



## FRANCHISE PROSPECTUS

The information contained within this Franchise Prospectus is covered by both copyright and Intellectual Property Laws. It is provided as a first step in considering whether to become a Beatons Franchise Business Owner to give an insight into the Beatons Tearooms & Bookshop franchise. The information includes projections based on typical performance and does not guarantee or imply performance for any individual unit. The contents are confidential and should not be disclosed to anyone else.

FIFI  
ZAHEDFAR,  
BEATONS  
PETERSFIELD  
FRANCHISE  
BUSINESS  
OWNER,  
JULY '17

'I JUST LOVE THE IDEA OF  
OWNING A PLACE WHERE YOU  
CAN GO FOR A PIECE OF CAKE  
AND CUP OF TEA WHICH WILL  
CHEER YOU UP INSTANTLY.'





---

## BEATONS TEAROOMS

---

BEATONS TEAROOMS & BOOKSHOP BEGAN LIFE AS A SMALL, FRIENDLY TEAROOMS IN THE BEAUTIFUL VILLAGE OF TISBURY, WILTSHIRE. IT WAS INSPIRED BY THE ELEGANCE OF ICONIC SOCIETY AND ROYAL PHOTOGRAPHER, STAGE AND FASHION DESIGNER, SIR CECIL BEATON.

---

Today, Beatons is a thriving national group and the first UK table service tearooms franchise. As a Beatons Franchise Business Owner you will be part of an organisation known for its distinctive brand of 'gracious hospitality' and delivery of the quintessential English Afternoon Tea experience straight to the heart of the British High Street. Providing the perfect choice of loose-leaf teas, home-baked cakes and light meals - with a unique curated selection of books to browse or purchase - a friendly oasis is created. Just as it was first envisaged, a Beatons Tearooms is a place to meet, relax, feel restored and return to regularly.



### The Tearooms

From launching the first Beatons in 2010, Founder Patrick Duffy recognised the growing popularity of loose-leaf teas and infusions. Over thirty loose-leaf teas grace every Beatons, waiting to be brewed to perfection and poured into bespoke china teacups. Coffee connoisseurs are well served too, with the finest luxury regional coffees and specially created thirst-quenching sodas are perfect for summer.

As a Beatons Franchise Business Owner, your cake table with its glass domes housing mouth-watering cakes such as our signature Carrot Cake and award-winning Gluten Free Banana and Coffee Cake takes pride of place. Home-baked to carefully guarded recipes, food offerings vary throughout the day from breakfast, to light lunches, to the ever-popular cream tea and full Afternoon Tea experience, all designed to delight a hungry and discerning market.

### The Bookshop

Beatons differentiates itself as a tearooms franchise in including a small but enticing selection of new books for sale. Carefully 'curated' to appeal to our customers they range from quirky and amusing titles made for present giving to charming children's titles, travel journals and, of course, lavishly illustrated cookery, arts and interior design books. Providing 'food for the mind' with an ever-changing book stock distinguishes us as a brand and aligns well with our core values – aside from providing an additional income stream for the Franchise Business Owner.



## A 'Triple-Win' Model

To have a tearooms which is at the hub of the community and the envy of family and friends is the dream of many prospective tearooms owners. As a Beatons Franchise Business Owner you have the security of knowing your franchisor is already successfully applying a model which delivers gracious hospitality, a restorative experience and generous value as it celebrates the best of British tea culture. These are critical ingredients requiring a depth of industry knowledge and experience with which Beatons equips and supports its Franchise Business Owners.

Rooted in an ethos committed to empowering service-motivated individuals to fulfil their tearooms dreams, franchising enables Beatons to maximise value and growth for all stake-holders – from customer, to Franchise Business Owner and the central group.

You benefit from the support, prestige and strength of the Beatons brand – along with the economies of scale from being part of the wider group - and enjoy the rewards of the enthusiasm, commitment and attentiveness you invest in building your enterprise. The customer enjoys the reassurance of exceptional service and consistent delivery which comes from 'a Beatons' and we are rewarded by your growth and furthering our shared reputation as the 'best of breed' tearooms franchise both in the UK and, in time, Internationally.

Our group succeeds only when our franchises do, so our success is dependent on yours. Consequently, we have a real vested interest in every franchise succeeding – if you don't succeed neither do we.

