

Running a pub

A guide to costs for tied tenants and lessees 2019



Contents

| | |
|---|----|
| • Introduction | 3 |
| • Background and explanatory notes | 4 |
| • Small community local £4k (turnover per week) | 7 |
| • Community wet-led £5k | 8 |
| • Community wet-led £8k | 9 |
| • Community wet-led £15k | 10 |
| • Rural character £5k | 11 |
| • Rural character £8k | 12 |
| • Town centre pub/bar £10k | 13 |
| • Town/country food-led £10k | 14 |
| • Town/country food-led £15k | 15 |
| • Summary table (£ costs) | 16 |
| • Summary table (% costs) | 19 |
| • Annex A – Pub with accommodation template | 21 |
| • Annex B - useful contacts/links | 22 |

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 2018 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 both the average and the 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 sources such as the UKHospitality benchmarking report¹ which is released annually and other pub trade data.

¹ See UK Hospitality's 2018 benchmarking report: <https://www.christie.com/christieMediaLibraries/christie/PDFs-Publications/Pubs/UKHospitality-Christie-Co-Benchmarking-Report-2018.pdf?ext=.pdf>

Background and explanatory notes

The BBPA guide has been compiled from data supplied by BBPA members in relation to short term tenancies (usually 3-5 years) and longer-term leases (the latter tend to be fully repairing and insuring).

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 nine different pub models. While not inclusive of all business models, they are representative of the vast majority of pubs run as either tenancies or leases.

Weekly 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 the weekly 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 a significant impact on costs. For further information on taking on a pub, please refer to the links section at the end of this guidance.

Pub models

Nine pub models are illustrated in the report:

Small community local (c100% drink) turnover c£4,000/week

Community wet-led (c90:10, drink:food) turnover c£5,000/week

Community wet-led (c90:10, drink:food) turnover c£8,000/week

Community wet-led (c90:10, drink:food) turnover c£15,000/week

Rural character (c50:50, drink:food) turnover c£5,000/week

Rural character (c50:50, drink:food) turnover c£8,000/week

Town centre pub/bar (c70:30, drink:food) turnover c£10,000/week

Town/country food-led (c30:70, drink:food) turnover c£10,000/week

Town/country food-led (c30:70, drink:food) turnover c£15,000/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.

Annex A shows an example of how a licensee may wish to set out an accommodation-focused pub profit and loss account.

Excluded costs

Some costs (and income streams) have not been included in the guide:

MANAGERS' SALARIES: 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 food-led pubs are greater, given the need for specialist expertise and the greater labour input required in running a food-led operation.

AMUSEMENT MACHINES: Neither the income nor the costs from amusement machines (Category C/fruit machine, Skill with Prize, pool tables etc.) have been included in the main operating cost analysis but are shown below the divisible balance. Please note the average will reflect that different operating models have varying amounts of machines.

Operating costs per pub model

The main body of the report has been arranged by the average reported operating costs for each pub category. As previously highlighted, costs exclude managers' salaries.

Summary tables

At the end of the report, summary tables have been arranged by the **minimum and maximum reported total operating cost for each pub model**, as well as the average. This specific pub model is then divided into individual cost lines based on that particular pub. For some cost lines these of course may be zero in some instances (e.g. Pay-TV, Live Music). As previously highlighted, costs exclude managers' salaries in all models.

Value Added Tax

It is important to note that all figures are quoted exclusive of VAT and any profit related tax such as Corporation Tax.

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 the range of 35%-65% of divisible balance. However, many pub rent settlements are more typically in the range of 45%-55% of the divisible balance. 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.

Interest on Capital

This is the interest payable on the tenant's invested capital and not the capital itself. This may include, for example, interest on consumables, purchase of the inventory, stock and working capital.

Small community local

c. £4k turnover per week (100% wet)

All figures are weighted averages exclusive of VAT

| | £ |
|--------------------|--------------|
| Total drinks sales | 3,740 |
| Total food sales | 115 |
| Total sales | 3,854 |

| | |
|-------------------|--------------|
| Cost of drinks | 1,804 |
| Cost of food | 45 |
| Total cost | 1,848 |

| | |
|---------------------|--------------|
| Gross profit | 2,006 |
|---------------------|--------------|

