



Porsche Club

Great Britain



PROJECT DAYTONA

A Porsche Club Centre fit for the 21st Century

Financial Assessment

- **As part of Financial due diligence, we have conducted a detailed feasibility study on our proposed Clubhouse relocating to Bicester Heritage site.**
- **Taking a very prudent set of assumptions in conjunction with estimates from key supplier's a we have fully assessed the financial impact we are absolutely confident that is an affordable investment and the correct course of action.**
- **Detailed in this presentation are the key Assumption and Headline Figures.**

Main Financial Assumptions

Funding

- **The projected £1.1m cost of Daytona will require a maximum £600k loan. This amount could be potentially reduced to zero through innovative fund raising.**
- **Money is leveraged at 40:60 cash: loan respectively – Funding schemes, could significantly reduce the sum required. This model is based on the full £600k loan being required (most pessimistic).**
- **Commercial Loan rate is 6% - expected to achieve 5% or lower based on current market**
- **Interest only, loan to be repaid in full at end of year 5 as coincide with break lease break point.**
- **The £600k loan will be drawn down in three tranches £200K at a time**

Main Financial Assumptions

Build Cost - All figures are nett of VAT:

- **Formal lease to be signed Q1 2022 - Build time is 9 months from contract signature.**
- **Respective sq ft used for this assessment - 7000 & 9634 for Cornbury House & Bicester Heritage (*Building 148*) respectively.**
- **Build cost of £85 per sq ft as per supplied estimate.**
- **Phased Build cost to be 25% upfront, 3 x interim payment of 20%, completion of 10% and retention of 5% for 6 months.**
- **New Office Furniture and Fittings £100k.**
- **Removal cost to relocate and reinstate office furniture and fitting, IT* - £10K.**
*IT Infrastructure (servers, network, Wi-Fi, desk tops etc.)

Main Financial Assumptions

Operational costs:

- Initial Rent is set at £15 per sq ft.
- First 6 month agreed 50% rent reduction.
- Assume business rate at 50% of rent and will commence on occupation.
- Service Charge set a £1.55 per sq ft.
- Pro rata increase in Insurance/Utilities, etc. 2021/22 to reflect bigger footprint, longer opening hours and inflation.
- Include delta saving on business rates, utilities etc. 2021 plus inflation.

Additional Staffing Costs (2022-2026)

- Staffing contingency costs £128,000 (*rounded-up*).

Main Financial Assumptions

Revenues:

- A minimum of additional sponsorship of of £120k per annum will be found from existing partnerships.
- Membership fee increase (effective from April 2022) to cover overall club running costs.
- 1% per month linear membership decrease as a result of fee increase.
- Average new member count is based on the last 5 years.
- Direct Debit discount applied to 75% of all membership revenue.
- Cornbury House to be rented from Q1 2023 *(To date we have received two unsolicited enquires into taking a long term lease)* expected rental income of approximately £10 per sq ft.
- Cornbury House Annual rent increase in line with RPI capped at 2.5% (same as Bicester).
- 15% increase in Retail sales on 2021 figures.
- One National Event and driver experience day held at Bicester as part of opening celebrations to generate £5k in 2022.
- Minimum quarterly member event/driver experience day at Bicester to generate a minimum of £40k each year.

Projected 5 Year Costs

Total Build and Operation 5 Year run rate costs						
	2022	2023	2024	2025	2026	5 Yr Total
Build Cost						
Lol in Dec 2021, & legal fees	5,000					
Project management	100,000					
Build Cost (9634 x £85)	818,890					
Refit Cornbury House	30,000					
Contingency on Daytona build costs 10%	81,889					
Daytona Furniture and Fitting	100,000					
Removal, IT and reinstatement costs	10,000					
	1,145,779	0	0	0	0	1,145,779
Operational Costs						
£600k Loan Interest	27,000	36,000	36,000	36,000	36,000	
Daytona Rent £15.05	84,583	147,719	151,412	155,197	159,077	
Daytona Service charge	12,444	15,000	15,250	15,500	15,750	
Daytona Business rates	24,167	73,859	75,706	77,599	79,538	
Daytona Utilities/Insurance	21,791	27,195	28,283	28,283	28,283	
Staff	83,523	24,000	20,000	0	0	
Cornbury House Delta savings	0	(130,000)	(135,200)	(140,608)	(146,232)	
	253,508	193,774	191,451	171,971	172,416	983,119
	1,399,287	193,774	191,451	171,971	172,416	2,128,898

Projected 5 Year Cash Flow Summary

<u>Highlevel Cashflow Summary</u>							
		2022	2023	2024	2025	2026	5 Yr Total
Current Operations							
Flat linear 5yr Avg. Net Cashfow from normal operations		108,144	108,144	108,144	108,144	108,144	540,720
Daytona							0
Revenues		218,653	474,818	489,180	501,818	512,940	2,197,409
Build Costs		(1,145,779)	0	0	0	0	(1,145,779)
Opearations Costs		(253,508)	(193,774)	(191,451)	(171,971)	(172,416)	(983,119)
Loan Repayment						(600,000)	(600,000)
			389,188	405,873	437,991	(151,332)	9,230

Headline Figures

- *To fit out and occupy the building will cost approximately £1.1m, which will be amortised over 10 years (£110,000 per annum).*
- *Cornbury House will be retained as an income generating asset.*
- *From 2023, on going net operational costs will increase on average by £182K per annum, an approximate 12% increase on average cost run rate over the last 5 years.*
- *A maximum loan of £600k will be required, repayable in 5 years. Fundraising could potentially reduce this to zero.*
- *We will still maintain sufficient working capital and liquidity in the club.*
- *The planned 2020 membership fee increase will commence from April 2022 in support of club wide investments in Events, IT infrastructure, and Bicester.*
- *Current additional sponsorship revenue is budgeted to increase by £120k per annum. This is likely to be substantially higher.*



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BICESTER
HERITAGE

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