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TMW/LMSR/VeggieRedLion

20 November 2020

James Tanner  
Hollins Architects  
Market Hill,  
Framlingham  
Suffolk, IP13 9BA

By post and email: [james@hollins.co.uk](mailto:james@hollins.co.uk)

Dear Sir,

**The Veggie Red Lion, Great Bricett, Ipswich, IP7 7DD**  
**Viability Assessment**

**Introduction and Instructions**

I write with reference to your instructions for me to provide you with viability advice in respect of the above public house.

I am a specialist advisor in respect of pubs and other licensed premises with 30 years' experience throughout the UK and with particular expertise in London and the home counties. I enclose at Appendix 1 my CV for your information. I have advised on numerous licensed premises for viability purposes throughout southern England over the course of the last 12 years.

My firm specialises exclusively in leisure property advice, principally in London and the south east. We have an active pub agency department which advises on the sale and purchase, as well as rent reviews, rating and other matters on pubs throughout central and Greater London.

I carried out a full internal and external inspection of the premises on 12 November 2020.

**Location**

Great Bricett lies on the B1078 in the heart of Suffolk and is 5 miles from Needham Market, 9 miles north of Hadleigh and 10 miles west of Ipswich.

It is a small hamlet with a population of about 1,500.

The village is sprawling and comprises mainly detached residences. RAF Wattisham air base is about 2 miles to the north of the village.

The subject property is situated south of the village centre in an essentially rural environment on the east side of the B1078, in a district known as Greenstreet Green. This is an isolated trading location, with no immediate surrounding community.

**Description**

The property comprises a detached public house set in its own grounds. It is a historic building tracing its origins back to the 16<sup>th</sup> century but has been substantially altered and extended over the years. It is a grade II listed building.

It is partly 2 storey and partly single storey and has painted elevations with a combination of slate and tiled roofs.

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Registered Number  
02133696

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Registered Office  
30 City Road  
London EC1Y 2AB



Externally, the property has a large, paved car park for about 20 cars reached via a paved private drive. The pub has extensive external lawned areas and a large beer garden.

The property has been known as The Red Lion for many years and has in recent years traded under the name, The Veggie Red Lion, and has operated primarily as a vegetarian restaurant.

It is fitted out in the style of a conventional traditional community food led pub. The trading area is L shaped and has a low timber beamed ceiling and patterned carpeting. There is exposed brickwork including a brick fireplace. The accommodation is somewhat dated in style and has rudimentary functional furnishings.

Customer WCs adjoin the trading area. These are unmodernised and functional.

To the rear is a kitchen with adjacent food prep area. This is equipped with a range of functional stainless-steel appliances. The floors are also covered and walls are partially tiled. There is a full extraction system and hood.

The owners living accommodation comprises a ground floor reception room which is used as general storage space and has a historic tiled floor. This room can be accessed from the rear of the bar or via the main pub entrance. A staircase leads to the first floor which consists of three bedrooms and a bathroom/WC arranged off a central landing. The first floor is significantly smaller than the ground floor and also has a low beamed ceiling throughout.

Externally, there is a timber shed close to the main building and a separate gage remote from the main building.

#### Proposals

An application has been submitted to convert the property to residential use.

#### Tenure

I understand the property is owned freehold. The property is currently occupied by a tenant at will who has no security of tenure rights.

The tenant at will has been paying no rent during lockdowns. The rent paid otherwise is circa £20,000 per annum.

#### Rating Assessment and Council Tax

The property is assessed as a public house and premises and has a rating assessment of £14,600. effective from 1 April 2017.

#### Planning

It is assumed that the property has established planning consent for public house use, which is Sui Generis. The property is understood to be Grade II listed.

The property is not listed as an Asset of Community Value.

#### Condition and Repair

The property is in fair repair and condition only.

Whilst the level of repair and quality of finish is broadly acceptable for the current style of trade, it is unsustainable in the medium and long term. Investment in the fabric of the building, in terms of external maintenance and repair, and internal decorations and finishes is required if the property is to remain in use as a public house.

Maintaining the fabric of the building externally and internally is important in order to maintain the attractiveness of the pub to draw custom.



