



**LDP**

Objective Analysis  
Creative Thinking

# World Food Centre Final Feasibility Report



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# Introduction & Disclaimer

- The Netherlands is one of the world's leaders in agricultural production. The centre of the industry is located in Food Valley, the province of Gelderland.
- World Food Centre is envisaged as an interactive, experiential and educational attraction about food and agriculture, located at the heart of the industry and in proximity to the Wageningen University – world's top agricultural university.
- BRC Imagination Arts have been retained to create a concept for the attraction and LDP have been assigned to provide an economic feasibility study based on the concept.
- There have been a number of iterations of this report since March 2017, following changes in concept and overall approach. The current document is based on the latest concept developed in May 2021.
- Leisure Development Partners LLP (LDP) is a leading consulting firm specialised in the feasibility, review and performance improvement of visitor attractions and leisure real estate. LDP's Partners have more than 55 years experience in this niche.
- The LDP approach relies upon detailed market analysis and the application of carefully chosen real world benchmarks from existing comparable projects. This nuanced approach came out of the original feasibility work for Disney and has been developed further over the past 50 years.
- This document provides our view on realistic performance expectations for the proposed attraction, in terms of attendance, revenue potential and operating profit.
- ***Disclaimer: This Report is based on estimates, assumptions and other information developed by Leisure Development Partners LLP (LDP) from its independent research effort, general knowledge of the industry and other comparable developments elsewhere and publically available research efforts/surveys. No warranty or representation is made by LDP that any of the projected values or results contained in this Report will actually be achieved. All intellectual property rights in this Report including any forecasts, benchmarks, spreadsheets, tables or other materials provided are the property of LDP. You may use and copy such materials for your own internal use.***



