

# **CATERING SERVICES**

## **Introduction**



Catering services are the culinary backbone of any successful event, transforming ordinary gatherings into extraordinary experiences. From intimate weddings to grand corporate events, catering services provide a wide range of culinary delights, ensuring that every palate is tantalized and every occasion is celebrated with gastronomic flair.



## **Market Potential**

The catering industry presents a dynamic and lucrative market with substantial growth potential. As lifestyles evolve and people increasingly seek convenient and high-quality food solutions for various occasions, the demand for professional catering services continues to rise.

## Key Market Drivers:

- **Growing Disposable Incomes:** Rising disposable incomes enable individuals and businesses to invest more in events and celebrations, fueling the demand for professional catering services.
- **Changing Lifestyles:** Busy lifestyles and limited time for meal preparation have led to a surge in demand for convenient and hassle-free catering solutions.
- **Diverse Culinary Preferences:** The increasing diversity of culinary preferences and the desire for unique and personalized dining experiences create opportunities for caterers to offer specialized menus and cuisines.
- **Corporate Events and Conferences:** The burgeoning corporate sector, with its frequent conferences, seminars, and team-building events, generates significant demand for corporate catering services.
- **Social Events and Weddings:** The prevalence of social events, weddings, and other celebrations, especially in urban areas, provides a steady stream of opportunities for catering businesses.

## Capital Asset

The capital required to start a catering service can vary significantly depending on several factors, including the scale of operations, the type of cuisine, the target market, and the location. Here's a breakdown of the key capital expenses:

### 1. Kitchen Setup and Equipment:

- **Commercial Kitchen Rental or Setup:** If you're not operating from home, you'll need to rent or set up a commercial kitchen. This can be a significant expense, depending on the size and location



- **Essential Kitchen Equipment:** This includes items like stoves, ovens, refrigerators, freezers, microwaves, blenders, food processors, and other necessary appliances.



- **Utensils and Cookware:** You'll need a variety of pots, pans, knives, cutting boards, mixing bowls, and other essential utensils.



## 2. Transportation and Delivery:

- **Vehicles:** If you plan to deliver food to clients, you'll need reliable vehicles, such as cars, vans, or trucks



- **Fuel and Maintenance:** Factor in the costs of fuel, insurance, and regular maintenance for your vehicles

### **Staff and Salaries:**

- **Hiring Costs:** You may need to hire chefs, cooks, servers, delivery drivers, and other staff, depending on the scale of your operations.
- **Salaries and Benefits:** Consider the costs of salaries, benefits, and other employment-related expenses.

## **Services Offered**

Tent Catering services offer a wide range of services to meet the diverse needs of their clients. Here are some of the most common services provided by catering businesses:

### **Core Services:**

- **Menu Planning and Customization:** Catering services work closely with clients to create customized menus that cater to their specific preferences, dietary restrictions, and budget.
- **Food Preparation and Cooking:** They handle all aspects of food preparation, from sourcing high-quality ingredients to cooking and plating dishes.
- **Food Delivery and Setup:** Catering services deliver food to the designated location and set up the dining area, including tables, chairs, linens, and other necessary equipment.
- **Waitstaff and Bartending Services:** They can provide professional waitstaff and bartenders to serve food and drinks during the event.
- **Cleanup and Disposal:** Catering services often handle the cleanup and disposal of food waste and other debris after the event.

## **Additional Services:**

**Event Planning and Coordination:** Some catering services offer full-service event planning, including venue sourcing, decor, entertainment, and other logistical arrangements.

- **Themed Catering:** They can create themed menus and decorations to match the specific theme of the event.
- **Bar Services:** Catering services can provide a full bar setup, including bartenders, liquor, and mixers.
- **Live Cooking Stations:** They can set up live cooking stations, such as pasta stations, carving stations, or dessert bars, to add a unique and interactive element to the event.
- **Equipment Rental:** They may offer equipment rentals, such as tables, chairs, linens, and other serving ware.

The specific services offered by catering businesses can vary depending on their size, expertise, and target market. It's essential to choose a catering service that can provide the specific services you need for your event.

