Renewals Insurance Marketing/Promotion/Telephone Consumables	c.£8,000/week Min OC 6,192 2,917 9,109 3,233 1,133 4,367 4,742 1,410 162 403 77 63 236	turnover (ex. VAT) Max OC 4,853 3,860 8,713 2,276 1,596 3,872 4,841 2,062 305 247 425 15 191	c.£10,0 Min OC 7,513 2,400 9,913 3,606 792 4,398 5,515 2,090 260 412 300 25 72	00/week (ex. VAT) Max OC 4,226 7,611 11,837 1,756 2,577 4,333 7,504 3,390 396 396 3972 125 51	4,7 3,6 4,7 4,7 4,7 1,5 2 1	£10.000/week (ex. VAT) DC Max OC 50 7,576 63 5,050 113 12,626 77 3,409 43 1,768 120 5,177 193 7,449 12 2,843 50 248 79 252 66 62 30 35 78 97			
Total Drinks Sales Total Food Sales Total Sales Cost of drinks Cost of food Total Cost Gross Profit Wages & Salaries Rates Utilities Repairs & Renewals Insurance Marketing/Promotion/Telephone Consumables Waste Disposal/Cleaning/Hygiene	c.£8,000/week Min OC 6,192 2,917 9,109 3,233 1,133 4,367 4,742 1,410 162 403 77 63 236 171	turnover (ex. VAT) Max OC 4,853 3,860 8,713 2,276 1,596 3,872 4,841 2,062 305 247 425 15	c.£10,0 Min OC 7,513 2,400 9,913 3,606 792 4,398 5,515 2,090 260 412 30 25	00/week (ex. VAT) Max OC 4,226 7,611 11,837 1,756 2,577 4,333 7,504 3,390 396 772 125 51 184 166	4,7 3,6 4,7 4,7 4,7 1,5 2 1	£10.000/week (ex. VAT) DC Max OC 50 7,576 63 5,050 113 12,626 77 3,409 43 1,768 120 5,177 193 7,449 12 2,843 50 248 79 252 66 62 30 35 78 97 34 50			
Total Drinks Sales Total Food Sales Total Soles Cost of drinks Cost of drinks Cost of food Total Cost Gross Profit Wages & Salaries Rates Utilities Repairs & Renewals Insurance Marketing/Promotion/Telephone Consumables Waste Disposal/Cleaning/Hygiene Professional fees	c.£8,000/week Min OC 6,192 2,917 9,109 3,233 1,133 4,367 4,742 1,410 162 403 77 63 236 171 82	turnover (ex. VAT) Max OC 4,853 3,860 8,713 2,276 1,596 3,872 4,841 2,062 305 247 425 15 191 43 60	c.£10,0 Min OC 7,513 2,400 9,913 3,606 792 4,398 5,515 2,090 260 412 300 25 72	00/week (ex. VAT) Max OC 4,226 7,611 11,837 1,756 2,577 4,333 7,504 3,390 396 772 125 51 184 166 107	4,7 3,6 4,7 4,7 4,7 1,5 2 1	Actionolyweek (ex. VAT) DC Max OC 50 7,576 63 5,050 113 12,626 77 3,409 43 1,768 20 5,177 193 7,449 12 2,843 50 248 79 252 66 62 30 35 78 97 34 50 46 80			