The property occupies a large plot as such the costs of maintaining the external appearance of the pub and grounds so as to encourage customers is likely to be high.

### Competition

There are no other pubs in the village.

I have been provided with planning report prepared by Hollins architects which sets out competition within 10 miles. They have identified no less than 43 pubs within a 10-mile radius. This is a very large number for a rural area with a low density of population. I enclose this list at Appendix 4.

In my opinion, those which are more than 5 miles from the subject property, do not offer direct competition because the nature of custom that would use both subject property and these properties would be car borne, and essentially 'destination' trade. As such these businesses cannot be considered to offer competition in terms of a community facility.

The Wheelhouse Naughton is the nearest pub to The Veggie Red Lion is a wet led local community pub. It does not offer food. This provides a focus for the local residents, albeit in the next closest village.

The Limeburners Offton operates as a fish and chip shop and local wet led pub., also in an isolated location. And is the nearest pub east of the subject property.

The Rose and Crown Elmsett is a further community pub also offering traditional pub food and Sunday roasts. This is south of The Veggie Red Lion. It is in the centre of an established village.

The Fox Barking operates as a restaurant in the large dispersed village of Barking.

The Duke of Marlborough Somersham is a community pub with a significant food offer. It is owned by the local community.

The Punchbowl Battisford is also community owned. It is offering delivery and takeaway during lockdown and appears to have a significant element of food trade. It is situated within the village.

The Red Lion Billesdon is a small village centre wet led community pub. It is in a residential area

The Kings Head Billesdon is another small village centre wet led community pub, within this large village.

The Peacock Inn Chelsworth is a bed and breakfast and food led business.

The Lion Needham Market is situated on the edge of this busy town and has a full food offer as well as a bar. It has a good catchment community and is on a main road with good passing trade and prominence which adds to its trading potential. .

The Swan Needham Market is a small pub in the heart of the town and is a community wet led pub.

The Three Tuns is a town centre pub offering some entertainment and sports.

In my opinion, the level of competition is excessive. The population in the area is small; the number of pubs is too great for them all to trade effectively.

There is no shortage of community pubs within 5 miles of the subject property to satisfy demand from the residents of the area.



## Market Commentary

### *Post COVID-19*

The COVID-19 pandemic has had a major effect on the pub sector in the UK.

Enforced closure from 17 March to 4 July 2020 meant no revenue during this period.

In August trade was buoyed up by the Eat Out to Help Out subsidy and reduced VAT rates on food in pubs.

The need to comply with social distancing and the obligation to provide table service only has adversely affected trading potential.

The introduction of the 10.00 pm curfew had a profoundly negative effect on trading volumes. The introduction of the tier system, particularly tiers 2 and 3 has imposed a significant further restriction which prevents people socialising outside of their own household, which severely inhibits pub visits.

The introduction of a 2<sup>nd</sup> lockdown from 5 November means that at the time of writing all pubs are closed.

Although the scheduled re-opening date is 2 December 2020, most commentators are of the view that this is unlikely and the lockdown period, for the hospitality industry is highly likely to be extended, probably into 2021.

It is widely accepted that the pub market will recover once COVID restrictions, particularly social distancing, is lifted. However, it is highly likely that the economic climate will be weak, with reduced disposable income, high rates of unemployment which will reduce revenues for the sector generally and adversely affect profit margins.

### *Pre COVID-19*

Prior to COVID-19 the UK public house market had experienced difficult trading conditions over the previous 15 years. This originally started with the introduction of a ban on smoking in public places which encouraged people to drink at home. The introduction of the Licensing Act 2003, which came into effect in 2005, resulted in a significant increase in the number of pubs open late and reduced profitability for many operators. Discounted retail prices of alcohol in supermarkets, convenience stores and off licences has further discouraged the on trade. The recession led to declining consumer confidence which has resulted in a long-term change in consumer behaviour, with a reduction in proportion of leisure spend made away from the home. This trend has not changed in the last year as the economy recovers.

