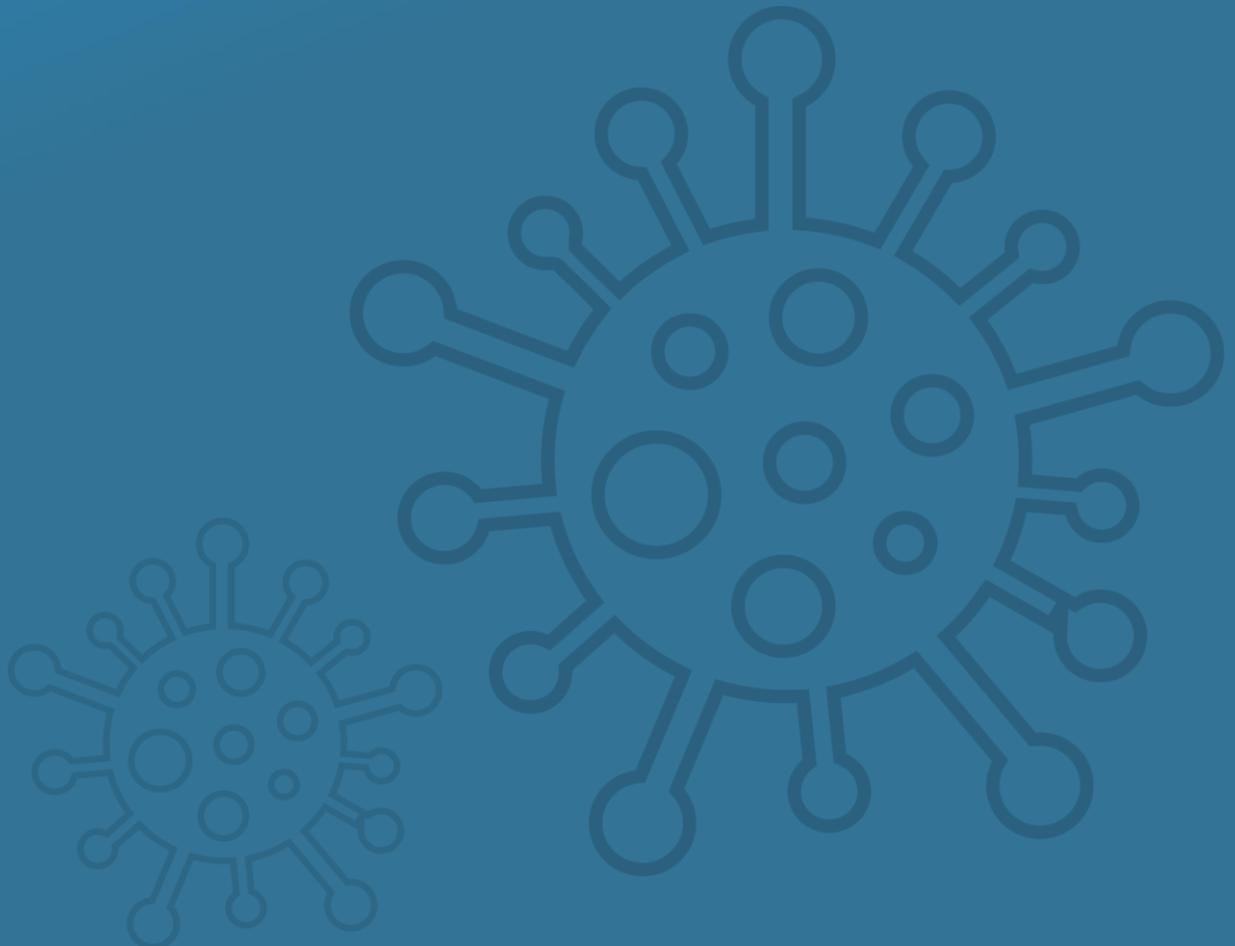




Fáilte Ireland

National Tourism Development Authority

ROAD MAP TO FINANCIAL RECOVERY





Overview

The majority of tourism businesses in Ireland are currently closed, with a potential view to reopening as restrictions ease. The time at which you will open will depend on the pace at which restrictions are lifted, business demand, the domestic and international economies and the cashflow projections for your business.

Fáilte Ireland, in conjunction with industry experts, have prepared a number of guides to provide you with the necessary tools to support you in making the best decisions for your business on the road to reopening and financial recovery.

Each of the guides, checklists, videos and financial templates will assist you in taking your business from its current 'closed' position to trading. They will advise you on what you need to review, how you manage your costs, what levels of working capital you need, forecasting your cashflow and looking for financial support from banks or other institutions.