## Accessible Start Up Package

In creating the Beatons Tearooms franchise our intention has always been to keep the initial set-up costs as low as we can to make the opportunity as accessible as possible. Reducing the need for structural work in the tearooms fit-out process keeps shop-fit costs to a minimum. The Initial Franchise Fee is £14,995 plus VAT. A finance facility to lease-purchase catering equipment over a period of three years also reduces initial capital outlay.



*'Easy to Visit Twice In the Same Day. This place is a particular favourite of mine. I visit regularly with family and friends. Once we went for lunch and stayed on for cream tea. Visited with family this weekend for lunch where we had deliciously mouth watering Croque Monsieur, baked potato with mushrooms and Quiche of the Day all served with beautiful colourful salads, fresh loose-leaf tea and lovely coffee.'*  
**Beatons  
Blandford Forum,  
Sept '17, Trip Advisor**

## Would you like to own a Beatons?

It takes a special kind of sparkle and passion to be a successful Beatons Franchise Business Owner. Being hard-working, dedicated and capable are pre-requisites as is being a 'people's person' – someone inspired by the idea of creating a team motivated to deliver the great service we are renowned for. Appreciating the value of precision, processes and management systems, and being willing to become an expert in them is vital to smooth your way to success. However, you don't need to have any training – we will train you in everything you need to know down to the smallest detail.

To aid you in building your enterprise you'll receive regularly updated creative marketing resources and support and be encouraged to contribute ideas, enjoying the best elements of being part of an organisation. To own a Beatons is to be entrusted with a true pearl which is yours to nurture, polish and value as a growing legacy while enjoying the lifestyle you create.

We take time and great care in the selection of a Beatons Tearooms Franchise Business Owner, recognising the relationship is one of mutual trust and transparency. It's important that you feel aligned and committed to our ethos and Constitution.

## What are Your Prospective Earnings?

As with any business, the earnings are dependent on many factors, including location, but the benefit of a franchise is the track record on which performance can be based. The figures overleaf are based on the performance achieved at existing Beatons Tearooms. The potential return of owning a Beatons Tearooms & Bookshop franchise may well be significantly greater than outlined overleaf depending on the hard work and commitment of each individual Franchise Business Owner.



## BEATONS TEAROOM - FRANCHISEE P&L 3 YEAR PROJECTION —

Figures rounded to nearest £'s	Year 1	Year 2	Year 3
INCOME			
Sales - Food	£72,006	£83,167	£96,058
Sales - Beverages (FOH)	£81,007	£93,563	£108,065
Sales - Cakes	£23,320	£26,935	£31,110
Sales - Books	£8,183	£12,601	£19,802
<b>TOTAL INCOME</b>	<b>£184,516</b>	<b>£216,266</b>	<b>£255,035</b>
COST OF GOODS			
Costs - Food	£21,602	£24,950	£28,817
Costs - Beverages (FOH)	£8,101	£9,356	£10,807
Costs - Cakes	£6,996	£8,080	£9,333
Costs - Books	£4,910	£7,561	£11,881
<b>TOTAL COST OF GOODS</b>	<b>£41,609</b>	<b>£49,947</b>	<b>£60,838</b>
<b>GROSS PROFIT</b>	<b>£142,907</b>	<b>£166,319</b>	<b>£194,197</b>
<b>GROSS PROFIT AS % OF SALES</b>	<b>77.5%</b>	<b>76.9%</b>	<b>76.1%</b>
FRANCHISOR FEES			
Franchisor Management Fee	£18,359	£21,161	£24,382
National Marketing Fee	£0	£0	£0
Website & Software Management Fee	£2,340	£2,400	£2,460
<b>TOTAL FRANCHISOR FEES <sup>(13+14+15)</sup></b>	<b>£20,699</b>	<b>£23,561</b>	<b>£26,842</b>
FIXED COSTS / OVERHEADS			
Staff Costs & NI	£50,129	£52,636	£55,268
Rent	£20,000	£20,000	£20,000
Rates	£10,000	£10,000	£10,000
Utilities, (Elec, Gas, Water, bins)	£5,000	£5,250	£5,513
Insurance	£1,500	£1,575	£1,654
Local Marketing & PR (incl CEN supplied)	£3,000	£3,150	£3,308
Printing, Postage & Stationery	£1,200	£1,260	£1,323
Telephone, Mobile & Broadband & Till	£1,800	£1,890	£1,985
Repairs, Maintenance & Upgrades	£1,200	£1,260	£1,323
Asset Finance Repayment	£15,540	£15,540	£6,860
Merchant Bank Charges	£969	£1,135	£1,339
Bank Charges	£0	£210	£441
<b>TOTAL FIXED COSTS / OVERHEADS</b>	<b>£110,338</b>	<b>£113,906</b>	<b>£109,014</b>
<b>NET PROFIT BEFORE TAX</b>	<b>£11,870</b>	<b>£28,852</b>	<b>£58,341</b>
<b>CUMULATIVE NET PROFIT BEFORE TAX</b>	<b>£11,870</b>	<b>£40,722</b>	<b>£99,063</b>
<b>NET PROFIT BEFORE TAX AS % OF TURNOVER</b>	<b>6.4%</b>	<b>13.3%</b>	<b>22.9%</b>