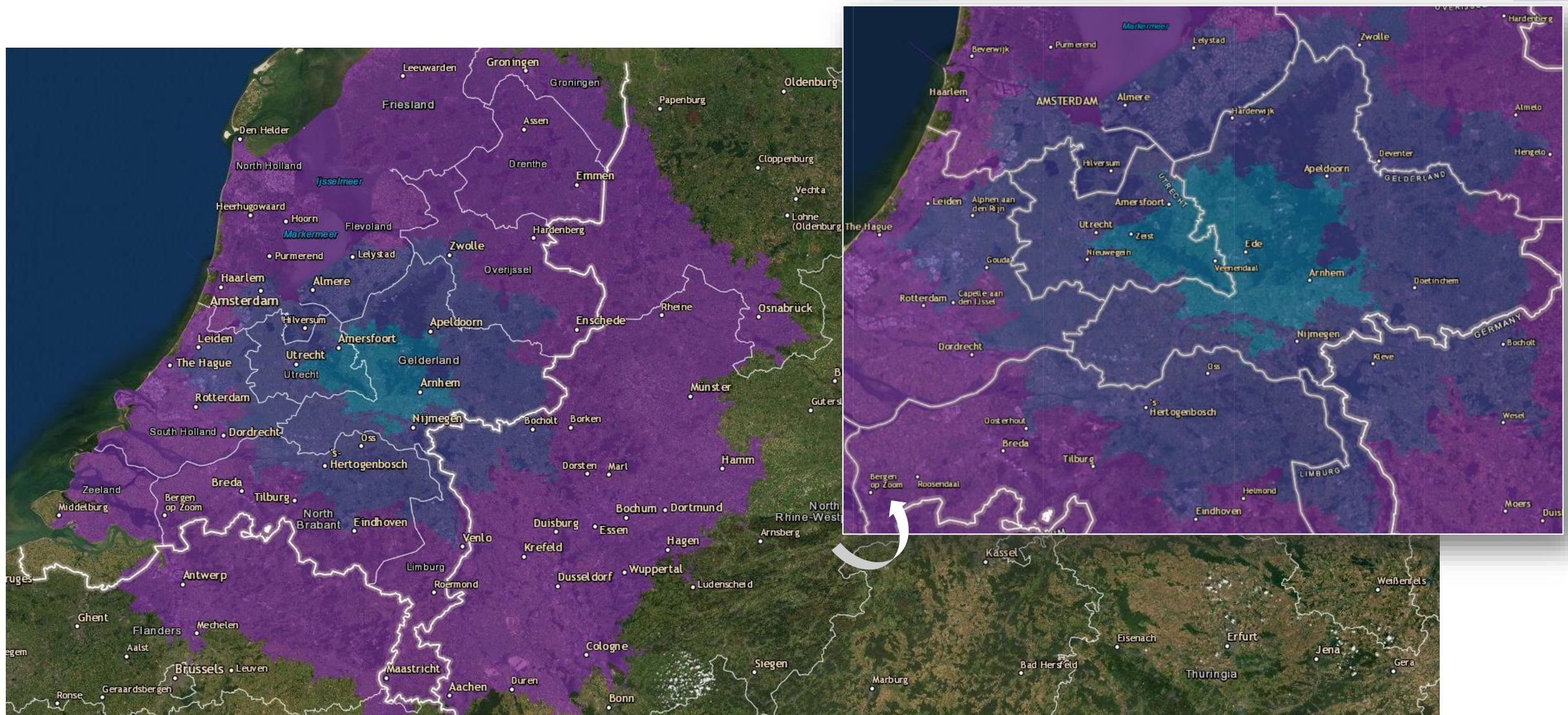
## Available Resident & Tourist Markets

# Available Markets – Methodology

- The first step in our analysis is always to look at the available markets. Looking at these strictly defined market segments allows us to benchmark like-for-like with regional and international comparables and this is the basis for attendance estimation.
- The success of any attraction is a function of the scope, scale and nature of the available markets, as well as other external factors, such as levels of competition, disposable income etc. These are all areas reviewed in our work and considered in this assessment.
- **Resident market:** We have measured the available markets based upon travel-time in line with the industry's standard methodology. Many attractions derive a large part of visitors from their one hour resident market, and some are unable to draw visits from beyond 30 minutes (such as family entertainment centres).
- Larger attractions (such as theme parks, unique attractions or strong IPs) can draw from up to two hours drive and therefore we have reviewed a resident market out to 120 minutes drive-time.
- We have sub-divided this market so that our penetration analysis can take account of diminishing propensity to visit as drive time increases. Thus we have looked at the **primary resident market** (those living within 0-60 min drive), subdivided into 0-30 min and 30-60 min submarkets, and the **secondary resident market** (those living within 60-120 min drive).
- We have used specialty GIS software to calculate resident market sizes. The catchments are shown on the following page.
- **Tourist market:** In addition to residents, tourists may provide an important source of visitors to the development. Tourists generally travel for up to a maximum of one hour from their holiday base when visiting attractions.
- Therefore we have defined the tourist market as comprising people staying away from home in locations within one hour's drive of the site. In our work we have found that it is extremely rare for tourists to travel more than one hour from their holiday accommodation for a day out of leisure.
- Typically, we consider two types of tourists: domestic and international. However, as the 2-hour catchment area covers almost the entire country, all domestic tourists would have been included in our resident market. We have therefore not considered this segment to avoid double-counting. We have, however, considered the qualitative aspect when running our assessment – we understand there are a large number of Dutch families enjoying leisure vacations in the area in the summer time.
- Therefore the third market segment to study is the **international tourist market** (tourists staying within 0-60 min drive of the site). We have **qualified** the international tourist market to exclude German and Belgian residents visiting the area but also living within two hours away from the site as these have already been included in the resident market. Based on international visitor origin statistics from CBSO, we have qualified out roughly 5.0 percent of the market.



# Drive-Time Map





# Resident Market Size

- The tables on the right show that the total resident market is very large at 34 million in 2019. This is a positive indicator for attraction developments, but it is important to note that over ¾ of the market resides beyond one-hour drive. Smaller scale attractions typically struggle to draw from the secondary resident market.
- The immediate 0-30 minutes market is, however, still decent in size at 1.3 million and the total primary market is large at just over 8 million including Amsterdam.
- Nearly half of the resident market (mostly in the secondary catchment area) is located outside the Netherlands. This could potentially have implications on the WFC's ability to draw these visitors due to potential language and cultural barriers, as well as a general psychological barrier of going abroad to visit a museum.
- To forecast the future resident numbers, we have used official regional population projections from Statistics Netherlands (CBS) and equivalent organisations for Belgium and Germany. These mature markets are fairly static although we have seen a Brexit effect (a jolt in population within catchment as a result of many moving out of the UK into the EU countries) in 2019. Dutch and Belgian populations are predicted to rise marginally in the next 30 years, while the German portion of the resident market is predicted to decrease.

## Resident Market by Country, 2019

Country	0-30 mins	30-60 mins	60-120 mins	Total
Netherlands	1,277,235	6,415,818	9,419,826	<b>17,112,879</b>
Germany	-	388,363	13,274,108	<b>13,662,471</b>
Belgium	-	-	3,190,235	<b>3,190,235</b>
<b>Total</b>	<b>1,277,235</b>	<b>6,804,181</b>	<b>25,884,169</b>	<b>33,965,585</b>

Source: Esri & LDP

## Resident Market Size

Catchment	2019	2024	2029	CAGR
0-30 mins	1,277,235	1,316,998	1,339,537	0.5%
30-60 mins	<u>6,804,181</u>	<u>7,164,112</u>	<u>7,280,707</u>	0.7%
<b>Primary Market</b>	<b>8,081,416</b>	<b>8,481,110</b>	<b>8,620,245</b>	<b>0.6%</b>
<b>Secondary Market</b>	<b>25,884,169</b>	<b>26,702,084</b>	<b>26,930,590</b>	<b>0.4%</b>
<b>Total</b>	<b>33,965,585</b>	<b>35,183,194</b>	<b>35,550,835</b>	<b>0.5%</b>