The advent of social media and online communications has led to a profound change in behaviour. Whereas historically the pub was the principle meeting point of a community, this is no longer the case. People increasingly use the internet to fuel all aspects of their social life. The need to leave the home and visit a pub for social interaction is significantly reduced. The impact of these social trends is most profound on community pubs. The same is true of visits to bookmakers, and retail shops. An increasing proportion of leisure and discretionary spend is made by consumers from their own home.

More than 10% of all Britain's pubs have been lost to alternative uses over the last five years and this figure is expected to rise further in the foreseeable future. Many areas have a surfeit of pubs; particularly; rural areas, post-industrial areas, areas with a diverse ethnic mix, and many coastal ports.



The market in London for freehold pub properties, for continued pub use and alternative use, has remained stronger than that for the rest of the UK. Trading conditions have proved to be rather more resilient. Nevertheless, the South East has seen many pub closures over recent years with pubs proving to be unviable and being converted to alternative uses including convenience stores, supermarkets, restaurants, (branded and independent) as well as offices or for residential occupation or development.

The threshold for viability of pubs has risen over recent years. The impact of high wages costs, increased liquor duty, increased VAT, higher utilities costs and the need to provide a full food menu in order to draw custom has meant that, on a nationwide basis, managed houses need to achieve weekly sales of at least £10,000 per week.

If turnover levels are not at this level, there is insufficient profit to provide operators with a long-term return on investment. In the case of community locals, in lower value property areas, where costs are lower, the minimum weekly turnover for a local community pub is likely to fall to somewhere in the region of £5,000 per week.

Trading in pubs is particularly difficult for pubs without potential to offer a full food menu and where trade is limited to the local community and the sale of drinks only.

In areas where the number of pubs is large, and the volume of trade is split between a number of competing outlets, the level of profitability is such that many operators are unable to invest in the fabric of their buildings and their businesses generally. It is only businesses which are fully invested which can compete effectively. Any businesses that look tired and are suffering from a lack of refurbishment expenditure and lack of investment in new menu products etc. are, in general, finding trading conditions significantly more difficult.

#### Trading History

The pub traded as a pub until about 5 years ago when it was converted into The Veggie Red Lion, a specialist vegetarian restaurant.

It has traded in this format for 5 years and draws destination trade as a result of this relatively unusual proposition. As a consequence, this is essentially a restaurant and does not provide a local community facility. Its customer base is largely drawn from further afield. This enhances its current trading performance as a restaurant. The reason for this is that because of its isolated location, it could not attract sufficient local trade to remain open.

I have not been provided with any formal accounts for the business. I am advised that, the business was achieving weekly sales in the order of £2,000 to 2,500 per week net of VAT prior to the first lockdown in March 2020.

If the business were to operate as a local pub rather than as a restaurant, the level of revenue would be lower.

#### Approach to Viability Assessment

For a business to be considered viable it must be capable of generating a profit on a sustainable basis in the long term. There are, by necessity, several different definitions of profit, all of which are valid, and all of which have applications by accountants and other users of accounting information for different purposes.

For example, gross profit is calculated by taking costs of sales (direct sales) from turnover or sales; operating profit is a measure of profit after wages costs and variable costs of the business have been deducted from sales. Sometimes for valuation purposes the appropriate profit level is EBITDA (earnings before interest, tax, depreciation and amortisation).



None of the above definitions is appropriate to assess viability. The appropriate definition of profit to be applied in viability assessments is net profit before tax. This is the profit earned firstly after property costs (whether rent or a notional return on freehold asset value in terms of interest repayment and amortisation) and secondly after a charge is made for depreciation.

All businesses incur property costs, either by way of payment of rent, or through the cost of owning a freehold property. Similarly, all businesses incur depreciation of assets. Any business which is unable to meet these costs is not a viable business. I set out below further commentary as why this is so:

#### Depreciation

All fixtures, fittings and equipment employed by any business, whether a public house or in any other field of enterprise, wear out over time and need to be renewed and replaced. Depreciation is the non-cash allowance made in the preparation of all company accounts of all businesses to reflect this fact. If businesses fail to account for the replacement of fixtures, fittings and equipment, ultimately, they will be unable to continue to operate as businesses.

Any pub which does not make the charge for depreciation in their accounts will cease to exist once fixtures, fittings and equipment wear out. It is therefore a key requirement for all businesses to make a charge to depreciation to be viable in the long term.