## **PROJECT AT A GLANCE - TOP SHEET**

<b>1</b>	Name of the Beneficiary	<b>XXXXXX</b>		
<b>2</b>	Constitution(Legal Status)	<b>Individual</b>		
<b>3</b>	Father/Spouse Name	XXXXXXX		
<b>4</b>	Unit Address	XXXXXXX		
	Taluk/Block:	<b>XXXXXX</b>		
	District :	<b>XXXXXX</b>		
	Pin:	<b>XXXXXX</b>		
	E-Mail :	<b>XXXXXX</b>		
	Mobile	<b>XXXXXX</b>		
			State:	<b>XXXXXX</b>
<b>5</b>	Cost of Project	:	<b>Rs.</b>	<b>8.22 in Lakhs</b>
<b>(i)</b>	Capital Asset & Equipment			<b>4.50 in Lakhs</b>
<b>(ii)</b>	Furniture & Fixtures			<b>1.50 in Lakhs</b>
<b>(iii)</b>	Working Capital Required			<b>2.22 in Lakhs</b>
<b>6</b>	Means of Finance	:	<b>Rs.</b>	
<b>(i)</b>	Term Loan			<b>5.40 in Lakhs</b>
<b>(ii)</b>	Working Capital			<b>2.00 in Lakhs</b>
<b>(iii)</b>	Own Capital			<b>0.82 in Lakhs</b>
				<b>8.22 in Lakhs</b>
<b>7</b>	Debt Service Coverage Ratio	:		<b>6.44</b>
<b>8</b>	Break Even Point	:		33.64%
<b>9</b>	Capital Asset & Equipments	:	Commercial Kitchen Rental or Setup, Kitchen or Cooking equipment, Utensils and cookware, serving supplies, Vehicle etc.	
<b>10</b>	Employment	:		6
<b>11</b>	Power Requirement	:		3.00
<b>12</b>	Name of the project / business activity	:	Catering Service	

## **PROJECTED CASH FLOW STATEMENT**

<b>PARTICULARS</b>	<b>YEAR-I</b>	<b>YEAR-II</b>	<b>YEAR-III</b>	<b>YEAR-IV</b>
<b><u>SOURCES OF FUND</u></b>				
Capital	0.82	-	-	-
Reserve & Surplus	5.86	8.50	11.45	14.70
Depriciation & Exp. W/off	0.83	0.71	0.61	0.52
Increase in Cash Credit	2.00	-	-	-
Increase In Term Loan	5.40	-	-	-
Increase in Creditors	0.44	0.14	0.16	0.18
Increase in Provisions	0.50	0.03	0.03	0.03
<b>TOTAL :</b>	<b>15.85</b>	<b>9.37</b>	<b>12.25</b>	<b>15.42</b>
<b><u>APPLICATION OF FUND</u></b>				
Increase in Fixed Assets	6.00	-	-	-
Increase in Debtors	1.88	0.60	0.68	0.75
Repayment of Term Loan	1.08	1.44	1.44	1.44
Drawings	5.00	7.00	10.00	12.00
<b>TOTAL :</b>	<b>13.96</b>	<b>9.04</b>	<b>12.12</b>	<b>14.19</b>
Opening Cash & Bank Balance	-	1.89	2.22	2.35
Add : Surplus	1.89	0.33	0.13	1.23
Closing Cash & Bank Balance	<b>1.89</b>	<b>2.22</b>	<b>2.35</b>	<b>3.59</b>

## **PROJECTED BALANCE SHEET**

PARTICULARS	YEAR-I	YEAR-II	YEAR-III	YEAR-IV
<b><u>SOURCES OF FUND</u></b>				
Capital Account	-	1.68	3.18	4.63
Add: Addition	0.82	-	-	-
Add : Net Profit	5.86	8.50	11.45	14.70
	6.68	10.18	14.63	19.33
Less : Drawings	5.00	7.00	10.00	12.00
<b>NET OWN FUNDS</b>	<b>1.68</b>	<b>3.18</b>	<b>4.63</b>	<b>7.33</b>
Term Loan	4.32	2.88	1.44	-
Cash Credit	2.00	2.00	2.00	2.00
Sundry Creditors	0.44	0.58	0.74	0.91
Provisions & Other Liab	0.50	0.53	0.55	0.58
<b>TOTAL :</b>	<b>8.94</b>	<b>9.16</b>	<b>9.36</b>	<b>10.82</b>
<b><u>APPLICATION OF FUND</u></b>				
<b>Fixed Assets</b>	6.00	6.00	6.00	6.00
Less : Depreciation	0.83	1.53	2.14	2.67
Net Fixed Assets	5.18	4.47	3.86	3.33
<b>Current Assets</b>				
Sundry Debtors	1.88	2.48	3.15	3.90
Cash and Bank	1.89	2.22	2.35	3.59
<b>TOTAL :</b>	<b>8.94</b>	<b>9.16</b>	<b>9.36</b>	<b>10.82</b>