Source: Esri, CBS, Destatis, Federal Planning Bureau & LDP

# Resident Market Characteristics

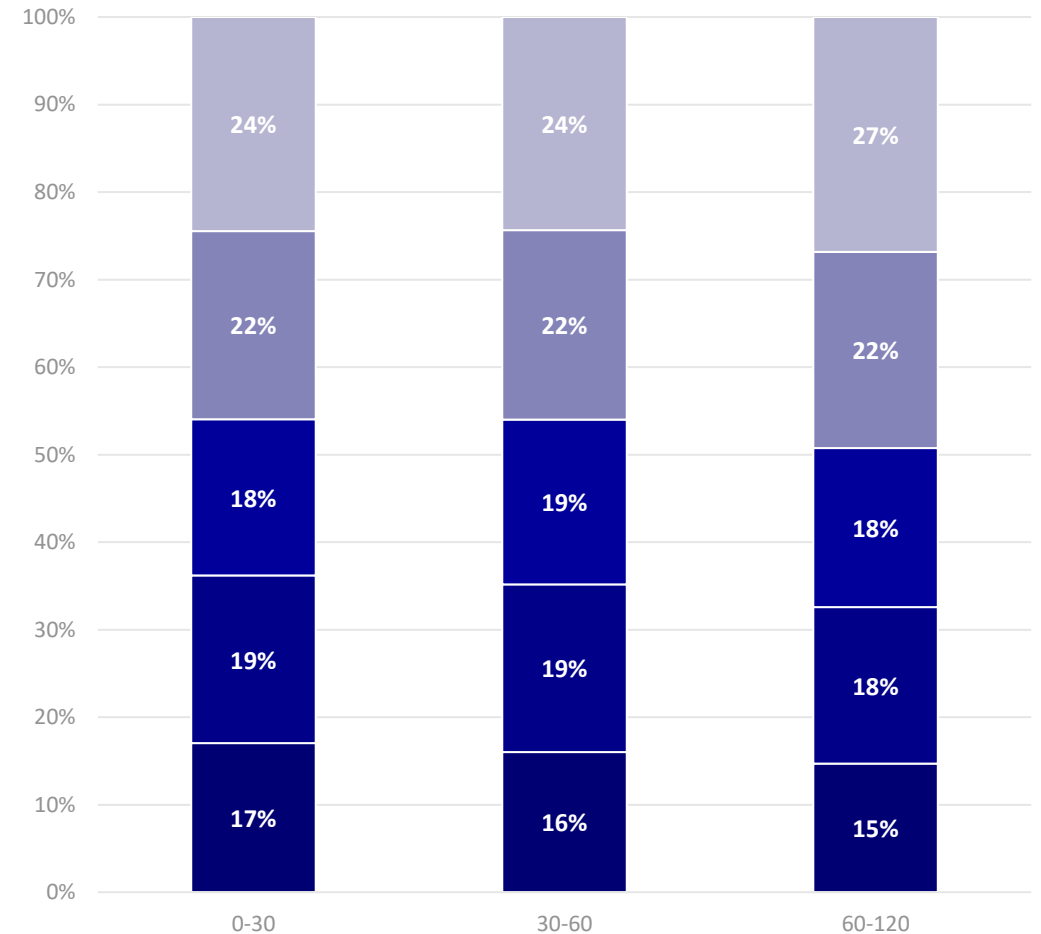
## Age Profile

- The chart here displays the age profile of the resident market in 2019. As shown, with over 16 percent of the population under 14 years of age the immediate market is notably younger than the secondary market. This is a positive indicator since the WFC is anticipated to target primarily young families with children aged 8 to 12.
- Compared to our previous report for WFC, we find that the population has aged somewhat as the over-60 age group has increased by almost two percentage points in two years. The under-14 group has also fallen by roughly one percentage point across the market.

## Incomes

- Overleaf we map out the purchasing power per capita (i.e. disposable income). With an average purchasing power of €21,324 in 2019, the immediate market is consistent with the national average (€21,317) and is slightly less affluent compared to the secondary market (averaging €22,450).
- Some of the wealthiest areas of the Netherlands are located within the primary market, to the west of the site, and include Utrecht and Amsterdam.

