Next Block Finance

MONTHLY FINANCIAL REVIEW · CONFIDENTIAL

Saffron Bazaar Bar & Grill

March 2025 Results · Budget vs. Actual Analysis
Prepared by Next Block Finance

March 2025 | Month 3 of 12 | Mixed Month

Top line beat by $10.9K. Operating profit missed by $8.3K.
Strong guest count, squeezed margins — fixable with clear actions.

$187.4K
TOTAL REVENUE
▲ 6.2% vs. budget

$14,100
OPERATING PROFIT
▼ $8,300 vs. budget

7.5%
OPERATING MARGIN
Target: 12.0%

AT A GLANCE

March KPI Dashboard

TOTAL REVENUE
$187,400
Budget $176,500 ▲ $10,900

OPERATING PROFIT
$14,100
Budget $22,400 ▼ $8,300

FOOD COST %
34.1%
Target 32.0% ▲ 2.1 pts

LABOR COST %
31.8%
Target 29.0% ▲ 2.8 pts

BEVERAGE MARGIN
72.0%
Target 68.0% ▲ 4.0 pts

GUEST COUNT
4,932
Budget 4,440 ▲ 492 covers

AVG. CHECK (FOOD)
$38.00
Target $43.00 ▼ $5.00

CASH ON HAND
$41,200
Prior month $38,900 ▲ $2,300

FINANCIAL PERFORMANCE

P&L Summary — Budget vs. Actual

Line Item	Budget	Actual	Var. $	Var. %
REVENUE				
Food Revenue	$131,200	$131,600	+$400	+0.3%
Beverage / Bar	$45,300	$55,800	+$10,500	+23.2%
Total Revenue	**$176,500**	**$187,400**	+$10,900	+6.2%
COST OF GOODS				
Food Cost	$41,984	$44,876	+$2,892	+6.9%
Beverage Cost	$14,496	$15,624	+$1,128	+7.8%
Total COGS	**$56,480**	**$60,500**	+$4,020	+7.1%
OPERATING EXPENSES				
Labor & Payroll	$51,185	$59,633	+$8,448	+16.5%
Occupancy / Rent	$12,000	$12,000	—	—
Utilities	$4,200	$4,450	+$250	+6.0%
Equipment Repair	$500	$4,700	+$4,200	+840%
Marketing	$2,935	$2,800	-$135	-4.6%
Operating Profit	**$22,400**	**$14,117**	**▼ $8,283**	**▼ 37.0%**

REVENUE DEEP DIVE

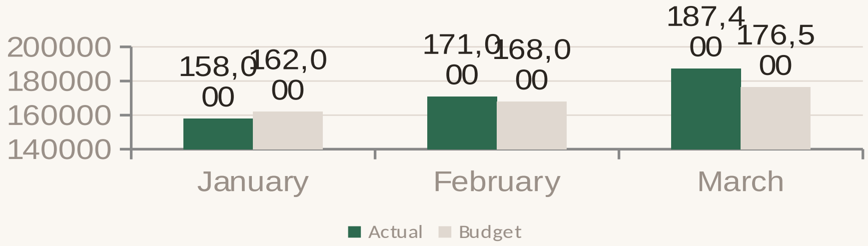
Strong Top Line — But the Mix Tells a Story

FOOD REVENUE	BAR REVENUE	GUEST COUNT	AVG. FOOD CHECK
$131,600	$55,800	4,932	$38.00
On budget (+$400)	+$10,500 vs. budget ▲	+492 vs. budget ▲ 11%	Target $43 ▼ $5.00

⚠️ THE CHECK AVERAGE PROBLEM

More guests but less spend per visit. The $4 happy hour launched March 8 drove the cover increase — but happy hour guests are averaging $28–$31 checks vs. $46–$48 for dinner guests. The promotion is filling seats but diluting revenue per cover. We need to evaluate whether incremental volume justifies the margin trade-off.

MONTHLY REVENUE — 3-MONTH TREND



✓ BAR IS THE BRIGHT SPOT

Bar revenue was $10,500 above budget, driven by the new craft cocktail menu launched in February. Cocktail orders are up 34% and the new menu items carry 72–76% margins. This is where profitable growth is happening. Expanding this program in April is a priority.

📈 MONTHLY REVENUE TREND

March was our highest revenue month since October 2024. The 3-month trend is positive: Jan $158K → Feb $171K → Mar $187K. Spring should sustain this trajectory if check average recovers.

COST ANALYSIS

Three Cost Problems — Two Structural, One Timing

Food Cost — 34.1% (Target 32.0%)

🔴 STRUCTURAL ISSUE

Beef & chicken prices rose ~8% from supplier in March. Also: new brunch menu launched Feb 28 is showing 4.2% higher waste than prior menu, primarily in prep.

Two drivers, two solutions needed.

Action: Supplier call by Apr 30 for Q2 pricing lock. Brunch yield review with kitchen. Target: 32.5% food cost in April.