52.0% Gross profit margin

| | % cost to turnover | |
|---------------------------------|--------------------|-------|
| Wages & salaries | 560 | 14.5% |
| Rates | 63 | 1.6% |
| Utilities | 192 | 5.0% |
| Repairs & renewals | 74 | 1.9% |
| Insurance | 48 | 1.3% |
| Marketing/Promotion/Telephone | 61 | 1.6% |
| Consumables | 10 | 0.3% |
| Waste Disposal/Cleaning/Hygiene | 38 | 1.0% |
| Professional fees | 55 | 1.4% |
| Bank charges | 20 | 0.5% |
| Equipment hire etc | 4 | 0.1% |
| Interest on capital | 18 | 0.5% |
| Pay TV (Sky, BT Sport etc.) | 87 | 2.3% |
| Live music | 77 | 2.0% |
| Other costs | 76 | 2.0% |

| | | |
|------------------------------|--------------|--------------|
| Total operating costs | 1,385 | 35.9% |
|------------------------------|--------------|--------------|

| | | |
|-------------------|-----|-------|
| Divisible balance | 621 | 16.1% |
|-------------------|-----|-------|

| | |
|-----------------------|----|
| Gaming machine income | 53 |
|-----------------------|----|

See page 6 for details on excluded costs

Community wet-led

c£5,000 turnover per week (90:10 drink/food)

All figures are weighted averages exclusive of VAT

£

| | |
|--------------------|--------------|
| Total drinks sales | 4,442 |
| Total food sales | 458 |
| Total sales | 4,900 |

| | |
|-------------------|--------------|
| Cost of drinks | 2,130 |
| Cost of food | 172 |
| Total cost | 2,302 |

| | |
|---------------------|--------------|
| Gross profit | 2,598 |
|---------------------|--------------|

53.0% gross profit margin

% cost to turnover

| | | |
|---------------------------------|-----|-------|
| Wages & salaries | 758 | 15.5% |
| Rates | 116 | 2.4% |
| Utilities | 233 | 4.8% |
| Repairs & renewals | 116 | 2.4% |
| Insurance | 56 | 1.1% |
| Marketing/Promotion/Telephone | 112 | 2.3% |
| Consumables | 7 | 0.1% |
| Waste Disposal/Cleaning/Hygiene | 52 | 1.1% |
| Professional fees | 63 | 1.3% |
| Bank charges | 30 | 0.6% |
| Equipment hire etc | 5 | 0.1% |
| Interest on capital | 26 | 0.5% |
| Pay TV (Sky, BT Sport etc.) | 98 | 2.0% |
| Live music | 37 | 0.7% |
| Other costs | 99 | 2.0% |

| | | |
|------------------------------|--------------|--------------|
| Total operating costs | 1,807 | 36.9% |
|------------------------------|--------------|--------------|

| | | |
|-------------------|-----|-------|
| Divisible balance | 790 | 16.1% |
|-------------------|-----|-------|

| | |
|-----------------------|----|
| Gaming machine income | 57 |
|-----------------------|----|

See page 6 for details on excluded costs

Community wet-led

c£8,000 turnover per week (90:10 drink/food)

All figures are weighted averages exclusive of VAT

| | £ |
|--------------------|--------------|
| Total drinks sales | 6,906 |
| Total food sales | 905 |
| Total sales | 7,811 |

| | |
|-------------------|--------------|
| Cost of drinks | 3,327 |
| Cost of food | 339 |
| Total cost | 3,666 |

| | |
|---------------------|--------------|
| Gross profit | 4,145 |
|---------------------|--------------|

53.1% gross profit margin

| | % cost to turnover | |
|---------------------------------|--------------------|-------|
| Wages & salaries | 1,389 | 17.8% |
| Rates | 252 | 3.2% |
| Utilities | 304 | 3.9% |
| Repairs & renewals | 151 | 1.9% |
| Insurance | 56 | 0.7% |
| Marketing/Promotion/Telephone | 165 | 2.1% |
| Consumables | 22 | 0.3% |
| Waste Disposal/Cleaning/Hygiene | 76 | 1.0% |
| Professional fees | 71 | 0.9% |
| Bank charges | 48 | 0.6% |
| Equipment hire etc | 12 | 0.1% |
| Interest on capital | 42 | 0.5% |
| Pay TV (Sky, BT Sport etc.) | 163 | 2.1% |
| Live music | 18 | 0.2% |
| Other costs | 130 | 1.7% |

| | | |
|------------------------------|--------------|--------------|
| Total operating costs | 2,899 | 37.1% |
|------------------------------|--------------|--------------|

| | | |
|-------------------|-------|-------|
| Divisible balance | 1,247 | 16.0% |
|-------------------|-------|-------|

| | |
|-----------------------|----|
| Gaming machine income | 61 |
|-----------------------|----|

See page 6 for details on excluded costs

Community wet-led

c£15,000 turnover per week (90:10 drink/food)