Age Profile, 2019

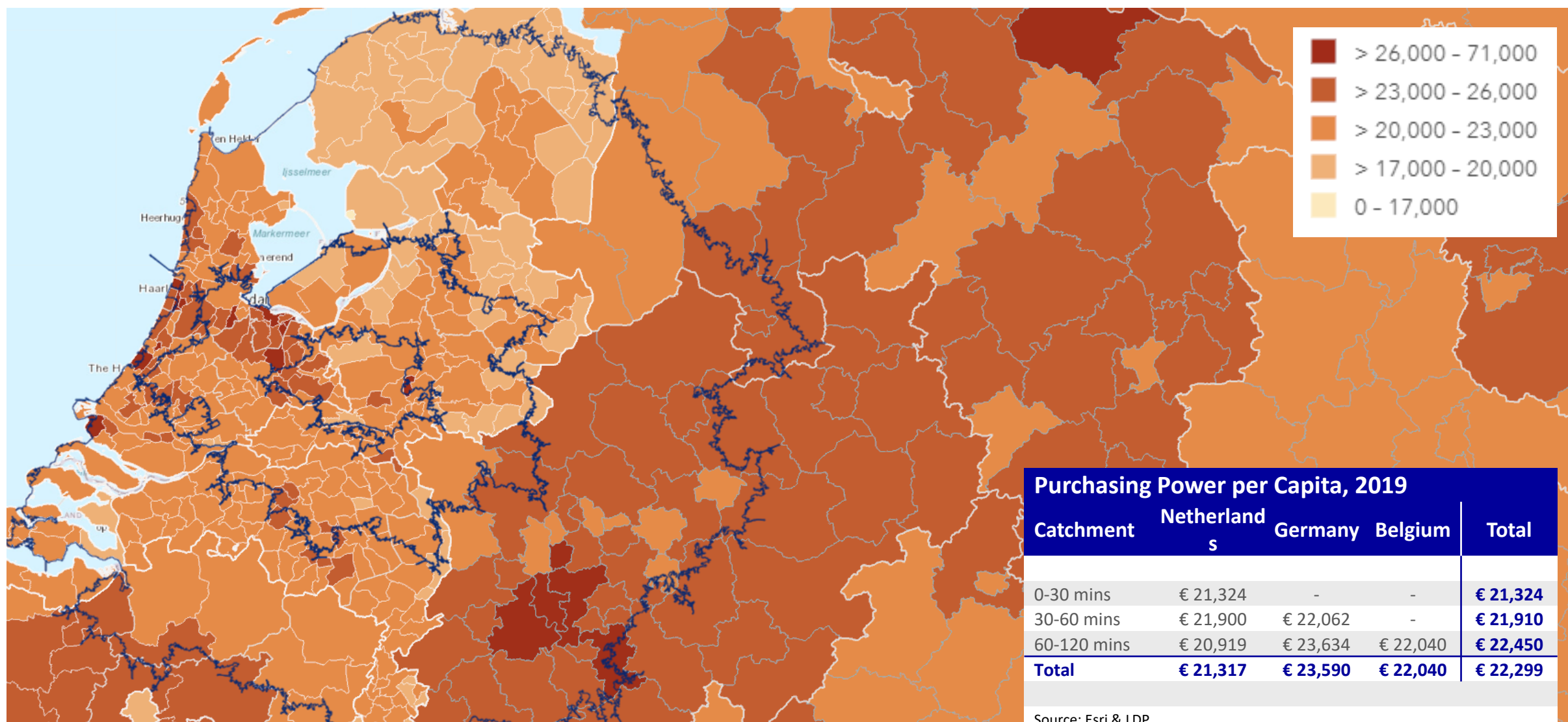


Source: ESRI & LDP

■ 0-14 ■ 15-29 ■ 30-44 ■ 45-59 ■ 60+



# Purchasing Power per Capita, 2019



# Schools Market

- Typically, educational attractions in Europe draw school groups from a maximum of 1-hour drive away.
- Transportation is an issue in the Netherlands with coaches representing a substantial cost. We understand the school group market is highly price sensitive.
- Research suggests that school group visitation at the majority of museums and educational attractions in the Netherlands comprise around 6-7 percent of annual attendance, with some exceptions.
- Our calculations suggest that there are around 650,000 primary school students within 1-hour drive from the WFC. Of these, just over 350,000 are of the target age (8-12 years old).
- There are also around 411,000 secondary school students within the 1-hour catchment area.

## Schools Market (8-12 Year Olds)

Markets	2019	2024	2029	CAGR
0-30 Mins	59,689	59,923	60,159	0.08%
30-60 Mins	290,824	292,088	293,380	0.09%
<b>Total</b>	<b>350,513</b>	<b>352,011</b>	<b>353,539</b>	<b>0.09%</b>

