

To The Planning Officer

From Karen Swindells

Herewith follows a Précis of the accounts supplied to you for the past 4 years and explanation of variations in trends within them.

For historical reference, my husband and I purchased the Mermaid Inn, in 2011 . We paid 415k for the buildings and land, and I paid £1 for the business as it was closed.

In January 2020, We had decided that due to my failing health, and there being no one within the employ of the Mermaid that wanted to add the management side to their tasks , it would be marketed in the Spring so I could be finished work by the time I was 60 in November 2021. No one could have imagined Covid situation arising and its impacts on life , plans or businesses.

For clarification, the year end of 31.1.17 encompasses from 1.2.16 – 31.1.17, the slightly “offset” year resulting from when we started the business on 1.2.11 after agreeing to buy it in January 2011.

The breakdown percentage figures attributed to Food, Drink (Wet) and Rooms are a figure obtained from the statistics kept from the till and are required every 3 years from the Business rates department of government.

In repairs and maintenance each year approx 6k per year is gardening, mowing, seasonal plants and brown waste removal.

**Year End 2017 ( 1.2.16 – 31.1.17)**

**This is shown on sheets A, B & C**

Basically , a very consistent year to previous 2016 year with turnover ( monies through till and bank) being very similar. ( 334k against 332K the previous)

Sheet A represents everything contributing to the Profit/Loss figure , which on sheet A is the last item on sheet A ( profit is shown unbracketed, a loss is shown bracketed)

Sheets B&C represent a breakdown of all the outgoings after purchases on sheet A, that reduce the turnover to match up with the Profit/ Loss figure. ( eg to back up or justify the profit/loss figure)

A profit of £3038 is made in 2017, which is down 3K on 2016 as the industrial kitchen dishwasher failed and had to be replaced , apart from this , it represents a usual year for the Mermaid in which all bills have been paid and a small profit was achieved.

In a sign of the times, this year accounts showed a £49 loss due to meals and drinks ordered into the garden , where they left without coming to bar to settle the bill. After this ALL meals and drinks to the garden were ordered and paid for on a pay as you go basis , payment up front.

### **Year End 2018 ( 1.2.17 – 31.1.18)**

This year is represented by sheets D & E, compressed onto just 2 sheets for ease of viewing.

The accounts show a loss of £145, the turnover is down by 20K, on the previous year. The variables of the public and the weather were attributed to this year. The garden was fully functioning during June, July and August, but this was a summer where it was clashy , and cold at weekends interspersed with summer warmth in the week when most customers were at work. The garden was barely used and the outside bar was a waste of a member of staff stood out there. The staff costs on page E reflect this as they are down as temporary staff were not needed to waitress the garden area with food and drinks.

Fixed costs in regard to the premises, like rent, rates, light, heat, gas, insurance and cleaning remain consistent, similarly , with general expenses, these can be tweaked downwards slightly but by cutting back on advertising or magazine advertising/subscriptions this can have an adverse effect.

Due to the decline in customers a chef was made redundant, taking us down to 2.

A larger than average Repairs and Maintenance figure of 13.8k, less 5.5k for garden maintenance, was necessary as after a spate of anti social behaviour which involved calling police , we were advised that the place needed gating and these to be locked as there is no law of trespass if there are no gates. We had a spate of clandestine meetings behind the outdoor garage and toilet block, rough sleepers under the bridge , drug taking around the front of the outside bar, with paraphernalia left behind and 2 attempted breakins whilst I was in the house upstairs, in the previous 2 years. Full CCTV was also added inside and out, and has been called upon by local police to inspect regarding other cases they were handling.

### **Year End 2019 – Sheets F & G ( 1.2.18 – 31.1.19)**

Turnover down slightly from 314k to 310k, but prices of purchased in goods, Pilgrim Foods or South Lincs for dried goods, fresh fish, fresh meat, breads, fruit and vegetables soared from 125k in 2018 to 141k in 2019, for similar orders. Each month our suppliers were citing various reasons from fuel, brexit, and shortages as reasons for the prices to keep going up. Menus were reprinted again to reflect this in prices of meals. Wine listing were also reprinted to reflect their increases. Beers , lagers and ciders also jumped dramatically too.

As explained to customers these increases were to cover our basic costs not to add monies to the landlady's coffers but in some cases a customer would just have a main course and forfeit the dessert as a way of still coming out to eat but keep their expenses the same.

Despite wages being shaved by 10k the overall result of 2019 was a loss of 9.9k, customers through the door stayed similar to previous year and did not increase as I would have hoped for.

The premises fixed costs stayed similar, credit card machine charges start to increase relative to everyone starting to pay on card ( machine on a 5 year contract so can not change ). This is good as it saves cash handling but this year the monies paid for this machine rises from 1.6k to 2k and is the sign of things to come.

This year staff had to attend basic first aid courses and update their Safer Food , Better Business qualifications to ensure our Hygiene status with SHDC maintained Level 5, so staff training expenses more than doubled from £685 – to £1365. Each shift had to have at least one first aider on duty , and it is an expense that I do not regret as the knowledge gained from these courses was used on a regular basis for staff and customers.

#### **Year End 2020 – Sheets H & I ( 1.2.19 – 31.1.20)**

The general trend for lunchtime bookings was continuing to dip , and sadly in the 8 years previous many of our retired had passed away. The lunchtime bookings are slim now as most people have to work until mid 60's so we decide to accept more funerals and open from 10.30am through to closing at night to see if that made a difference. We decided to take on a half time chef to cover hours I was in the kitchen and half time front of house too.

This was good as turnover increased by 52K , my 3 rooms contributing 5k of that figure in a year where the local firms that put their travelling clients or representatives in, seemed to be expanding, and or having more quality controls enforced upon them. The increase in turnover again was offset by 30k additional wages needed to host events, another 6K increase in routinely purchased food products, and the general increases in electric, water and gas by being open longer. Another milestone on the credit card machine was that its charges rose from 1.6k to 3.5k

The overall profit for the year 2020 was £51 but it was a profit

#### **Summary**

At this present time, The Mermaid is uneconomically viable in its present form, I only just managed before Covid so any profit now would be a miracle, plus any opening as such would have a detrimental effect on the other establishments in the village, by diluting their footfall ; so realistically is surplus to requirements at present, so will have to remain closed.

Surfleet is a great village that is lucky enough to still have as village amenities The Crown, The Riverside, The Ship plus daytime cafe Tonic 44 for lunches and Spalding Golf Club for larger gatherings, and they differ in a very important way structurally from The Mermaid; as they were all specifically built as public spaces with double doors and large entrance vestibules .

The Mermaid still has very narrow corridors ( as it was built originally as 2 separate houses) which, without major internal building reconstruction, the cost far out weighing the benefit – it is unfit for purpose with its current internal layout, which has been made so evident by Covid and the need to have distance and have space for customers to feel comfortable.

It is easy to say she should have charged more or done things differently , I can honestly say , apart from illness I spent every day trying to move the Mermaid forward to preserve it as a pub / restaurant whilst trying to protect its surrounding neighbours from dramatic change but realistically the only way to preserve the building is to take it into a different phase, to have it lived in full time so that building maintenance of the exterior is kept tidy and clean and The Mermaid keeps its prominent position on the T junction