All figures are weighted averages exclusive of VAT

| | £ |
|--------------------|---------------|
| Total drinks sales | 12,087 |
| Total food sales | 3,387 |
| Total sales | 15,474 |

| | |
|-------------------|--------------|
| Cost of drinks | 5,793 |
| Cost of food | 1,342 |
| Total cost | 7,135 |

| | |
|---------------------|--------------|
| Gross profit | 8,339 |
|---------------------|--------------|

53.9% gross profit margin

| | % cost to turnover | |
|---------------------------------|--------------------|-------|
| Wages & salaries | 3,355 | 21.7% |
| Rates | 475 | 3.1% |
| Utilities | 486 | 3.1% |
| Repairs & renewals | 188 | 1.2% |
| Insurance | 65 | 0.4% |
| Marketing/Promotion/Telephone | 260 | 1.7% |
| Consumables | 57 | 0.4% |
| Waste Disposal/Cleaning/Hygiene | 112 | 0.7% |
| Professional fees | 78 | 0.5% |
| Bank charges | 97 | 0.6% |
| Equipment hire etc | 26 | 0.2% |
| Interest on capital | 109 | 0.7% |
| Pay TV (Sky, BT Sport etc.) | 173 | 1.1% |
| Live music | 29 | 0.2% |
| Other costs | 187 | 1.2% |

| | | |
|------------------------------|--------------|--------------|
| Total operating costs | 5,696 | 36.8% |
|------------------------------|--------------|--------------|

| | | |
|-------------------|-------|-------|
| Divisible balance | 2,643 | 17.1% |
|-------------------|-------|-------|

| | |
|-----------------------|----|
| Gaming machine income | 52 |
|-----------------------|----|

See page 6 for details on excluded costs

Rural character

c£5,000 turnover per week (50:50 drink/food)

All figures are weighted averages exclusive of VAT

| | £ |
|--------------------|--------------|
| Total drinks sales | 2,979 |
| Total food sales | 2,641 |
| Total sales | 5,619 |

| | |
|-------------------|--------------|
| Cost of drinks | 1,429 |
| Cost of food | 1,016 |
| Total cost | 2,445 |

| | | |
|---------------------|--------------|----------------------------------|
| Gross profit | 3,175 | 56.5% gross profit margin |
|---------------------|--------------|----------------------------------|

| | % cost to turnover | |
|---------------------------------|--------------------|-------|
| Wages & salaries | 1,264 | 22.5% |
| Rates | 152 | 2.7% |
| Utilities | 270 | 4.8% |
| Repairs & renewals | 108 | 1.9% |
| Insurance | 48 | 0.9% |
| Marketing/Promotion/Telephone | 84 | 1.5% |
| Consumables | 21 | 0.4% |
| Waste Disposal/Cleaning/Hygiene | 61 | 1.1% |
| Professional fees | 60 | 1.1% |
| Bank charges | 46 | 0.8% |
| Equipment hire etc | 11 | 0.2% |
| Interest on capital | 27 | 0.5% |
| Pay TV (Sky, BT Sport etc.) | 61 | 1.1% |
| Live music | 2 | 0.0% |
| Other costs | 49 | 0.9% |

| | | |
|------------------------------|--------------|--------------|
| Total operating costs | 2,265 | 40.3% |
|------------------------------|--------------|--------------|

| | | |
|-------------------|-----|-------|
| Divisible balance | 910 | 16.2% |
|-------------------|-----|-------|

| | |
|-----------------------|---|
| Gaming machine income | 3 |
|-----------------------|---|

See page 6 for details on excluded costs

Rural character

c£8,000 turnover per week (50:50 drink/food)

All figures are weighted averages exclusive of VAT

| | £ |
|--------------------|--------------|
| Total drinks sales | 4,358 |
| Total food sales | 3,925 |
| Total sales | 8,283 |

| | |
|-------------------|--------------|
| Cost of drinks | 2,029 |
| Cost of food | 1,444 |
| Total cost | 3,473 |

| | |
|---------------------|--------------|
| Gross profit | 4,810 |
|---------------------|--------------|

58.1% gross profit margin

% cost to turnover

| | | |
|---------------------------------|-------|-------|
| Wages & salaries | 2,082 | 25.1% |
| Rates | 248 | 3.0% |
| Utilities | 356 | 4.3% |
| Repairs & renewals | 166 | 2.0% |
| Insurance | 55 | 0.7% |
| Marketing/Promotion/Telephone | 108 | 1.3% |
| Consumables | 25 | 0.3% |
| Waste Disposal/Cleaning/Hygiene | 96 | 1.2% |
| Professional fees | 70 | 0.8% |
| Bank charges | 62 | 0.8% |
| Equipment hire etc | 16 | 0.2% |
| Interest on capital | 45 | 0.5% |
| Pay TV (Sky, BT Sport etc.) | 65 | 0.8% |
| Live music | 1 | 0.0% |
| Other costs | 94 | 1.1% |

| | | |
|------------------------------|--------------|--------------|
| Total operating costs | 3,489 | 42.1% |
|------------------------------|--------------|--------------|

| | | |
|-------------------|-------|-------|
| Divisible balance | 1,321 | 15.9% |
|-------------------|-------|-------|

| | |
|-----------------------|---|
| Gaming machine income | 6 |
|-----------------------|---|