#### Property Costs

All businesses incur property costs. In the case of businesses occupying properties on a leasehold basis at a market rent, there is effectively no capital employed in the land and buildings and no return on that capital employed is required. The property costs are transparent in the accounts with the payment of rent included in the overheads of the business.

Where a business occupies a freehold building, it has capital tied up in the asset. This capital could be employed elsewhere, either in the business itself, or in other alternative investments. Indeed, the capital could be earning a return by leasing the property out to a third party. There is an opportunity cost associated with the capital employed in owning the property. This is independent of the operation of the business the business itself.

For a business to be viable, an appropriate rate of return needs to be earned against freehold assets to reflect the opportunity cost associated with the capital employed in the ownership of property asset which is entirely unrelated to the operation of the business itself.

A business must be able to show these costs in their accounts to be proven to be viable in the long term.

#### **Assessment of Viability**

##### **Possible Style of Trade**

I have undertaken assessments of viability on alternative scenarios .

Firstly, I have assessed the trading potential if the property were to operate as a local public house, serving the needs of the local community. On this basis, the pub would be a wet led community establishment, providing a meeting place for residents in the area and the business would offer a limited food menu and snacks. On this basis the business would be operated probably by a husband and wife team, living at the property and employing only a limited number of part time staff, and no specialist kitchen staff.



Secondly, I have considered the trading potential for the property assuming it continues to trade in its existing format as a speciality vegetarian restaurant. On this basis, trade would be drawn to this destination location from further afield, specifically for the purpose of enjoying a purely vegetarian menu. Again, this would probably involve operation by a husband and wife team with additional staff specifically in the kitchen, being required to prepare meals and provide front of house service.

Thirdly, I have undertaken an analysis of the required trading performance for the business to achieve break even. This is the minimum level of trade that is required in order for the pub to remain open. In this scenario, I am assuming that the pub would provide a bar with more extensive food offer, although not specialist vegetarian, and aimed largely at appealing to custom in the immediate local area.

I set out at Appendix 2 my assessment of the financial performance of this property on each of these scenarios.

I make further commentary on these figures below.

#### *Turnover*

Trading as a local community public house, serving the surrounding resident community, I consider the levels of revenue that could be achieved would be very low, in the order of £80,000 per annum. The pub is in an isolated position, with almost no residents within walking distance, and no other facilities, church, shop, school, or workplace close by to service. As a result, it will be very difficult to draw local custom in any significant numbers. The intense level of competition from other community pubs located in the heart of each surrounding village, means it will be difficult for a pub such as this in an isolated location to trade away from better located pubs.

If the business continues to trade a speciality vegetarian restaurant, then trade is drawn from further afield, and average spend per customer is increased. On this basis, the property could achieve an improved level of turnover in the order of £140,000 per annum, which broadly reflects its current trade.

I assess the breakeven level of trade to be in the order of £230,000. In my view there is no prospect of this property being able to achieve this level of turnover, regardless of the trading style adopted.

#### *Gross Profit Margin*

Based on my experience of both wet led pubs as well as restaurants, I have adopted a wet gross profit margin of 60%, and a food gross margin of 50%.

I have adopted a higher level of food gross margin when trading as a vegetarian restaurant reflecting the fact that the most expensive component of a meal is the protein, and without the need to provide meat or fish, food margins are improved.

These margins reflect the need for competitive pricing in this local area, as well as the low volume of sales that will apply to this property. Gross margins are higher for pubs where volume sales are greater because of the greater buying power of the operator, and efficiencies in distribution costs and reduced wastage.

#### *Wages Costs*

Operating as a local wet led pub, the need for additional wages over and above the proprietor's drawings (see below), is limited. It would comprise part time supplementary bar staff being paid minimum wage. The level of wages costs that the business will incur is much greater, when operated as a restaurant. Similarly, as sales increase, the need for additional labour rises, for both back of house and front of house.



#### *Gross Profit after Wages*

I assess the business would have a surplus of £32,000 to cover all overheads after wages and costs of sales. This is a key measure for any business. This figure rises to £47,000 operating as a vegetarian restaurant. If the business is to breakeven, this figure needs to rise to £86,500.