Total Drinks Sales Total Food Sales Total Sales Cost of drinks Cost of food Total Cost Gross Profit Wages & Salaries Rates Utilities Repairs & Renewals Insurance Marketing/Promotion/Telephone Consumables Waste Disposal/Cleaning/Hygiene	c.£8,000/week Min OC 6,192 2,917 9,109 3,233 1,133 4,367 4,742 1,410 162 403 77 63 236 171 82	turnover (ex. VAT) Max OC 4,853 3,860 8,713 2,276 1,596 3,872 4,841 2,062 305 247 425 15 191 43	c.£10,0 Min OC 7,513 2,400 9,913 3,606 792 4,398 5,515 2,090 260 412 300 25 72 2,52 72	00/week (ex. VAT) Max OC 4,226 7,611 11,837 1,756 2,577 4,333 7,504 3,390 396 772 125 51 184 166 107	4,7 3,6 4,7 4,7 4,7 1,5 2 1	£10.000/week (ex. VAT) DC Max OC 50 7,576 63 5,050 113 12,626 77 3,409 43 1,768 20 5,177 93 7,449 12 2,843 50 248 79 252 66 62 30 35 78 97 34 50			
Total Drinks Sales Total Food Sales Total Soles Cost of drinks Cost of drinks Cost of food Total Cost Gross Profit Wages & Salaries Rates Utilities Repairs & Renewals Insurance Marketing/Promotion/Telephone Consumables Waste Disposal/Cleaning/Hygiene Professional fees	c.£8,000/week Min OC 6,192 2,917 9,109 3,233 1,133 4,367 4,742 1,410 162 403 77 63 236 171 82	turnover (ex. VAT) Max OC 4,853 3,860 8,713 2,276 1,596 3,872 4,841 2,062 305 247 425 15 191 43 60	c.£10,0 Min OC 7,513 2,400 9,913 3,606 792 4,398 5,515 2,090 260 412 300 255 722 2,582	00/week (ex. VAT) Max OC 4,226 7,611 11,837 1,756 2,577 4,333 7,504 3,390 396 772 125 51 184 166 107 74	4,7 3,6 4,7 4,7 4,7 1,5 2 1	Actionolyweek (ex. VAT) DC Max OC 50 7,576 63 5,050 113 12,626 77 3,409 43 1,768 20 5,177 193 7,449 12 2,843 50 248 79 252 66 62 30 35 78 97 34 50 46 80			
Total Drinks Sales Total Food Sales Total Soles Total Sales Cost of drinks Cost of food Total Cost Gross Profit Wages & Salaries Repairs & Renewals Insurance Marketing/Promotion/Telephone Consumables Waste Disposal/Cleaning/Hygiene Professional fees Bank charges	c.£8,000/week Min OC 2,917 9,109 3,233 1,133 4,367 4,742 1,410 162 403 77 63 236 171 82 53 38	turnover (ex. VAT) Max OC 4,853 3,860 8,713 2,276 1,596 3,872 4,841 2,062 305 247 425 15 191 43 60 72	c.£10,0 Min OC 7,513 2,400 9,913 3,606 792 4,398 5,515 2,090 260 412 30 255 722 2,59 2,515 2,090 260 412 30 255 722 25 82 67	00/week (ex. VAT) Max OC 4,226 7,611 11,837 1,756 2,577 4,333 7,504 3,390 396 772 125 51 184 166 107 74	4,7 3,6 4,7 4,7 4,7 1,5 2 1	At 10.000/week (ex. VAT) DC Max OC 50 7,576 63 5,050 113 12,626 77 3,409 43 1,768 20 5,177 193 7,449 12 2,843 50 248 79 252 66 62 30 35 78 97 34 50 46 80 81 156			