## NOTES TO THE CHARTS

---

- 1 **TABLED FIGURES :** These are estimates and Net of VAT
- 2 **INCOME :** Income from food, beverages and book sales
- 3 **COST OF GOODS :** The direct costs for the Franchise Business Owner associated with purchasing food, beverages and books.
- 4 **GROSS PROFIT :** The income less costs of goods.
- 5 **FRANCHISOR FEES** – The Franchisor Royalty Fee (10% of income initially, reducing to 6% at higher turnover levels) and the Website & Software Management Fee (currently £195 plus VAT).
- 6 **FIXED COSTS/OVERHEADS :** The costs of running a Beatons Tearooms including staff costs, local marketing, telephones, stationery, business insurance, lease interest and capital repayment on equipment finance , bank charges etc.The figures assume that the Franchise Business Owner works full-time in the business taking no salary. Depreciation is not calculated.
- 7 **NET PROFIT :** The Gross Profit less fixed costs/overheads.
- 8 Projected net profit for Year 4 and 5 is estimated at £88,126 and £115,085.
- 9 Total cumulative pre tax profits over first 5 years of £302,273

## YOUR 'FULLY COMPREHENSIVE' FRANCHISE PACKAGE INCLUDES...



*A Little Gem in Crowthorne.  
I love this tearoom. The staff are  
great as is the selection  
of teas and coffees, and as  
for the carrot cake.....'*  
**Beatons Crowthorne, August  
'17, Trip Advisor**

### Securing Your Premises

From day one as a Beatons Franchise Business Owner you will be guided in finding the most advantageous town and premises in which to locate your Beatons. Often this aspect is one of the greatest concerns for prospective tearooms owners. However, we work with you through each step of the process. Taking a robust and professional approach born of experience and applying rigorous sophisticated search criteria we help you identify the best commercial properties, and work closely with you through the leasing and other legal processes. Usually this will involve you appointing a specialist property agent to advise on location and lease terms.

### Your Franchise Licence

The Beatons Tearooms Franchise Licence Fee provides Franchise Business Owners with a five-year renewable licence to operate as Beatons Business Franchise Owners in an exclusive territory where you will be the only Beatons tearooms. It further provides you with the full franchise training programme and a detailed Operations Manual showing you how to run a successful Beatons franchised business.

### Premises Fit-Out Costs

The fit-out costs for your Beatons tearooms will vary depending on the size, condition and initial suitability of your premises. For a standard 1,000 sq ft building in good condition, we estimate the typical premises fit-out costs to be between £20,000 to £40,000 plus VAT. We appreciate that estimated costs may raise concern which is why estimates are obtained ahead of the signing of any lease. This enables the Franchise Business Owner to make an informed decision on premises before proceeding.



## Equipment Costs

For UK prospective franchise owners, we have arranged an option to finance your tearooms equipment, if required. This allows the equipment costs to be financed over three years facilitating improved cash flow, whilst enabling repayments to be made from the profits generated from the business. The estimated total equipment lease cost is £35,000 and the associated lease costs are incorporated in the Profit and Loss Summary

## Franchise Initial Launch Package

The Beatons Tearooms Franchise Initial Launch Package is a fixed cost which equips your franchise with the IT systems required in a Beatons tearooms, together with an initial supply of branded marketing material, stationery and uniforms.