Labor Cost — 31.8% (Target 29.0%)

🔴 TIMING / PROCESS ISSUE

$6,800 in overtime across 4 weekend shifts when 2 line cooks called out with no backup. Cost: $1,700 per incident. Entirely preventable with an on-call protocol.

Action: Identify 2 on-call line staff by Apr 30. Build call-out coverage SOP. Expected save: $5,000+/month in OT.

Equipment — $4,700 (Budget $500)

⚠️ ONE-TIME — BUT PATTERN RISK

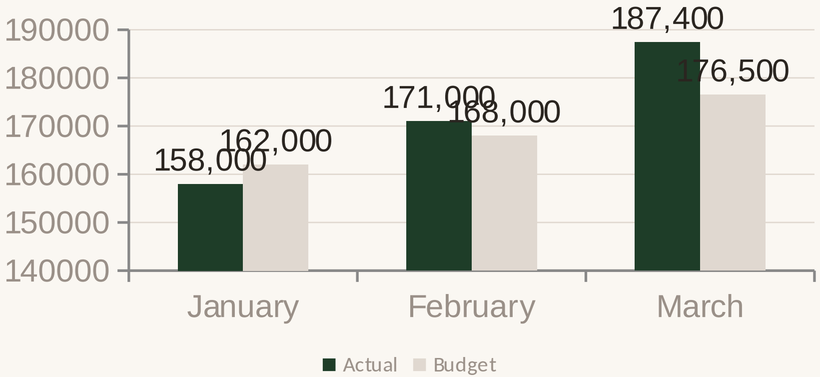
Walk-in cooler repair: $4,200. Third equipment event in 6 months. This is a one-time hit but not a one-time risk — the equipment is aging.

Action: Open $500/month equipment reserve account. Next Block Finance will track. Prevents future cash flow surprises.

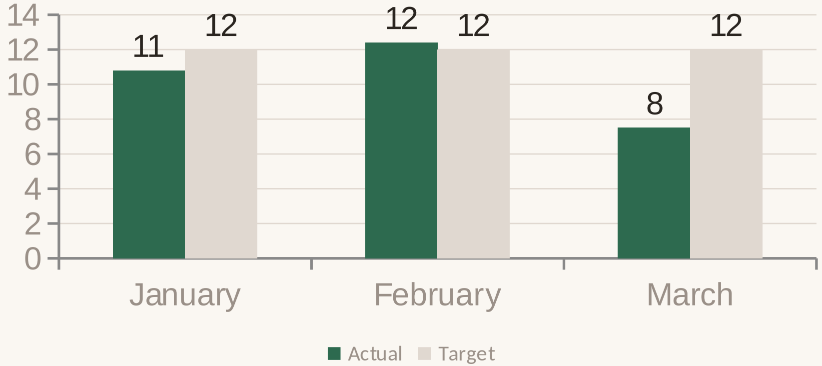
3-MONTH TREND

Revenue Growing — Margins Need Attention

MONTHLY REVENUE VS. BUDGET (JAN – MAR)



OPERATING MARGIN % (JAN – MAR)



⚠️ CONTEXT: NOT A STRUCTURAL PROBLEM

Margin compression in March was driven by three simultaneous cost events — not a structural business deterioration. February's 12.4% was above target. With corrective actions in motion, we project 10–11% margin in April, recovering toward the 12% full-year target by May–June.

CASH FLOW

Cash Position is Stable — April Outlook is Cautiously Positive

Opening Balance (Mar 1)	Cash In (Revenue)	Cash Out (Operating)	Closing Balance (Mar 31)
$38,900	**+$187,400**	**-$173,283**	**$41,200**
Operating account	Net of credit card processing	COGS + OpEx incl. repair	▲ $2,300 from prior month

✓ **CASH POSITION IS SOLID**

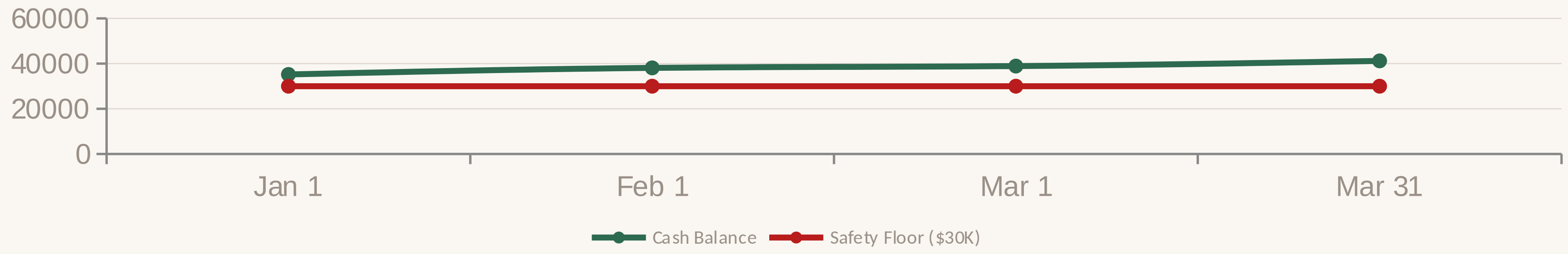
$41,200 represents approximately 7.2 days of operating expenses — comfortably above the 5-day minimum we've targeted as a safety floor. The walk-in repair was absorbed without cash stress. No short-term liquidity concerns.