Source: CBS & LDP

## Summary Primary Schools Market (2019/20)

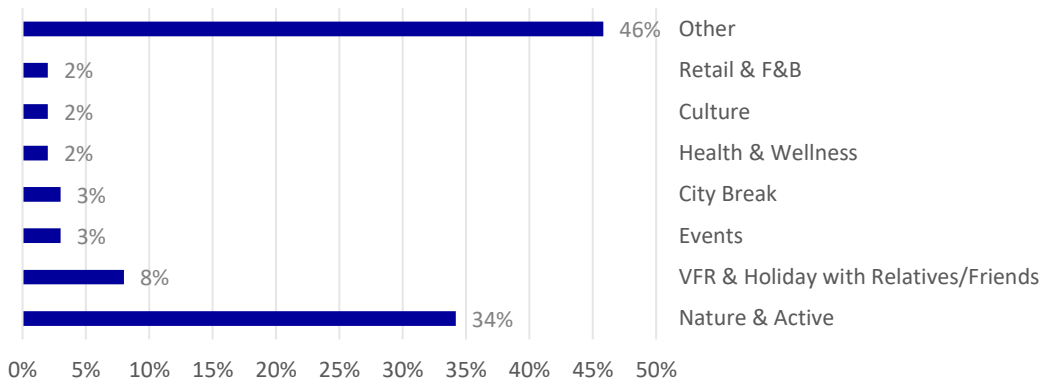
Primary Market	No. Students
Primary Schools (4-13 year olds)	653,215
of these 8-12 year olds	350,513
Secondary Schools	411,197

Source: CBS & LDP

# Resident Trips

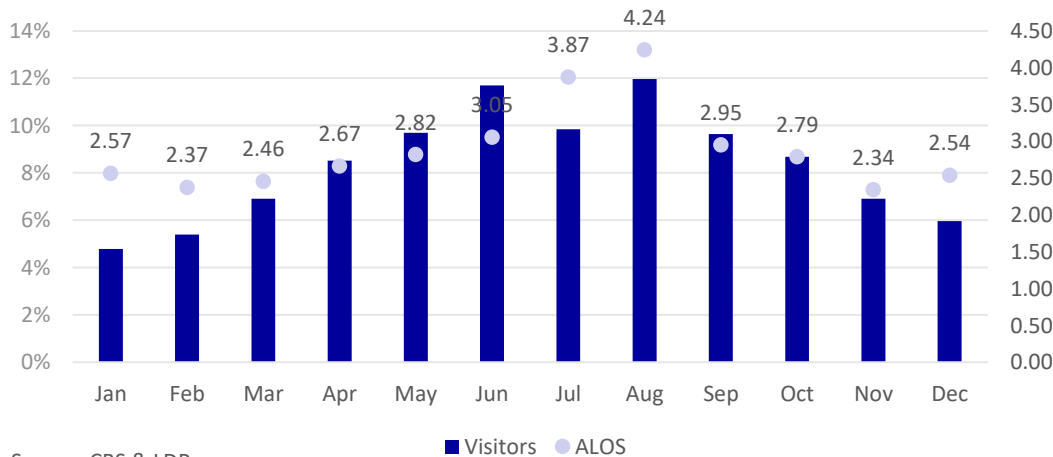
- As mentioned, we have not considered the domestic tourist market in our assessment as these Dutch residents are already accounted for in the resident market. However, it is important to understand why Dutch residents are currently making overnight trips to the local area. We have therefore reviewed domestic trips to Gelderland and Veluwe for qualitative purposes.
- Scale:** According to CBS, 3.6 million domestic overnight trips were made to Gelderland in 2019. The Netherlands Board of Tourism & Conventions (NBTC) also reported 2.9 million tourists go to Gelderland for leisure/holiday purposes (as opposed to business or studying), with 1.7 million staying in Veluwe.
- Visit Purpose:** Dutch holidaymakers to Veluwe and the Gelderland region largely visit for nature-based or physical activities such as walking, cycling, swimming and climbing. Over a third of holiday-makers put Nature and Active as their main reason for visiting Gelderland, followed by visiting, or holidaying with, friends/relatives. Only two 2 percent put culture as their main purpose of visiting, and we understand from previous research that another 2 percent (included in other) visited for culinary purposes. Around 16 percent of guests to Gelderland, and 12 percent to Veluwe, visited a museum.
- Seasonality:** We understand that the region has a strong holiday/camping market, as such it comes to no surprise that the seasonality of Dutch tourists entering Gelderland is skewed to the summer holiday months.