See page 6 for details on excluded costs

Town centre pub/bar

c£10,000 turnover per week (70:30 drink/food)

All figures are weighted averages exclusive of VAT

| | £ |
|--------------------|--------------|
| Total drinks sales | 7,105 |
| Total food sales | 2,881 |
| Total sales | 9,986 |

| | |
|-------------------|--------------|
| Cost of drinks | 3,235 |
| Cost of food | 1,022 |
| Total cost | 4,256 |

| | |
|---------------------|--------------|
| Gross profit | 5,730 |
|---------------------|--------------|

57.4% gross profit margin

| | % cost to turnover | |
|---------------------------------|--------------------|-------|
| Wages & salaries | 2,197 | 22.0% |
| Rates | 371 | 3.7% |
| Utilities | 385 | 3.9% |
| Repairs & renewals | 189 | 1.9% |
| Insurance | 67 | 0.7% |
| Marketing/Promotion/Telephone | 208 | 2.1% |
| Consumables | 23 | 0.2% |
| Waste Disposal/Cleaning/Hygiene | 103 | 1.0% |
| Professional fees | 87 | 0.9% |
| Bank charges | 67 | 0.7% |
| Equipment hire etc | 21 | 0.2% |
| Interest on capital | 39 | 0.4% |
| Pay TV (Sky, BT Sport etc.) | 150 | 1.5% |
| Live music | 1 | 0.0% |
| Other costs | 117 | 1.2% |

| | | |
|------------------------------|--------------|--------------|
| Total operating costs | 4,025 | 40.3% |
|------------------------------|--------------|--------------|

| | | |
|-------------------|-------|-------|
| Divisible balance | 1,704 | 17.1% |
|-------------------|-------|-------|

| | |
|-----------------------|----|
| Gaming machine income | 16 |
|-----------------------|----|

See page 6 for details on excluded costs

Town/country food-led

c£10,000 turnover per week (30:70 drink/food)

All figures are weighted averages exclusive of VAT

| | £ |
|--------------------|--------------|
| Total drinks sales | 3,257 |
| Total food sales | 6,276 |
| Total sales | 9,534 |

| | |
|-------------------|--------------|
| Cost of drinks | 1,496 |
| Cost of food | 2,206 |
| Total cost | 3,701 |

| | |
|---------------------|--------------|
| Gross profit | 5,832 |
|---------------------|--------------|

61.2% gross profit margin

| | | % cost to turnover |
|---------------------------------|-------|--------------------|
| Wages & salaries | 2,669 | 28.0% |
| Rates | 302 | 3.2% |
| Utilities | 414 | 4.3% |
| Repairs & renewals | 188 | 2.0% |
| Insurance | 47 | 0.5% |
| Marketing/Promotion/Telephone | 75 | 0.8% |
| Consumables | 38 | 0.4% |
| Waste Disposal/Cleaning/Hygiene | 110 | 1.2% |
| Professional fees | 73 | 0.8% |
| Bank charges | 84 | 0.9% |
| Equipment hire etc | 15 | 0.2% |
| Interest on capital | 40 | 0.4% |
| Pay TV (Sky, BT Sport etc.) | 68 | 0.7% |
| Live music | 2 | 0.0% |
| Other costs | 60 | 0.6% |

| | | |
|------------------------------|--------------|--------------|
| Total operating costs | 4,185 | 43.9% |
|------------------------------|--------------|--------------|

| | | |
|-------------------|-------|-------|
| Divisible balance | 1,647 | 17.3% |
|-------------------|-------|-------|

| | |
|-----------------------|---|
| Gaming machine income | 2 |
|-----------------------|---|

See page 6 for details on excluded costs

Town/country food-led

c£15,000 turnover per week (30:70 drink/food)

All figures are weighted averages exclusive of VAT

| | £ |
|--------------------|---------------|
| Total drinks sales | 5,503 |
| Total food sales | 9,720 |
| Total sales | 15,223 |

| | |
|-------------------|--------------|
| Cost of drinks | 2,439 |
| Cost of food | 3,395 |
| Total cost | 5,833 |

| | |
|---------------------|--------------|
| Gross profit | 9,390 |
|---------------------|--------------|