#### *Other Expenses*

I set out my estimate of likely expenses for this business, assuming a competent operation. My figures are based on my experience of valuing numerous pubs and restaurants of this nature on a regular basis.

In arriving at my estimate of repairs and renewals costs, I have made an allowance for a sinking fund provision to cover larger expenses of a non-recurring nature, which would be required to keep the property in full repair in the long term.

Total overheads operating as a pub or as a vegetarian restaurant are in my view £32,900.

The level of overheads for a business rises with the level of commercial activity and turnover. This figure rises to £45,600 in the event that break-even turnover levels were being achieved.

#### *Net Operating Profit (EBITDA Basis)*

If operating as a local community pub, the business is likely to incur a small EBITDA loss of £900.

Operating as a vegetarian restaurant, serving a wider area and not the local community, would give rise to an EBITDA profit of £17,600.

A business needs to generate a significant profit at the EBITDA line if it is to achieve break even and be considered to be viable.

The required EBITDA profit for the business to break even is £45,600.

#### *Property Costs / Depreciation / Proprietor's Drawings*

I have applied a property cost of £20,000 per annum. This reflects the costs of either rent or amortisation of any loan in respect of freehold ownership. This rent includes both the trading element of the property as well as the residential accommodation above. This figure is in line with the current actual rent.

The property has only a rudimentary inventory of trade fixture fittings and equipment. I assess the value to be in the order £25,000 which I have depreciated over 10 years. This is somewhat shorter than I normally adopt reflecting the fact that this equipment is used and has a shorter life expectancy than new equipment.

The proprietor, quite probably a husband or wife, would require remuneration for time spent in running the business. This is not reflected in the wages cost for the business and I have assessed this separately at £25,000 per annum. In terms of hourly rate, self-employed publicans earning £25,000 per week would expect to work in the order of 70 hours a week and as such this figure is significantly below statutory minimum wage rates.

#### *Net Profit/Loss Before Tax*

Operating as a local community pub, this property would incur a pre-tax loss of £48,400.

If the business continued to operate as a vegetarian restaurant, drawing trade from outside the local area rather than from local residents, the pre-tax annual loss would be £29,900.

Even if the property were operated on a rent-free basis in the current style, the business is still losing money.





### *Refurbishment Costs*

I have also considered the cost of refurbishing the property to an acceptable condition to render it capable of trading in the medium term.

I enclose at Appendix 3 my assessment of these costs. I consider the total cost would be in the order of £33,000. I would emphasise that this level of expenditure, would be a modest rejuvenation of the business. This level of expenditure would update the current facility broadly in current style. A radical refurbishment programme would incur significantly greater expense.

Given the fact that this business is not capable of breaking even, in my view, no operator would be willing or able to invest this level funds into the building, since to do so would not earn any return.

### *Summary and Conclusions*

The existing business does not serve the local community, it draws trade from a wide area as a result of operating as a speciality niche vegetarian restaurant.

There is a large number of other pubs in the surrounding areas given the low density of population. Other pubs serve the needs of the local residents.

The level of competition is excessive for the subject property to be viable.

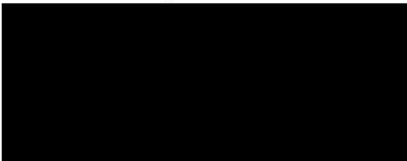
The property is not capable of operating viably either as a local community pub or as a speciality vegetarian restaurant.

Even if the property was occupied without any rent or property costs, the business would still lose money trading in either of these formats.

The level of turnover that the business would need to achieve in order to break even is £230,000 per annum. This figure is not achievable in any trading format.

No operator would be willing to undertake any refurbishment of the property because to do so would not result in any return in the form of profit.