Every new Beatons Tearooms is 'embedded within the community' through a centrally delivered highly tailored and progressive multi-media launch campaign culminating in a grand opening launch party for local potential customers, authors, dignitaries and the Press, followed by a charity 'Open House' event for the public. You will also enjoy four weeks' onsite managerial support after your 'soft opening'. The Manager will be with you during this critical launch period to ensure you and your team are confident and focus on the initial building of your crucial recurring customer base.

## Working Capital

In any business it is important to ensure there is sufficient working capital to support day-to-day operation. With a Beatons Tearooms, the Franchise Business Owner should budget a working capital facility of £8,500 to cover initial opening stock, the equipment finance deposit and other miscellaneous costs.

## FREQUENTLY ASKED QUESTIONS...

### **Q: Do I need to have a catering background?**

Not at all. You will be trained in all you need to know to successfully run your Beatons Tearooms.

### **Q: Is there a way to finance part of the capital cost?**

Yes, We will make introductions to the franchise department of relevant institutions for you and provide information to the on the franchise opportunity to assist your application.

### **Q: What is the Franchisor Management Fee and how is it calculated?**

The management Fee ranges from 10% to 6% of your Income net of VAT and is paid monthly. The initial level is 10% but as your income grows, the marginal rate reduces to 6% at higher turnover levels. This management fee includes ongoing support, advice and product and service development.

### **Q: Are there any other ongoing fees?**

Yes. We charge a Website and Software Management Fee which covers central management of the Beatons Tearooms Website and the Software used in your tearooms. The fee is currently £195 + VAT per month. We also make a charge for undertaking a package of marketing and social media engagement, currently £150 plus VAT per month.

### **Q: Do Beatons help me find suppliers?**

Yes. Beatons has a bank of carefully chosen nominated suppliers with whom we have secured the most economic terms. Some key supplies are also made directly from Beatons. This all ensures you benefit from the economies of scale and costs savings we can procure on your behalf and by being part of a franchise network.

### **Q: Are the estimated earnings guaranteed?**

No. However, the estimated earnings are based on what we believe are realistic assessments for a franchised operation. It is possible for franchisees to exceed these levels; however, the ultimate success of each operation will be down to the performance of individual franchisees.

### **Q: Is training provided?**

Yes. Training is divided between technical training at our Head Office and practical training at your own Beatons Tearooms. We will supply you with a Manager at your tearooms to work with you for up to four weeks when you launch, to give you the skills and confidence to manage your own operation.

### **Q: How much does training cost?**

The cost of the initial training is included within the Franchise Licence Fee. The only items not covered by the fee are your own travel, accommodation and food.

### **Q: Are there opportunities to be a Beatons Franchise Business Owner abroad?**

Yes – we regularly receive international enquiries. Exporting the Beatons brand through franchising is part of our strategic plan and we would be delighted to discuss this.

### **Q: Can I sell my business in the future?**

Yes, although we would always insist on 'vetting' any new potential Franchise Business Owner to ensure they are right for the business and have the required skills, approach and experience.

### **Q: What are the next steps?**

The first is to be in touch and request a 'Franchise Application Form'. And, of course, you're free to ask further questions you may have at any time. We look forward to hearing from you.



BEATONS

CHESTER,

SEPT '17,

TRIPADVISOR

**‘EXCELLENT AS USUAL.  
PROBABLY THE BEST TEA  
AND COFFEE IN CHESTER.  
SOME SUPERB CHOICES ON  
OFFER AND COMBINED WITH  
THE NICEST CAKES MAKE  
THIS PLACE ALWAYS A TREAT  
TO VISIT. BEEN MANY TIMES  
& WILL DO SO MANY MORE.  
AFTERNOON TEA IS TO DIE  
FOR... IF YOU CAN  
MANAGE IT!’**





# BEATONS

Patrick Duffy

Founder

Samantha Clegg

Franchise Manager

Beatons Tearooms Franchise Limited

The Square, Tisbury, Wiltshire, SP3 6JP

Tel: 01747 871819 Opt. 2

E-mail: [franchise@beatonstearooms.co.uk](mailto:franchise@beatonstearooms.co.uk)

Web: [www.beatonstearooms.co.uk](http://www.beatonstearooms.co.uk)