Total Drinks Sales Total Food Sales Total Food Sales Total Sales Cost of drinks Cost of food Total Cost Gross Profit Wages & Salaries Repairs & Renewals Insurance Marketing/Promotion/Telephone Consumables Waste Disposal/Cleaning/Hygiene Professional fees Bank charges Equipment Hire etc	c.£8,000/week Min OC 2,917 9,109 3,233 1,133 4,367 4,742 1,410 162 403 77 63 236 171 82 53 38	turnover (ex. VAT) Max OC 4,853 3,860 8,713 2,276 1,596 3,872 4,841 2,062 305 247 4,25 15 191 43 60 72 58	c.£10.0 Min OC 7,513 2,400 9,913 3,606 792 4,398 5,515 2,090 260 412 30 25 72 2,515 2,090 260 412 30 25 72 25 822 67 25	00/week (ex. VAT) Max OC 4,226 7,611 11,837 1,756 2,577 4,333 7,504 3,390 396 772 125 51 184 166 107 74 138	4,7 3,8 4,7 1,5 2 1	£10.000/week (ex. VAT) DC Max OC 50 7,576 63 5,050 13 12,626 77 3,409 43 1,768 20 5,177 '93 7,449 12 2,843 50 248 79 252 66 62 30 35 78 97 34 50 81 156 99 114			
Total Drinks Sales Total Food Sales Total Soles Total Sales Cost of drinks Cost of food Total Cost Gross Profit Wages & Salaries Rates Utilities Repairs & Renewals Insurance Marketing/Promotion/Telephone Consumables Waste Disposal/Cleaning/Hygiene Professional fees Bank charges Equipment Hire etc Other Costs	c.£8,000/week Min OC 2,917 9,109 3,233 1,133 4,367 4,742 1,410 162 403 77 63 236 171 82 53 38 55 12	turnover (ex. VAT) Max OC 4,853 3,860 8,713 2,276 1,596 3,872 4,841 2,062 305 247 4,841 2,062 305 247 425 15 191 43 60 72 58 21 146	c.£10.0 Min OC 7,513 2,400 9,913 3,606 792 4,398 5,515 2,090 260 412 30 25 72 25 82 67 25 82 67 25 82 67 25 82 67 25 82 67 25	00/week (ex. VAT) Max OC 4,226 7,611 11,837 1,756 2,577 4,333 7,504 3,390 396 772 125 51 184 166 107 74 138 13 13	4,7 3,8 4,7 4,7 1,5 2 1	£10.000/week (ex. VAT) DC Max OC 50 7,576 63 5,050 113 12,626 77 3,409 43 1,768 20 5,177 793 7,449 12 2,843 50 228 79 252 66 62 30 35 78 97 34 50 46 80 81 156 99 114 35 96 19 114			
Total Drinks Sales Total Food Sales Total Food Sales Total Sales Cost of drinks Cost of food Total Cost Gross Profit Wages & Salaries Repairs & Renewals Insurance Marketing/Promotion/Telephone Consumables Waste Disposal/Cleaning/Hygiene Professional fees Bank charges Equipment Hire etc	c.£8,000/week Min OC 2,917 9,109 3,233 1,133 4,367 4,742 1,410 162 403 77 63 236 171 82 53 38 55 12	turnover (ex. VAT) Max OC 4,853 3,860 8,713 2,276 1,596 3,872 4,841 2,062 305 247 4,25 15 191 43 60 72 58 21	c.£10.0 Min OC 7,513 2,400 9,913 3,606 792 4,398 5,515 2,090 260 412 300 255 72 255 82 677 255 82 677 255 82	00/week (ex. VAT) Max OC 4,226 7,611 11,837 1,756 2,577 4,333 7,504 3,390 396 772 125 51 184 166 107 74 138 13 13	4,7 3,8 4,7 1,5 2 1	£10.000/week (ex. VAT) DC Max OC 50 7,576 63 5,050 113 12,626 77 3,409 43 1,768 20 5,177 793 7,449 12 2,843 50 228 79 252 66 62 30 35 78 97 34 50 46 80 81 156 99 114 35 96 19 114			