Purpose of Holiday-makers to Gelderland, 2018



Source: NBTC & LDP

Gelderland Domestic Tourist Seasonality & ALOS, 2019

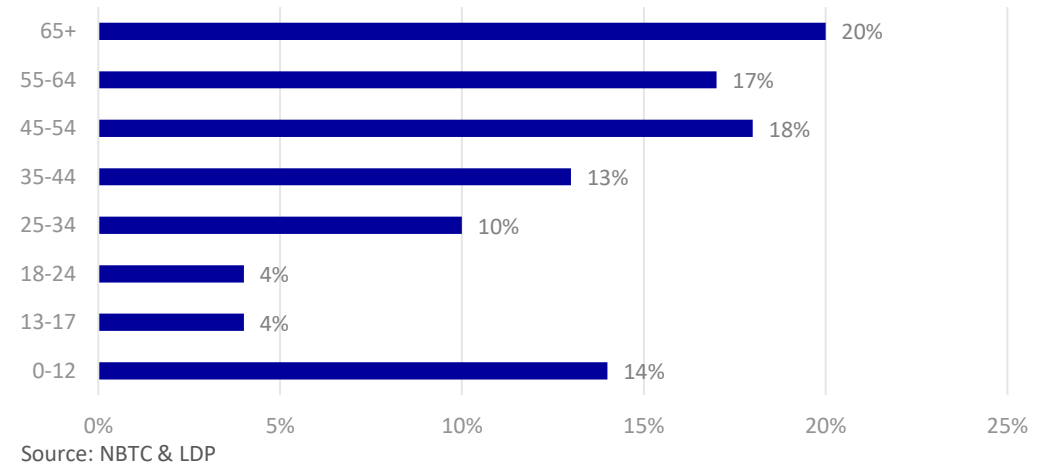


Source: CBS & LDP

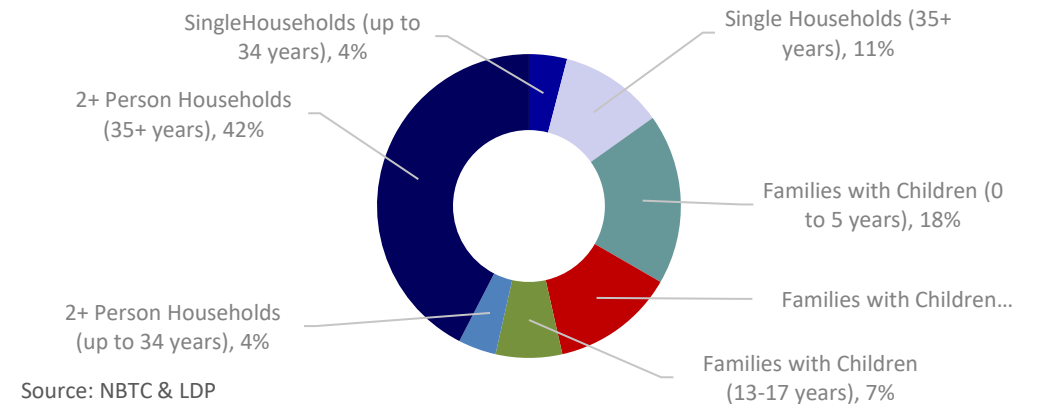
# Resident Trips

- **Average Length of Stay (ALOS):** In 2019, the average Dutch tourist stayed in Gelderland for around three nights, however there are seasonal variations. Holidaymakers, however, stayed for nearly six nights on average for both Veluwe and Gelderland. These are positive figures for potential attractions since longer stays means a higher chance for visitors to explore the offerings in the region.
- **Composition:** In our initial research based on 2015 data, we found that around 18 percent of holiday-makers were between 0-12 years old, but this has fallen to 14 percent in 2018 which reflects the ageing population.
- NBTC report that 13 percent of the households are families with at least one child between the age of 6 and 12. This has fallen considerably, from 21 percent in 2015.
- **Source Markets:** Key source provinces of holiday visitors include Zuid-Holland (25 percent of Gelderland), Noord-Holland (19 percent) and Gelderland itself (15 percent).
- **Spend:** The spend of holidaymakers in Gelderland is low at around €25 per person per day. This has dropped from €30 in 2015.

**Age of Dutch Holidaymakers to Gelderland, 2018**



**Type of Households of Dutch Holidaymakers to Gelderland, 2018**



# International Tourist Market Size

- The table overleaf summarises the available international tourist market for the WFC, broken into Amsterdam and Rest of Catchment.
- The international tourist market is large (at 9.5m in 2019) but mainly concentrated in Amsterdam which welcomes over  $\frac{3}{4}$  of the total market. It is challenging to draw from Amsterdam which has a large supply of competitive attractions and leisure options, and is characterised with short ALOS (tourists staying mainly for a long weekend) thus reducing willingness of visitors to explore other parts of the country. The remaining tourist market is decent in size at 2.1 million in 2019. From CBS data, we found that in 2020 international tourism to Amsterdam dropped by 72 percent, and to the rest of the catchment - by 61 percent.
- **Future Size:** To estimate future growth rates we have taken into account the potential effect of **COVID-19** and the likely global economic crisis that may follow. In the summer of 2019, LDP performed an extensive study on the effect and recovery of tourism and attraction visitation from crises, including the SARS pandemic and the 2008 Financial Crisis. We have combined the understanding of the two to help our future projections as well as understanding that international travel is highly dependant on the rate of global vaccinations which differ from country to country.
- At the time of this study (May 2021) it is clear that both 2020 and 2021 are COVID impact years and no true recovery is possible until a certain proportion of the global population is vaccinated, with regular vaccination programmes established in most countries aimed at dealing with future virus mutations.
- It is also evident that resources required to be spent globally on tackling this pandemic, as well as myriad of businesses that have collapsed during lockdowns and restrictions across the world, are likely to lead to a global economic recession in 2022 which was already looming at the end of 2019 but may now be deeper.
- Overall, we expect that the market is likely to take around three years to recover to a new stable level (i.e. by 2025) with more immediate source markets recovering faster than visits from further away. Moreover, we have assumed that the new stable level for Amsterdam is around 85 percent of 2019 due to a long-term/permanent loss in some long-haul tourism and business trips. The remainder of tourism to the catchment area is expected to recover fully by 2025.



