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DRAFT BUSINESS PLAN - BARRINGTON HALL

November 2006

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PROFIT AND LOSS ACCOUNT

	£	
Turnover	601,080	
Net operating expenses		
Administrative expenses	<u>511,076</u>	
Operating profit	90,004	
Interest payable	<u>40390</u>	
Profit / Loss on ordinary activities before taxation	49,614	Note (4)
Taxation	<u>9922.8</u>	
Profit / Loss on ordinary activities after taxation retained for the period	<u><u>39,691</u></u>	

Basic Financial Data

Capital Expenditure	£		
Internal alterations to Hall including services		280000	
Construction of Annexe building		150000	
Construction of accommodation in Annexe building		60000	
Improvements to grounds and external areas		30000	
Motor Vehicle (van)		12000	
Repairs to current fabric		25000	
Facilitisation (tables, chairs, audiovisual, catering equipment)		20000	
Total		577000	
		Depreciation =	13,100 Note (1)
		Interest payable =	40390
Fixed Overhead Costs			
Rates		22500	Note (2)
Insurance		6000	
Licences		500	
Permanent Staff			
	1 x Manager	28000	28000
	1 x Assistant Manager	18500	18500
	1 x Groundsmen	10000	10000
	1 x Cleaner	9000	9000
Employment costs (in addition to salary)			13100
Marketing / website / promotions / fairs			10000
Utilities			10000
Total			127600

Variable Overhead Costs

Number of Weddings pa = 32
 Ave number wedding guests breakfast = 80
 Ave number wedding guests evening = 160
 Number of Conferences = 60
 Ave number conference delegates = 70

Registrar	cost per wedding =	300	9600	
Conference cost			163800	
Drinks cost			30720	
Champagne cost			6144	
Buffet cost			38912	
Wedding breakfast cost			102400	
Bar / support staff weddings	8	50	12800	
Bar / support staff conferences	2	50	6000	
Total			370376	497976
Income				601080
				103104
Conference per delegate =		60	252000	
Wedding Drinks per head =		10	51200	£10 per head x 160
Wedding Champagne per head =		2	10240	£2 per head x 160
Wedding evening Buffet per head		9.5	48640	£9.5 per head x 160
Wedding breakfast per head		50	128000	£50 per head x 80
Wedding Hall Fee (includes Registrar)		3000	96000	
Rental of Lodge net per month		1250	15000	
Total			601080	

NOTES ON BUSINESS PLAN

Depreciation Calculation

Tangible fixed assets	Land and Buildings £	Plant and Machinery, etc. £	Total £
Cost			
At Inception	<u>565,000</u>	<u>12,000</u>	<u>577,000</u>
Additions	<u>0</u>	<u>0</u>	<u>0</u>
After 1 year	<u>565,000</u>	<u>12,000</u>	<u>577,000</u>
Depreciation			
At Inception	<u>0</u>	<u>0</u>	<u>0</u>
Charge for the period	<u>11,300</u>	<u>1,800</u>	<u>13,100</u>
After 1 year	<u>11,300</u>	<u>1,800</u>	<u>13,100</u>
Net book amount			
At Inception	<u><u>565,000</u></u>	<u><u>12,000</u></u>	<u><u>577,000</u></u>
After 1 year	<u><u>553,700</u></u>	<u><u>10,200</u></u>	<u><u>563,900</u></u>

Notes to the Business Plan

- 1) The depreciation calculation has been prepared under the reducing balance method
- 2) The rates have been estimated based on the business use of the ground floor of the Hall only.
(domestic rates for first and second floors to be paid by the occupants)
- 3) The costs of changes not associated with the commercial use of the Hall have been excluded from this business plan.
- 4) The net profit before tax (approximately £50,000) is specifically required to meet the larger part of the maintenance costs of the Hall and grounds.
These have been estimated at a total of £55,000 (building maintenance = £25,000 and grounds = £30,000)
- 5) The Business Plan does not include capital repayment. The Net Present Value Ratio of 0.48 (see Appendix I for detailed calculation) indicates that if the cost of capital is considered the expenditure is not justified by the returns generated as shown in the profit and loss calculation.
This calculation underpins the main purpose of the proposed change of use of the Hall, that is to enable its return to its former residential use and condition and the maintenance thereof.