61.7% gross profit margin

| | | % cost to turnover |
|---------------------------------|-------|--------------------|
| Wages & salaries | 3,943 | 25.9% |
| Rates | 594 | 3.9% |
| Utilities | 520 | 3.4% |
| Repairs & renewals | 253 | 1.7% |
| Insurance | 71 | 0.5% |
| Marketing/Promotion/Telephone | 130 | 0.9% |
| Consumables | 51 | 0.3% |
| Waste Disposal/Cleaning/Hygiene | 126 | 0.8% |
| Professional fees | 88 | 0.6% |
| Bank charges | 111 | 0.7% |
| Equipment hire etc | 46 | 0.3% |
| Interest on capital | 38 | 0.3% |
| Pay TV (Sky, BT Sport etc.) | 126 | 0.8% |
| Live music | 9 | 0.1% |
| Other costs | 104 | 0.7% |

| | | |
|------------------------------|--------------|--------------|
| Total operating costs | 6,210 | 40.8% |
|------------------------------|--------------|--------------|

| | | |
|-------------------|-------|-------|
| Divisible balance | 3,180 | 20.9% |
|-------------------|-------|-------|

| | |
|-----------------------|---|
| Gaming machine income | 1 |
|-----------------------|---|

See page 6 for details on excluded costs

Summary table² (£ costs)

All figures relate to the sales and costs for the pub model with the minimum and maximum reported total operating cost, exclusive of VAT

| | COMMUNITY WET-LED (c100% drink) c£4,000/week | | COMMUNITY WET-LED (c90:10, drink:food) c£5,000/week | | COMMUNITY WET-LED (c90:10, drink:food) c£8,000/week | |
|----------------------------------|--|--------|---|--------|---|--------|
| | Min OC | Max OC | Min OC | Max OC | Min OC | Max OC |
| All figures below ex. VAT | | | | | | |
| Total Drinks Sales | 2,458 | 4,504 | 4,188 | 4,500 | 7,192 | 7,521 |
| Total Food Sales | - | - | 208 | 700 | 400 | 2,384 |
| Total Sales | 2,458 | 4,504 | 4,396 | 5,200 | 7,592 | 9,905 |
| Cost of drinks | 1,520 | 2,398 | 2,173 | 1,850 | 3,783 | 3,573 |
| Cost of food | - | - | 104 | 300 | 160 | 945 |
| Total Cost | 1,520 | 2,398 | 2,277 | 2,150 | 3,943 | 4,518 |
| Gross Profit | 939 | 2,106 | 2,119 | 3,050 | 3,649 | 5,388 |
| Wages & Salaries | - | 678 | 502 | 895 | 975 | 2,194 |
| Rates | 37 | 102 | 195 | 170 | 302 | 333 |
| Utilities | 107 | 336 | 208 | 260 | 208 | 345 |
| Repairs & Renewals | 96 | 48 | 90 | 60 | 109 | 73 |
| Insurance | 22 | 31 | 19 | 42 | 17 | 27 |
| Marketing/Promotion/Telephone | 2 | 46 | 193 | 60 | 21 | 211 |
| Consumables | - | 29 | 33 | 50 | 46 | 76 |
| Waste | 18 | 62 | 42 | 55 | 51 | 119 |
| Disposal/Cleaning/Hygiene | | | | | | |
| Professional fees | 40 | 65 | 52 | 80 | 67 | 81 |
| Bank charges | 29 | 23 | 38 | 80 | 38 | 75 |
| Equipment Hire etc | 7 | 11 | - | 50 | - | 12 |
| Interest on capital | - | 29 | 57 | 20 | 19 | 132 |
| Pay TV (Sky, BT Sport etc.) | - | 63 | - | 150 | 303 | 77 |
| Live Music | - | 221 | - | 50 | - | - |
| Other Costs | 67 | 63 | 41 | 120 | 62 | 122 |
| Total Operating Costs | 425 | 1,808 | 1,470 | 2,142 | 2,220 | 3,877 |
| Divisible Balance | 513 | 298 | 649 | 908 | 1,429 | 1,511 |
| Gaming machine income | - | - | 58 | - | 50 | 82 |

² The figures in the tables shown above and below are a snapshot of actual individual pub running costs, **not** a minimum/maximum of the lowest/highest individual cost elements from across all pubs surveyed.