# International Tourist Market Size

- Post-recovery, we have assumed a 5.0 percent annual growth rate for a few years, followed by a slow down in the growth rate due to expanding base. We have used a long-term growth rate of 1.5 percent for Amsterdam (which is likely to near its capacity cap) and of 4.0 percent for the remainder of the catchment based on historic trends.
- The resultant market size is presented in the table here.

International Tourist Market				
Region	2019	2024	2029	CAGR
Amsterdam	7,358,951	5,727,358	7,402,544	0.1%
Rest of Catchment	2,143,627	1,920,680	2,568,058	1.8%
<b>Total</b>	<b>9,502,578</b>	<b>7,648,038</b>	<b>9,970,601</b>	<b>0.5%</b>
Source: CBS, Eurostat & LDP				

# International Tourist Market Characteristics

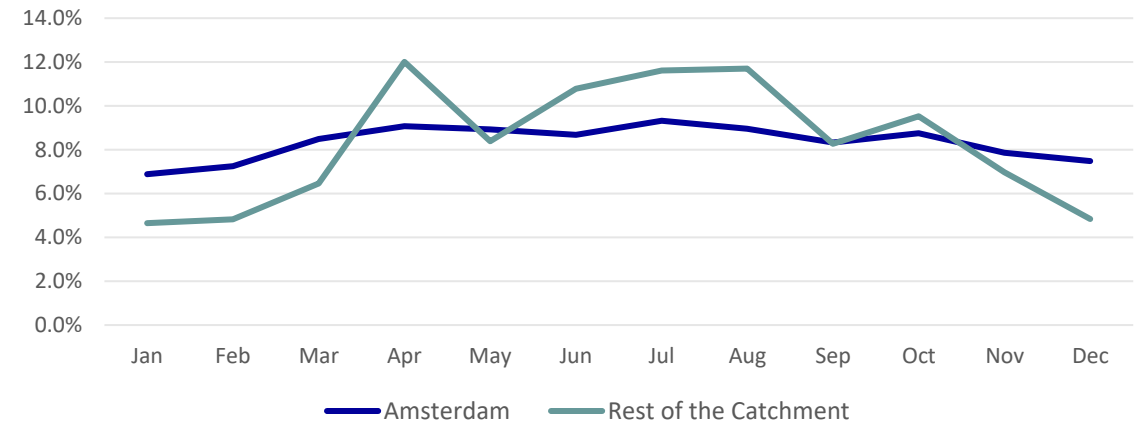
## Seasonality

- The top chart describes the seasonality of international visitation to the catchment. As shown, visitation to Amsterdam is very flat due to strong business and MICE tourism, whilst the remainder of the catchment shows more seasonal variations.
- As with Dutch residents, camping trips are popular amongst German and Belgian tourists and so the warmer months and school holidays register as the peak season for foreign tourists. April, July and August represent peak months each capturing around 12 percent of annual visitation (which is still fairly flat). However, we do note that this is still fairly flat which is a positive indicator.

## Average Length of Stay (ALOS)

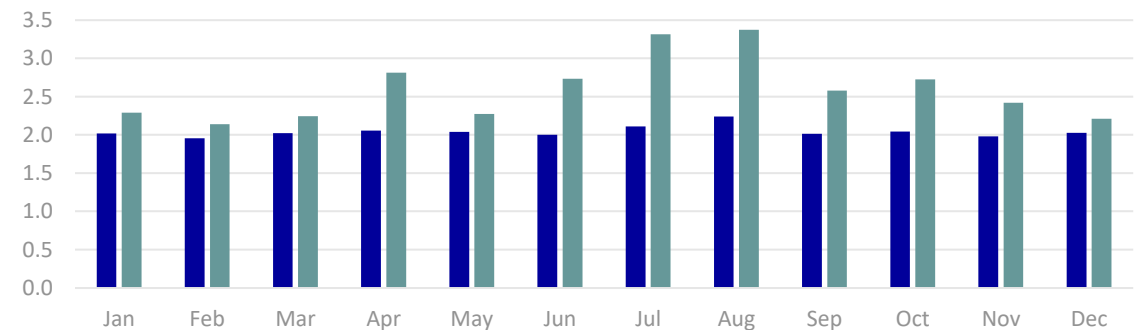
- The ALOS of tourists to Amsterdam remains very consistent throughout the year, at around two nights demonstrating the dominance of weekend city-breaks and business trips. The rest of catchment generates a broadly similar ALOS with some longer trips during July and August.
- For attractions a longer stay is a more promising sign, as it indicates that visitors will have more time to explore the region's offerings. We believe, the WFC may present opportunities to lengthen the ALOS of the local market more so than to drive new tourism.