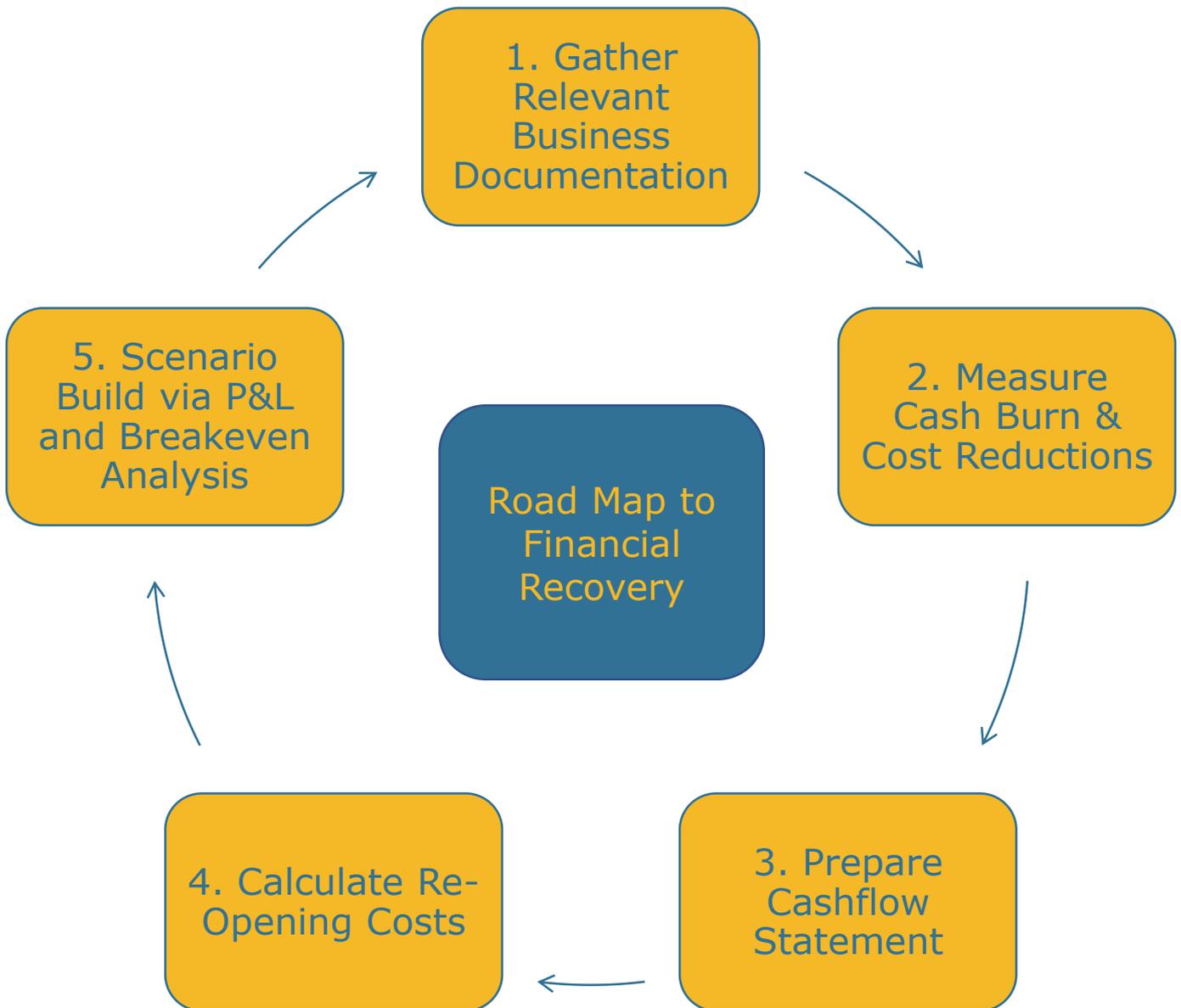
In reviewing each of these items, you can make more informed business decisions, which should ultimately assist you in sustaining your business in the long term.





Road Map

This road map of financial recovery supports will help mitigate cash burn during shutdown, calculate and secure finance to cover the remaining shutdown period, for reopening and the initial 6 months of resumed trading.



Outline of Supports Provided

1. Gather all Relevant Business Documentation

All lenders and financial institutions will require a suite of documents to be provided as part of any loan or working capital application. Supports include;

- Checklist and explanation note on bank documentation required

2. Measure Cash Burn and Cost Reductions

Cash Burn is the rate of depletion of a business's cash pool in a loss-generating scenario. During this pandemic, while tourism businesses are closed, it is an important metric to review. Tourism businesses will need to critically assess their cost structure while closed and to understand their burn rate. Supports include;

- Guidance on calculating cash burn and cost reduction
- Cash burn and cost reduction checklists by sector
 - Hotels, Guesthouses, Hostels, and other large accommodation
 - B&Bs, Caravan & Camping, Self-Catering, and other accommodation
 - Attractions
 - Activities
 - Restaurants, Cafes and Bars

3. Prepare Cashflow Statement

A key task is to complete a cashflow statement from March 2020 (or when your business closed) and project out to March 2021/March 2022. The cashflow statement will detail your cash inflows and outflows and will allow you to understand the level of working capital you will require over the next 12 to 24 months. Supports include;

- Guidance on completing a cashflow statement
- Excel template to generate cashflow statement to March 2022

4. Calculate Reopening Costs

In advance of re-opening your business you will need to factor in several re-opening costs. These are detailed in the Excel template which will assist you in calculating the level of working capital you will require in advance of re-starting your business and for maintaining the business when it is open. Supports include;

- Excel template to calculate working capital needed to reopen your business
- Guidance on how to use the template
- Excel template by sector
 - Hotels, Guesthouses, Hostels, and other large accommodation
 - B&Bs, Caravan & Camping, Self-Catering, and other accommodation
 - Attractions
 - Activities
 - Restaurants, Cafes and Bars

5. Scenario Build via P&L and Breakeven Calculator

This calculator has been created so that businesses can calculate the likely financial and trading position once the business re-opens. The template will allow different trading scenarios to be examined (e.g. reduced capacity, increased costs, reduced spend per head etc) and will also look at revenue and costs over 4 periods:

1. Closed
2. Pre-opening
3. Ramp-Up
4. Breakeven / Low Period

Using this tool, a business can calculate the exact working capital ask required against four different time periods scenarios and will also show when the business hopes to breakeven and move to a more positive trading operation. Supports include;

- Excel P&L and Breakeven calculator by sector
 - Hotels, Guesthouses, Hostels, and other large accommodation
 - B&Bs, Caravan & Camping, Self-Catering, and other accommodation
 - Attractions
 - Activities
 - Restaurants, Cafes and Bars
- Guidance on how to use the calculator