| | COMMUNITY WET-LED LOCAL (c90:10, drink:food) c£15,000/week | | RURAL CHARACTER (c50:50, drink:food) c£5,000/week | | RURAL CHARACTER (c50:50, drink:food) c£8,000/week | |
|----------------------------------|--|--------|---|--------|---|--------|
| | Min OC | Max OC | Min OC | Max OC | Min OC | Max OC |
| All figures below ex. VAT | | | | | | |
| Total Drinks Sales | 8,061 | 13,598 | 2,625 | 3,778 | 3,895 | 6,759 |
| Total Food Sales | 3,346 | 8,282 | 2,625 | 3,213 | 3,750 | 4,410 |
| Total Sales | 11,406 | 21,880 | 5,250 | 6,991 | 7,645 | 11,170 |
| Cost of drinks | 3,989 | 6,380 | 1,312 | 1,907 | 1,792 | 3,151 |
| Cost of food | 1,286 | 3,445 | 1,050 | 1,304 | 1,500 | 1,852 |
| Total Cost | 5,275 | 9,825 | 2,362 | 3,211 | 3,292 | 5,003 |
| Gross Profit | 6,132 | 12,054 | 2,888 | 3,780 | 4,354 | 6,166 |
| Wages & Salaries | 2,721 | 5,705 | 1,075 | 1,565 | 1,827 | 2,642 |
| Rates | 341 | 548 | 205 | 127 | 97 | 406 |
| Utilities | 430 | 678 | 195 | 349 | 250 | 366 |
| Repairs & Renewals | 61 | 88 | 75 | 77 | 77 | 85 |
| Insurance | 34 | 35 | 35 | 34 | 38 | 23 |
| Marketing/Promotion/Telephone | 49 | 345 | 42 | 32 | 115 | 172 |
| Consumables | 84 | 139 | 54 | 56 | 16 | 84 |
| Waste Disposal/Cleaning/Hygiene | 101 | 143 | 33 | 65 | 58 | 137 |
| Professional fees | 67 | 85 | 55 | 65 | 48 | 86 |
| Bank charges | 46 | 173 | 40 | 38 | 38 | 102 |
| Equipment Hire etc | - | 29 | 38 | 16 | 19 | 39 |
| Interest on capital | 29 | 306 | - | 29 | 77 | 123 |
| Pay TV (Sky, BT Sport etc.) | 75 | - | 93 | 23 | 167 | 201 |
| Live Music | 262 | - | - | 81 | - | - |
| Other Costs | 64 | 220 | - | 95 | - | - |
| Total Operating Costs | 4,364 | 8,494 | 1,940 | 2,652 | 2,828 | 4,466 |
| Divisible Balance | 1,767 | 3,561 | 948 | 1,128 | 1,525 | 1,700 |
| Gaming machine income | - | 76 | - | - | - | - |

| | TOWN CENTRE PUB/BAR (c70:30, drink:food) c£10,000/week | | TOWN/COUNTRY FOOD LED PUB (c30:70, drink:food) c£10,000/week | | TOWN/COUNTRY FOOD LED PUB (c30:70, drink:food) c£15,000/week | |
|----------------------------------|---|--------|---|--------|---|--------|
| | Min OC | Max OC | Min OC | Max OC | Min OC | Max OC |
| All figures below ex. VAT | | | | | | |
| Total Drinks Sales | 7,210 | 7,800 | 2,457 | 3,435 | 4,575 | 12,504 |
| Total Food Sales | 3,090 | 3,200 | 5,084 | 6,542 | 10,675 | 9,729 |
| Total Sales | 10,300 | 11,000 | 7,541 | 9,977 | 15,250 | 22,233 |
| Cost of drinks | 3,532 | 3,000 | 1,198 | 1,501 | 2,241 | 5,905 |
| Cost of food | 1,236 | 900 | 2,048 | 2,325 | 3,736 | 3,393 |
| Total Cost | 4,768 | 3,900 | 3,246 | 3,826 | 5,977 | 9,298 |
| Gross Profit | 5,532 | 7,100 | 4,296 | 6,151 | 9,273 | 12,935 |
| Wages & Salaries | 1,800 | 2,700 | 2,019 | 2,729 | 3,150 | 6,979 |
| Rates | 320 | 400 | 280 | 279 | 340 | 499 |
| Utilities | 232 | 500 | 351 | 467 | 380 | 726 |
| Repairs & Renewals | 114 | 90 | 193 | 252 | 200 | 142 |
| Insurance | 48 | 20 | 20 | 79 | 70 | 98 |
| Marketing/Promotion/Telephone | 98 | 100 | 63 | 122 | 98 | 77 |
| Consumables | 74 | 120 | - | - | 96 | 271 |
| Waste Disposal/Cleaning/Hygiene | 58 | 160 | 139 | 133 | 81 | 126 |
| Professional fees | 63 | 100 | 66 | 73 | 83 | 92 |
| Bank charges | 58 | 110 | 62 | 71 | 86 | 111 |
| Equipment Hire etc | 55 | 60 | 8 | - | 78 | 5 |
| Interest on capital | - | 35 | - | 59 | - | 29 |
| Pay TV (Sky, BT Sport etc.) | 148 | 650 | 60 | 4 | 193 | 75 |
| Live Music | - | - | - | - | - | 263 |
| Other Costs | - | - | - | 167 | - | 99 |
| Total Operating Costs | 3,068 | 5,045 | 3,261 | 4,436 | 4,855 | 9,592 |
| Divisible Balance | 2,464 | 2,055 | 1,035 | 1,715 | 4,418 | 3,344 |
| Gaming machine income | - | - | - | 5 | - | - |