Yours sincerely



**Trevor Watson BSc MBA FRICS**  
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**APPENDIX 1**  
**CV of Trevor M Watson BSc MBA FRICS**

<b>Name</b>	Trevor Martin Watson	
<b>Position</b>	Executive Director	
<b>Company</b>	Davis Coffey Lyons 52 Portland Place London W1B 1NH	
<b>Qualifications</b>	FRICS – Fellow of the Royal Institution of Chartered Surveyors MBA – Master of Business Administration BSc (Hons) – Land Management	
<b>Other Roles</b>	ELF – Member of the Entertainment and Leisure Forum AVLP – Member of the Association of Valuers of Licensed Property RPAS – Member of the Restaurant Property Advisors Society RICS Trade Related Valuation Group – former member RICS Secured Lending and Securitisation Committee – former member	
<b>Field of Expertise</b>	Leisure property and business valuations: Public Houses Restaurants Nightclubs Theatres Other licensed leisure establishments  UK experience and expertise.  Particular expertise in central and greater London	
<b>Clients</b>	Antic Group Balls Brothers Barclays Bank Be at One Black and Blue Restaurants Bourne Capital Caprice Holdings (Richard Caring) Cubitt House Group Drake and Morgan ETM Group Fulham FC Heartstone Inns HMV HSBC Inc Group Greenwich Inn Brighton Levant Group LGV (Legal and General Ventures) Lloyds Banking Group London Borough of Brent	London Fine Dining Longshot (Joel Cadbury) Mark Hix Matterhorn Capital Metro Bank Mint Group Novus Leisure Pho Raymond Estates RBS/NatWest Rex Restaurants (Jeremy King/Chris Corbin) Richoux Restaurants Santander Scotch Steakhouses Soho Bars South Kensington Estates Tattershall Castle Group Theatres Trust UHY Hacker Young
<b>Publications and Speeches</b>	Regular Contributor to specialist conferences for the pub and restaurant sector including Peach Factory events, The Publican events, William Reed events (M&C) and RICS Commercial Property Seminar 2015.  A regular contributor to specialist trade articles	

**APPENDIX 2**  
Trading Assessment

		TMW Local community pub use (no COVID-19 restrictions)		TMW FMT Basis as existing (no COVID restrictions)		TMW Operating Break Even
		<i>A realistic assessment of the trading potential as a conventional local wet led pub - without vegetarian or other specialist offering drawing destination trade</i>		<i>A realistic assessment of the trading potential as existing - as a vegetarian restaurant assumes no COVID restrictions</i>		<i>The level of trade required for the pub to break even</i>
Veggie Red Lion						
Wet Takings	87.50%	70,000	50.00%	70,000	50.00%	115,000
Food Takings	12.50%	10,000	50.00%	70,000	50.00%	115,000
<b>Total Sales</b>	<b>1,538</b>	<b>80,000</b>	<b>2,692</b>	<b>140,000</b>	<b>4,423</b>	<b>230,000</b>
Wet Gross Profit	60.00%	42,000	60.00%	42,000	60.00%	69,000
Food Gross Profit	50.00%	5,000	55.00%	38,500	50.00%	57,500
<b>Total Gross Profit</b>	<b>58.75%</b>	<b>47,000</b>	<b>57.50%</b>	<b>80,500</b>	<b>55.00%</b>	<b>126,500</b>
Wages & Salaries incl. national insurance	18.75%	15,000	21.43%	30,000	17.39%	40,000
Gross Profit after wages	40.00%	32,000	36.07%	50,500	37.61%	86,500
Overheads						
Cleaning	2.50%	2,000	1.43%	2,000	2.17%	5,000
Rates	7.50%	6,000	4.29%	6,000	2.61%	6,000
Insurance	2.50%	2,000	1.43%	2,000	0.87%	2,000
Beer Gas	0.63%	500	0.36%	500	0.22%	500
Utilities	6.25%	5,000	3.57%	5,000	2.17%	5,000
Telephone	0.63%	500	0.36%	500	0.22%	500
Repairs, renewals & garden maintenance	8.75%	7,000	5.00%	7,000	3.04%	7,000
Waste Disposal & Cleaning	0.63%	500	0.36%	500	0.22%	500
Advertising	0.31%	250	0.18%	250	0.11%	250
Printing, Postage & Stationery	0.19%	150	0.11%	150	0.07%	150
Accounting/Bank charges	5.00%	4,000	2.86%	4,000	2.17%	5,000
Licenses & Subscriptions	1.25%	1,000	0.71%	1,000	0.43%	1,000
Stocktaking	2.50%	2,000	1.43%	2,000	1.30%	3,000
General Expenses	2.50%	2,000	1.43%	2,000	2.17%	5,000
<b>Total Overheads</b>	<b>41.13%</b>	<b>32,900</b>	<b>23.50%</b>	<b>32,900</b>	<b>17.78%</b>	<b>40,900</b>
Net operating profit (EBITDA Basis)	-1.13%	-900	12.57%	17,600	19.83%	45,600
Property Cost						
Notional rent - residential	12.50%	10,000	7.14%	10,000	4.35%	10,000
Notional rent - pub	12.50%	10,000	7.14%	10,000	4.35%	10,000
<b>Total notional rent</b>	<b>25.00%</b>	<b>20,000</b>	<b>14.29%</b>	<b>20,000</b>	<b>8.70%</b>	<b>20,000</b>
Depreciation						
Value of FF&E		25,000		25,000		25,000
Depreciation period - years		10		10		10
Depreciation charge		2,500		2,500		2,500
Proprietor's Drawings	31.25%	25,000	17.86%	25,000	10.87%	25,000
<b>Total additional costs</b>		<b>47,500</b>		<b>47,500</b>		<b>47,500</b>
<b>Net Profit/Loss Before Tax</b>	<b>-60.50%</b>	<b>-48,400</b>	<b>-21.36%</b>	<b>-29,900</b>	<b>-0.83%</b>	<b>-1,900</b>