📅 **APRIL CASH FORECAST**

Projected April closing balance: $38,000 – $44,000. Spring foot traffic should support revenue of $185K–$195K. Known outflows include April 15 quarterly tax estimate (~$8,200) and planned $500 equipment reserve transfer. No major capital expenditures anticipated.

No cash concerns flagged for April.

MONTHLY CASH POSITION TREND (JAN – MAR)



ROLLING FORECAST — Q2 VIEW

Q2 Outlook: Recovery to Target Margins if Actions Execute

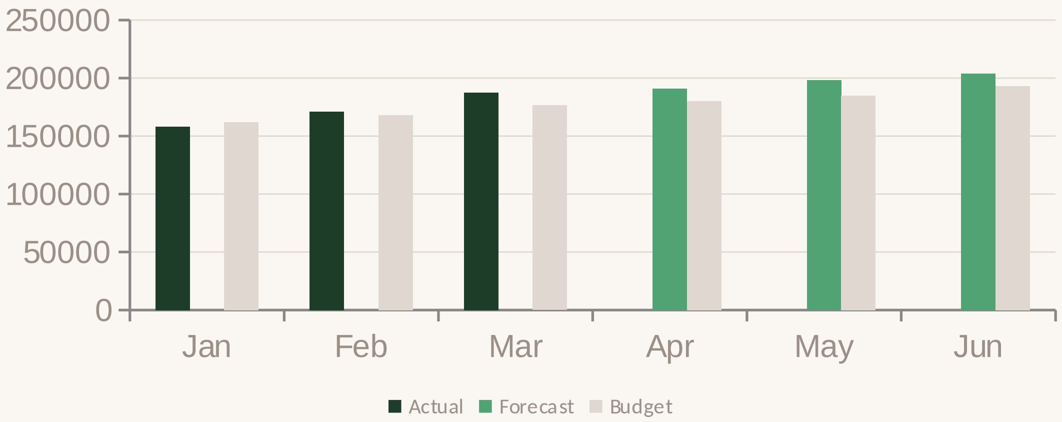
APRIL FORECAST
$191K
Revenue · 10.2% margin est.

MAY FORECAST
$198K
Revenue · 11.5% margin est.

JUNE FORECAST
$204K
Revenue · 12.1% margin est.

Q2 TOTAL FORECAST
$593K
vs. Q2 budget $558K

REVENUE FORECAST — ACTUALS + Q2 PROJECTION



✓ UPSIDE SCENARIO — ACTIONS EXECUTE

Happy hour repriced (+$2/cover avg), supplier pricing locked (food cost 32.5%), overtime eliminated. Q2 operating profit: $68K–$72K — above the $63K budget.

⚠️ RISK SCENARIO — NO ACTION

Cost issues persist into Q2. Operating margin stays at 7–8%. Q2 operating profit falls to $42K–$46K — a $20K miss vs. budget. This is why April actions are time-sensitive.

GOING FORWARD

April Priority Actions — Four Items, Clear Owners

1 Happy Hour Menu Pricing Review

Analyze check averages by daypart. Adjust happy hour pricing or swap 2–3 lowest-margin items to recover average check toward $40 target.

Expected impact: +$2–3/cover on ~1,200 monthly happy hour guests = +$2,400–$3,600/month in revenue.

By Apr 15

2 Supplier Negotiation — Q2 Price Lock

Contact primary food supplier before April 30. Request 90-day pricing lock on beef and chicken. If declined, implement 3–5% menu price increase on affected proteins.

Next Block Finance will model exact pricing impact before any change goes live.

By Apr 30

3 Weekend Staffing Backup Protocol

Identify and onboard 2 on-call line staff for weekend coverage. Build written call-out standard operating procedure.

Expected save: $5,000+/month. One overtime weekend costs $1,700+ — two reliable on-call contacts eliminates this.

By Apr 30

4 Open Equipment Reserve Account — $500/Month

Open separate savings account designated for equipment maintenance. Transfer $500 on the 1st of each month.

Next Block Finance will track balance and flag when reserve reaches $6,000 for potential equipment upgrade planning.

By May 1

Next Block Finance

WHAT'S NEXT

Next Meeting:

April 22, 2025

Tuesday · 9:00am
Saffron Bazaar — Back Office
Agenda: April actuals, Q2 forecast update, action item check-in

Questions before then?
hello@nextblockfinance.com

APRIL AGENDA PREVIEW

1. Review April actuals vs. budget — did margins recover as projected?
2. Action item check-in — happy hour pricing, supplier call, staffing protocol
3. Update rolling Q2 forecast based on April results
4. Summer planning — staffing, pricing, and seasonal promotion strategy