Summary table³ (% costs)

All figures relate to costs as a percentage of sales for the pub model with the minimum and maximum reported total operating cost, exclusive of VAT

| | COMMUNITY WET-LED (100% wet) c£4,000/week | | COMMUNITY WET-LED (c90:10, drink:food) c£5,000/week | | COMMUNITY WET-LED (c90:10, drink:food) c£8,000/week | |
|---------------------------------|---|--------------|---|--------------|---|--------------|
| | Min OC | Max OC | Min OC | Max OC | Min OC | Max OC |
| Wages & Salaries | 0.0% | 15.1% | 11.4% | 17.2% | 12.8% | 22.1% |
| Rates | 1.5% | 2.3% | 4.4% | 3.3% | 4.0% | 3.4% |
| Utilities | 4.4% | 7.5% | 4.7% | 5.0% | 2.7% | 3.5% |
| Repairs & Renewals | 3.9% | 1.1% | 2.0% | 1.2% | 1.4% | 0.7% |
| Insurance | 0.9% | 0.7% | 0.4% | 0.8% | 0.2% | 0.3% |
| Marketing/Promotion/Telephone | 0.1% | 1.0% | 4.4% | 1.2% | 0.3% | 2.1% |
| Consumables | 0.0% | 0.6% | 0.8% | 1.0% | 0.6% | 0.8% |
| Waste Disposal/Cleaning/Hygiene | 0.7% | 1.4% | 1.0% | 1.1% | 0.7% | 1.2% |
| Professional fees | 1.6% | 1.5% | 1.2% | 1.5% | 0.9% | 0.8% |
| Bank charges | 1.2% | 0.5% | 0.9% | 1.5% | 0.5% | 0.8% |
| Equipment Hire etc | 0.3% | 0.2% | 0.0% | 1.0% | 0.0% | 0.1% |
| Interest on capital | 0.0% | 0.6% | 1.3% | 0.4% | 0.3% | 1.3% |
| Pay TV (Sky, BT Sport etc.) | 0.0% | 1.4% | 0.0% | 2.9% | 4.0% | 0.8% |
| Live Music | 0.0% | 4.9% | 0.0% | 1.0% | 0.0% | 0.0% |
| Other Costs | 2.7% | 1.4% | 0.9% | 2.3% | 0.8% | 1.2% |
| Total Operating Costs | 17.3% | 40.1% | 33.4% | 41.2% | 29.2% | 39.1% |


³ Ibid.

| | COMMUNITY WET-LED LOCAL (c90:10, drink:food) c£15,000/week | | RURAL CHARACTER (c50:50, drink:food) c£5,000/week | | RURAL CHARACTER (c50:50, drink:food) c£8,000/week | |
|---------------------------------|---|--------------|--|--------------|--|--------------|
| | Min OC | Max OC | Min OC | Max OC | Min OC | Max OC |
| Wages & Salaries | 23.9% | 26.1% | 20.5% | 22.4% | 23.9% | 23.7% |
| Rates | 3.0% | 2.5% | 3.9% | 1.8% | 1.3% | 3.6% |
| Utilities | 3.8% | 3.1% | 3.7% | 5.0% | 3.3% | 3.3% |
| Repairs & Renewals | 0.5% | 0.4% | 1.4% | 1.1% | 1.0% | 0.8% |
| Insurance | 0.3% | 0.2% | 0.7% | 0.5% | 0.5% | 0.2% |
| Marketing/Promotion/Telephone | 0.4% | 1.6% | 0.8% | 0.5% | 1.5% | 1.5% |
| Consumables | 0.7% | 0.6% | 1.0% | 0.8% | 0.2% | 0.7% |
| Waste Disposal/Cleaning/Hygiene | 0.9% | 0.7% | 0.6% | 0.9% | 0.8% | 1.2% |
| Professional fees | 0.6% | 0.4% | 1.0% | 0.9% | 0.6% | 0.8% |
| Equipment Hire etc | 0.4% | 0.8% | 0.8% | 0.5% | 0.5% | 0.9% |
| Interest on capital | 0.0% | 0.1% | 0.7% | 0.2% | 0.3% | 0.3% |
| Pay TV (Sky, BT Sport etc.) | 0.3% | 1.4% | 0.0% | 0.4% | 1.0% | 1.1% |
| Live Music | 0.7% | 0.0% | 1.8% | 0.3% | 2.2% | 1.8% |
| Other Costs | 2.3% | 0.0% | 0.0% | 1.2% | 0.0% | 0.0% |
| | 0.6% | 1.0% | 0.0% | 1.4% | 0.0% | 0.0% |
| Total Operating Costs | 38.3% | 38.8% | 37.0% | 37.9% | 37.0% | 40.0% |