**APPENDIX 3**  
Costs to Refurbish

Costs to Refurbish	
Exterior	2,000
Garden	1,000
Interior trading	10,000
Ground ancillary	10,000
Uppers	5,000
Services	5,000
Professional fees	0
Pre-opening costs / void expenses	0
<b>Total</b>	<b>33,000</b>



## APPENDIX 4

### Competition within 10 miles

Wheelhouse (Formerly Wheeler's Arms) / Naughton / IP7 7BS / 1.4 miles / Traditional pub with a selection of ever-changing ales

The Lime Burners / Offton / IP8 4SF / 2.5 miles / Dog friendly, live music, split level bar with fish and chip restaurant (option to eat in or takeaway), quiz night every Thursday

Rose & Crown / Elmsett / IP7 6PA / 4.9 miles / Dog friendly, large outside drinking area, good children's playing facilities to keep kids entertained, live music, real fire

Fox (formerly Fox & Goose) / Barking / IP6 8HP / 2.7 miles / Sports TV, garden terrace, two function rooms, seasonal events

Duke of Marlborough / Somersham / IP8 4QA / 3.3 miles / Various events on throughout the month (pizza nights, games nights etc), separate bar, smoking area

Punch Bowl Inn / Battisford / IP14 2LQ / 4 miles / Various events throughout the year (quiz nights, beer festivals, themed food nights, jazz nights), log burner and real fire, plans to add a shop to the pub

Bildeston Crown / Bildeston / IP7 7BE / 3.7 miles / Luxury accommodation, separate function room, separate bar, real fire, family & pet friendly

Red Lion / Bildeston / IP7 7EX / 3.6 miles / Fully enclosed garden area, dog friendly, live music, sports tv, traditional pub games

King's Head / Bildeston / IP7 7ED / 3.8 miles / Family & pet friendly, play facilities for Children, fully enclosed garden area with covered patio, live music, real fire

Peacock Inn / Chelsworth / IP7 7HU / 4.5 miles / Family & pet friendly, accommodation available, separate bar

Lion / Needham Market / IP6 8EH / 4.8 miles / Beautiful 16<sup>th</sup> century building, Family friendly, real ale available

Swan / Needham Market / IP6 8AL / 4.9 miles / Pleasant 'airy' atmosphere, regular community events, family & pet friendly, changing cask ales

Limes / Needham Market / IP6 8DQ / 5.1 miles / Family & pet friendly, accommodation available, separate bar, regularly updated menu

Three Turns / Needham Market / IP6 8AA / 5.2 miles / Live music including karaoke nights, 4 sports televisions, accommodation available

