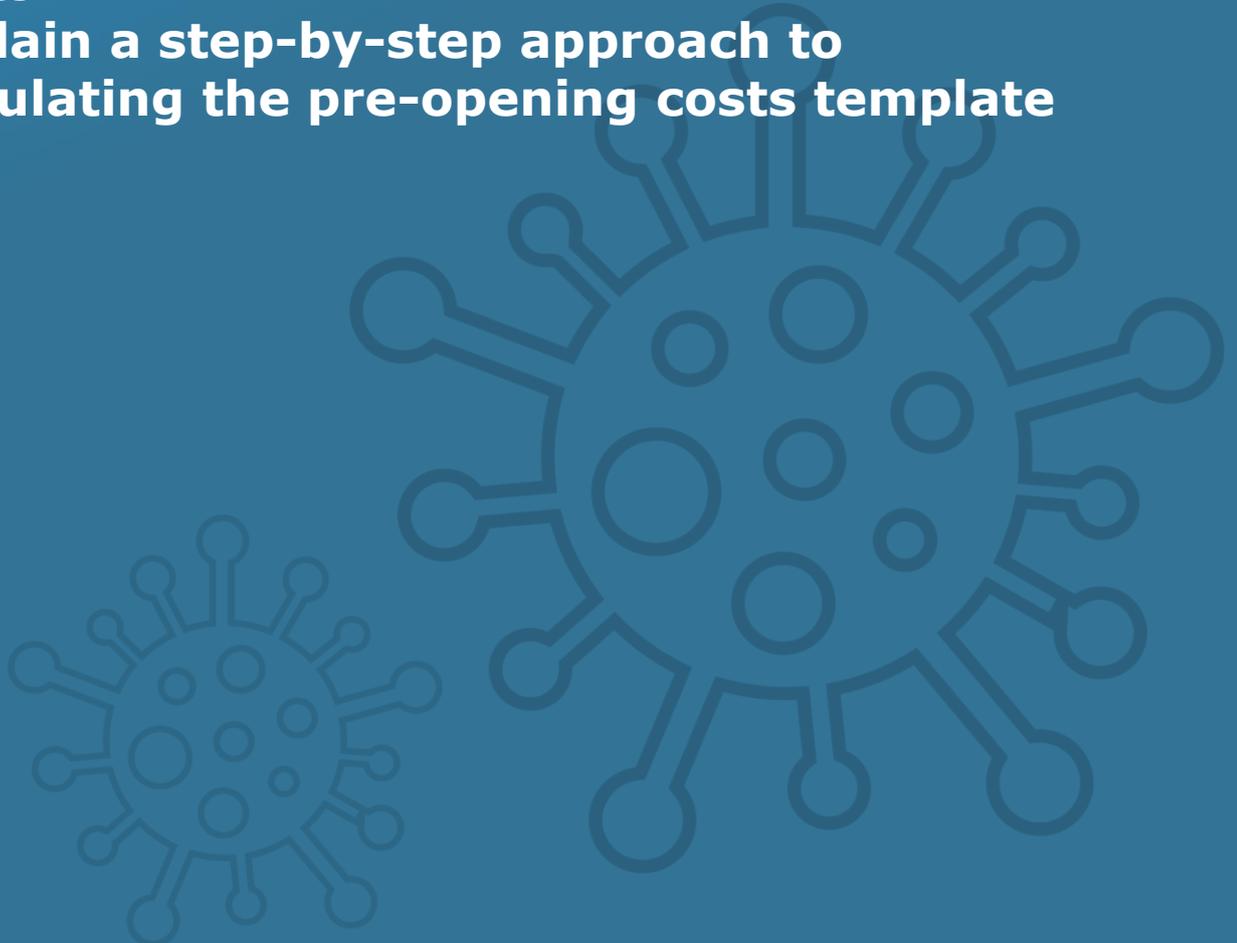




GUIDANCE NOTE CALCULATING PRE-OPENING COSTS B&B, CARAVAN AND CAMPING, SELF-CATERING, OTHER

The purpose of this guidance note is to outline the following:

- **Provide a general overview of pre-opening costs**
- **Explain a step-by-step approach to populating the pre-opening costs template**





Overview

In advance of the accommodation business re-opening, there are a number of costs that will need to be considered and built into the P&L Excel template. The pre-opening phase occurs in advance of the business opening and will comprise of staffing costs including training; any food and beverage requirements and other stocks; sales and marketing activities, any necessary repairs and maintenance, additional cleaning, and health and safety purchases etc.

In addition, the business may have costs for payment of creditors which will need to be considered.

The following items are included in the pre-opening costs:

- **Payroll Costs:** Staffing levels, wages and salaries by area to include rooms, food and beverage offerings, admin and general, sales and marketing, and repairs and maintenance amongst others. Staff will be preparing for opening and will require training in new operational procedures.
- **Food Costs:** Purchases for the opening period. Additional purchases for new menu items may be required.
- **Beverage Costs:** Restocking of supplies as required.
- **Other Expenses:** Review all supplies to determine what is required for opening.
- **Cleaning and Protection Equipment:** Determine the requirements for each area of the business. This should include perspex, gloves, signage, additional cleaning supplies, equipment, etc.
- **Undistributed Expenses:** Admin and general, sales and marketing, repairs and maintenance. Include necessary supplies, advertising, marketing, etc.
- **Creditors:** Include creditor payments in advance of receiving additional supplies/service. This will particularly relate to food, beverage and other operating creditors.



Structure of the Excel template

All raw data is entered into the *Pre-Opening Costs* sheet.

Note that only cells highlighted in orange should be populated. All other cells are formula driven and should not be amended.

Upon populating all the relevant cells, the total pre-opening costs required will be shown in the summary section (rows 119-125).

You will need to consider

Your estimated period (in days) that you will consider "pre-opening" – Cell C3
The payroll costs for this period by department and position (number of hours, hourly rate net of PRSI and Holiday Pay). Holiday Pay is calculated at 8%. The appropriate PRSI payment per staff member will need to be inserted.
The level of Food & Beverage stock that you will need in advance of opening. This should be determined as a value and it is important to consider if your stock reserves are sufficient to cover you in the pre-opening month and during initial trading?
Any other stocks that you may require for pre-opening.
Additional costs that will be incurred across the accommodation business to facilitate commencement of trading (e.g. new linen, consumables, cleaning products, etc.)
Are there essential creditors (e.g. food suppliers, utilities) who you will need to settle legacy debts with to facilitate trading?
Are there one-off costs (e.g. marketing campaign, Covid-19 restructuring costs, industrial clean) that will be incurred during this period?