| | TOWN CENTRE PUB/BAR (c70:30, drink:food) c£10,000/week | | TOWN/COUNTRY FOOD LED PUB (c30:70, drink:food) c£10,000/week | | TOWN/COUNTRY FOOD LED PUB (c30:70, drink:food) c£15,000/week | |
|---------------------------------|---|--------------|---|--------------|---|--------------|
| | Min OC | Max OC | Min OC | Max OC | Min OC | Max OC |
| Wages & Salaries | 17.5% | 24.5% | 26.8% | 27.4% | 20.7% | 31.4% |
| Rates | 3.1% | 3.6% | 3.7% | 2.8% | 2.2% | 2.2% |
| Utilities | 2.3% | 4.5% | 4.7% | 4.7% | 2.5% | 3.3% |
| Repairs & Renewals | 1.1% | 0.8% | 2.6% | 2.5% | 1.3% | 0.6% |
| Insurance | 0.5% | 0.2% | 0.3% | 0.8% | 0.5% | 0.4% |
| Marketing/Promotion/Telephone | 1.0% | 0.9% | 0.8% | 1.2% | 0.6% | 0.3% |
| Consumables | 0.7% | 1.1% | 0.0% | 0.0% | 0.6% | 1.2% |
| Waste Disposal/Cleaning/Hygiene | 0.6% | 1.5% | 1.8% | 1.3% | 0.5% | 0.6% |
| Professional fees | 0.6% | 0.9% | 0.9% | 0.7% | 0.5% | 0.4% |
| Equipment Hire etc | 0.6% | 1.0% | 0.8% | 0.7% | 0.6% | 0.5% |
| Interest on capital | 0.5% | 0.5% | 0.1% | 0.0% | 0.5% | 0.0% |
| Pay TV (Sky, BT Sport etc.) | 0.0% | 0.3% | 0.0% | 0.6% | 0.0% | 0.1% |
| Live Music | 1.4% | 5.9% | 0.8% | 0.0% | 1.3% | 0.3% |
| Other Costs | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.2% |
| | 0.0% | 0.0% | 0.0% | 1.7% | 0.0% | 0.4% |
| Total Operating Costs | 29.8% | 45.9% | 43.2% | 44.5% | 31.8% | 43.1% |

Annex A

Pub with accommodation Template P&L account

| | £ | | |
|------------------------------------|---|--|---|
| Total Drinks Sales | | | |
| Total Food Sales | | | |
| Total Accommodation/Other Income | | | |
| Total Sales | | | |
| Cost of drinks | | | |
| Cost of food | | | |
| Cost of Accommodation/Other Income | | | |
| Total Cost | | | |
| Gross Profit | | |  gross profit margin |
| | | | % cost to turnover |
| Wages & Salaries | | | |
| Rates | | | |
| Utilities | | | |
| Repairs & Renewals | | | |
| Insurance | | | |
| Marketing/Promotion/Telephone | | | |
| Consumables | | | |
| Waste Disposal/Cleaning/Hygiene | | | |
| Professional fees | | | |
| Bank charges | | | |
| Equipment Hire etc | | | |
| Interest on capital | | | |
| Pay TV (Sky, BT Sport etc.) | | | |
| Live Music | | | |
| Other Costs | | | |
| Total Operating Costs | | | |
| Divisible Balance | | | |

Annex B

Useful links

[British Beer & Pub Association \(BBPA\)](#)

[Pub Governing Body - Codes of practice tenanted/leased/Scotland \(voluntary\)](#)

[British Institute of Innkeeping](#)

[UK Hospitality](#)

[Pubs Code Adjudicator](#)

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