**PROJECTED PROFITABILITY STATEMENT**

PARTICULARS	YEAR-I	YEAR-II	YEAR-III	YEAR-IV
Probability %	50%	55%	60%	65%
<b><u>SALES</u></b>				
Gross Receipts/Sale	37.50	49.50	63.00	78.00
<b>Total</b>	<b>37.50</b>	<b>49.50</b>	<b>63.00</b>	<b>78.00</b>
<b>COST OF SALES</b>				
Consumables	13.13	17.33	22.05	27.30
Power Expenses	3.75	4.95	6.30	7.80
Salary to Staff	7.50	9.90	12.60	15.60
Selling & Adm Expenses Exp.	5.63	7.43	9.45	11.70
Depriciation	0.83	0.71	0.61	0.52
Interest on Term Loan	0.59	0.48	0.32	0.16
Interest on Working Capital	0.22	0.22	0.22	0.22
<b>TOTAL (D+G)</b>	<b>31.64</b>	<b>41.00</b>	<b>51.55</b>	<b>63.30</b>
<b>NET PROFIT</b>	<b>5.86</b>	<b>8.50</b>	<b>11.45</b>	<b>14.70</b>
	<b>15.63%</b>	<b>17.16%</b>	<b>18.18%</b>	<b>18.84%</b>
<b>CASH ACCRUALS</b>	<b>6.69</b>	<b>9.20</b>	<b>12.06</b>	<b>15.22</b>

### COMPUTATION OF REVENUE

No. of Events per month	10	Events
Average no. of persons per event	250.00	Numbers
No of Working Days per month	25	Days
No. of Months	12	Months
No. of Events per annum	120	Events

Year	Probability	Events
YEAR-I	50%	60
YEAR-II	55%	66
YEAR-III	60%	72
YEAR-IV	65%	78

### COMPUTATION OF SALE

Particulars	YEAR-I	YEAR-II	YEAR-III	YEAR-IV
No of Event served per annum Catering Service	60	66	72	78
Average Revenue per person per event	250.00	300.00	350.00	400.00
<b>Total Revenue</b>	<b>37,50,000</b>	<b>49,50,000</b>	<b>63,00,000</b>	<b>78,00,000</b>
<b>Gross Receipts (in lacs)</b>	<b>37.50</b>	<b>49.50</b>	<b>63.00</b>	<b>78.00</b>

### COMPUTATION OF DEPRECIATION

Description	Plant/Machinery Equipments	Furniture	TOTAL
Rate of Depreciation	15.00%	10.00%	
<b>Opening Balance</b>	-	-	-
Addition	4.50	1.50	6.00
	4.50	1.50	6.00
Less : Depreciation	0.68	0.15	0.83
WDV at end of Year-1	3.83	1.35	5.18
Additions During The Year	-	-	-
	3.83	1.35	5.18
Less : Depreciation	0.57	0.14	0.71
WDV at end of Year II	3.25	1.22	4.47
Additions During The Year	-	-	-
	3.25	1.22	4.47
Less : Depreciation	0.49	0.12	0.61
WDV at end of Year III	2.76	1.09	3.86
Additions During The Year	-	-	-
	2.76	1.09	3.86
Less : Depreciation	0.41	0.11	0.52
WDV at end of Year IV	2.35	0.98	3.33

### TERM LOAN

Year	Opening Balance	Repayment	Closing Balance	Interest @ 11%
1st	5.40	1.08	4.32	0.59
2nd	4.32	1.44	2.88	0.48
3rd	2.88	1.44	1.44	0.32
4th	1.44	1.44	0.00	0.16

<b><u>BREAK EVEN POINT &amp; RATIO ANALYSIS</u></b>				
<b>Particulars</b>	<b>1st Year</b>	<b>2nd Year</b>	<b>3rd Year</b>	<b>4th Year</b>
Fixed Cost	9.49	12.30	15.46	18.99
Variable Cost	22.15	28.70	36.08	44.31
Total Cost	31.64	41.00	51.55	63.30
Sales	37.50	49.50	63.00	78.00
Contribution (Sales-VC)	15.35	20.80	26.92	33.69
Capacity Utilisation	50.00%	55.00%	60.00%	65.00%
B.E.P in %	31%	33%	34%	37%
Break Even Sales in Rs.	11.59	16.10	21.72	28.58
Net Profit Ratio	15.63%	17.16%	18.18%	18.84%
<b><u>CALCULATION OF D.S.C.R</u></b>				
<b>PARTICULARS</b>	<b>YEAR-I</b>	<b>YEAR-II</b>	<b>YEAR-III</b>	<b>YEAR-IV</b>
<b><u>CASH ACCRUALS</u></b>	6.69	9.20	12.06	15.22
Interest on Term Loan	0.59	0.48	0.32	0.16
Total	7.28	9.68	12.38	15.38
<b><u>REPAYMENT</u></b>				
Instalment of Term Loan	1.08	1.44	1.44	1.44
Interest on Term Loan	0.59	0.48	0.32	0.16
Total	1.67	1.92	1.76	1.60
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>4.35</b>	<b>5.05</b>	<b>7.05</b>	<b>9.62</b>
<b>AVERAGE D.S.C.R.</b>			<b>6.44</b>	