Bell / Kersey / IP7 6DY / 7.5 miles / Set close to the villages famous 'Water Splash', separate restaurant and bar area, family & pet friendly

Lindsey Rose / Lindsey Tye / IP7 6PP / 6.1 miles / Traditional country pub (one of the oldest in the country), family & pet friendly, pub garden, locally sourced pub food

Eight Bells / Hadleigh / IP7 5DD / 7.1 miles / Traditional pub games, real fire, separate bar

The Cock Inn / Hadleigh / IP7 5BP / 6.6 miles / Regular live music, wood burner, pool table, quiz nights

Battlebury's at the King's Head / Hadleigh / IP7 5EF / 6.2 miles / Members of the EADT Dog Friendly Pub Club, garden area, located in the centre of town



George / Hadleigh / IP7 5AL / 6.2 miles / Regular live music, abstract interior, real fire, traditional pub games

Chequers / Great Blakenham / IP6 0LP / 7.1 miles / Children's play area, function rooms available, mobile bar available at events, pool table and dart room available

The Hadleigh Ram / Hadleigh / IP7 5DL / 6.4 miles / Separate bar, traditional pub games

Swan / Monks Eleigh / IP7 7AU / 5.7 miles / Food sourced from local small and artisan producers, large fire in restaurant, regular events including comedy nights

Magpie / Combs Ford / IP14 2AP / 8.1 miles / Variety of drinking areas, live entertainment at weekends, annual Gin festival

Gladstone Arms / Combs Ford / IP14 2AP / 8.1 miles / Beer garden by a small stream, up to 14 different ales, Sky Sports available, live music

Meadlands Recreation Club / Combs Ford / IP14 2AL / 7.9 miles / Social club, always open to new members

George / Hintlesham / IP8 3NH / 8.5 miles / Family friendly, regular events, separate function room

Chestnut Horse / Great Finborough / IP14 3AT / 9.8 miles / Separate restaurant, future post office and farm shop to be added, historical memorabilia around the pub

Willow Tree / Stowmarket / IP14 1BB / 8.4 miles / Open plan pub, smoking area available, family friendly

Oak / Stowmarket / IP14 1AH / 8.5 miles / Live music once a month, family friendly, pub garden, smoking area, Sports TV

Sorrel Horse / Barham / IP6 0PQ / 8.2 miles / Lots of character with large open fireplace and endless beams, large garden with children's play area, a la carte menu available

Queen's Head / Stowmarket / IP14 1EF / 8.6 miles / Late license, outdoor seating, live music, family & pet friendly

Shepherd & Dog / Stowmarket / IP14 3BX / 9.8 miles / 16<sup>th</sup> century pub with characterful bar, interesting and regularly updated food menu

Stag / Stowmarket / IP14 1HF / 8.9 miles / Free house, quiz once a month, won 'community pub of the year' award

King's Arms / Stowmarket / IP14 1RQ / 8.6 miles / Lively bar, quieter room available, various function rooms available, annual beer festivals

The Walnut / Stowmarket / IP14 1NE / 9 miles / Function room available free of charge, quiz nights each week, vinyl nights on Wednesdays, beer garden

Pickerel Inn / Stowmarket / IP14 1EQ / 8.7 miles / Riverside garden area, live music at weekends, real fire

Royal William Free House / Stowmarket / IP14 1HP / 8.7 miles / Friendly locals, local darts teams, quiet location

The Claydon Greyhound / Claydon / IP6 0AR / 9.2 miles / Warm and cosy atmosphere, two bar pub, smart outdoor drinking area, regular quiz nights

Little Wellington / Stowmarket / IP14 5AG / 9 miles / Community pub, convenient to the railway station, live music on Saturday nights, good value Sunday lunches



Marquis / Upper Layham / IP7 5JZ / 8.1 miles / Overlooks the Brett Valley, various function rooms available, accommodation available

Six Bells / Preston / CO10 9NG / 9.2 miles / Spacious outdoor garden area, private functions available, large open bar, heated conservatory

Queens Head / Lower Layham / IP7 5LZ / 9.8 miles / Located in small hamlet, cosy with a small open fire, Hadleigh Rotary club meet Thursday evenings, enclosed garden area