COMMUNITY WET LED LOCAL (90:10

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COMMUNITY WET LED LOCAL (90:10)

Figures show minimum and maximum total costs for a specific pub account reported in each category. Figures are presented exclusive of VAT.

Machine income, manager's salary, income from room hire and entertainment/satellite television are NOT included in the above model – extra income/cost lines must be added if these will form part of your pub business. Rates are not necessarily subject to applicable reliefs – check with your pub company/brewery as to what discounts may be available.



Summary table (% costs)

All figures exclusive of VAT

0.6%

0.4%

0.6%

0.1%

30.3%

Professional fees

Equipment Hire etc

Total Operating Costs

Bank charges

Other Costs

		155 (1000)	COMMUNITY WET	ED LOCAL (00:10)		FR 1 0 0 1 1 100 1 01		
	COMMUNITY WET LED (100% wet) c.£4,000/week (ex. VAT)		COMMUNITY WET LED LOCAL (90:10) c.£5,000/week turnover (ex. VAT)		COMMUNITY WET LED LOCAL (90:10) c.£8,000/week turnover (ex. VAT)		RURAL CHARACTER (50:50) c.£5,000/week turnover (ex.VAT)	
	-						-	
	Min OC	Max OC	Min OC	Max OC	Min OC	Max OC	Min OC	Max OC
Wages & Salaries		12.6%	13.0%	15.5%	15.4%	17.9%	17.5%	11.6%
Rates	4.1%	3.7%	5.6%	3.5%	4.5%	3.4%	1.5%	4.2%
Utilities	3.9%	4.5%	3.9%	4.6%	2.9%	3.1%	6.0%	7.1%
Repairs & Renewals	1.1%	1.7%	1.0%	1.7%	1.2%	0.9%	1.2%	1.8%
Insurance	0.7%	1.2%	0.4%	1.1%	0.6%	0.4%	0.6%	0.2%
Marketing/Promotion/Telephone	4.1%	1.2%	0.2%	1.2%	1.3%	4.4%	4.2%	0.6%
Consumables	1.9%	0.5%	0.4%	0.4%	0.4%	1.1%	1.5%	0.3%
Waste Disposal/Cleaning/Hygiene	1.5%	0.8%	0.6%	0.8%	1.1%	1.1%	0.7%	1.7%
Professional fees	1.6%	1.9%	1.1%	1.9%	2.1%	1.2%	1.1%	1.2%
Bank charges	0.7%	0.6%	0.2%	0.7%	1.0%	0.7%	1.2%	1.4%
Equipment Hire etc	0.6%	0.2%	0.2%	0.2%	0.7%	1.9%	0.5%	0.0%
Other Costs	0.8%	5.3%	0.7%	4.8%	1.6%	0.7%	0.5%	12.8%
Total Operating Costs	31.7%	34.0%	27.3%	36.4%	32.6%	36.8%	36.4%	43.0%
	RURAL CHARACTER (50:50)		TOWN/COUNTRY	EOOD LED (30:70)	TOWN CENTR	F PUB/BAR		
	c.£8,000/week turnover (ex. VAT)		-	c.£10,000/week (ex. VAT)		ek (ex. VAT)		
	Min OC	Max OC	Min OC	Max OC	Min OC	Max OC		
Wages & Salaries	15.5%	23.7%	21.1%	28.6%	16.8%	22.5%		
Rates	1.8%	3.5%	2.6%	3.3%	2.8%	2.0%		
Utilities	4.4%	2.8%	4.2%	6.5%	3.1%	2.0%		
Repairs & Renewals	0.8%	4.9%	0.3%	1.1%	1.8%	0.5%		
Insurance	0.7%	0.2%	0.3%	0.4%	0.3%	0.3%		
Marketing/Promotion/Telephone	2.6%	2.2%	0.7%	1.6%	0.9%	0.8%		
Consumables	1.9%	0.5%	0.3%	1.4%	1.5%	0.4%		
Waste Disposal/Cleaning/Hygiene	0.9%	0.7%	0.8%	0.9%	0.5%	0.6%		

Figures show minimum and maximum total costs for a specific pub account reported in each category. Figures are presented exclusive of VAT.

0.7%

0.3%

0.2%

2.8%

34.1%

0.8%

0.7%

0.2%

1.7%

41.8%

0.9%

1.1%

0.4%

2.4%

32.5%

0.6%

1.2%

0.1%

0.5%

46.3%

1.2%

0.9%

0.8%

0.9%

32.8%

Machine income, manager's salary, income from room hire and entertainment/satellite television are NOT included in the above model – extra income/cost lines must be added if these will form part of your pub business. Rates are not necessarily subject to applicable reliefs – check with your pub company/brewery as to what discounts may be available.

Useful links

British Beer & Pub Association (BBPA)	www.beerandpub.com			
Industry Framework Code v6	www.beerandpub.com/ifc			
British Institute of Innkeeping	www.bii.org			
Pubs Independent Conciliation and Arbitration Service (PICA-Service)	www.picaservice.com			
Pubs Independent Rent Review Scheme (PIRRS)	www.pirrscheme.com			
Association of Licensed Multiple Retailers (ALMR) benchmarking	http://www.almr.org.uk/publications/			

For queries relating to this report, please contact:

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