**Seasonality of International Tourists to 0-60 Mins Catchment, 2019**



Source: CBS & LDP

**ALOS (Nights) of International Tourists to 0-60 Mins Catchment, 2019**



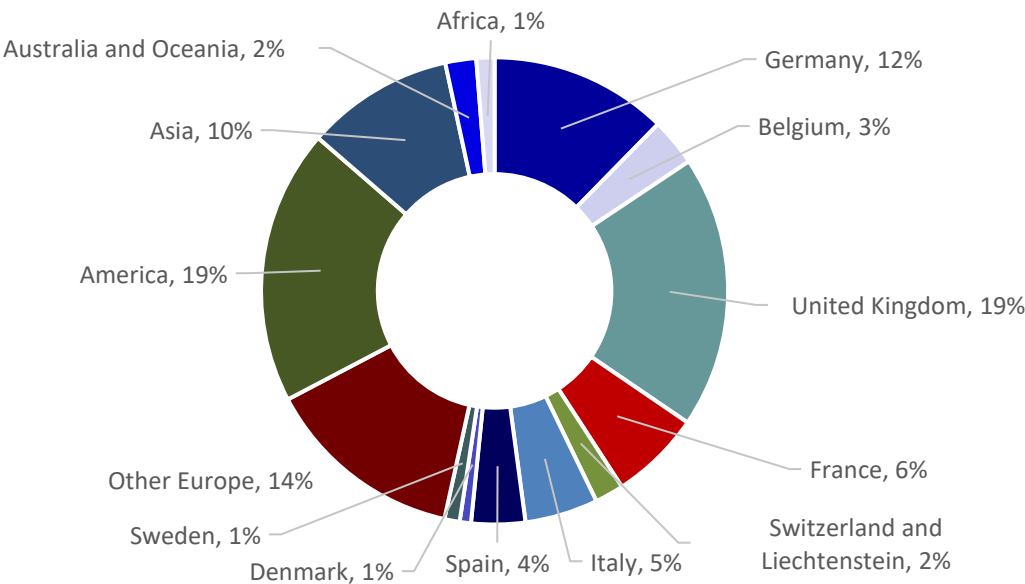
Source: CBS & LDP

# International Tourist Market Characteristics

## Visitor Origin

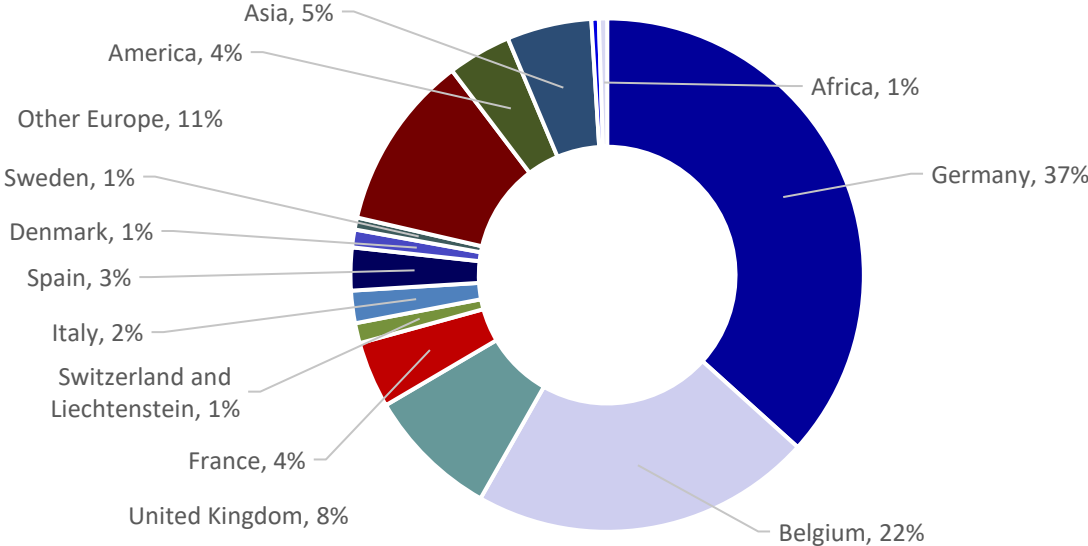
Visitor origin of tourists to Amsterdam is markedly different from that to the rest of catchment, as shown in the charts below. Amsterdam has a very diverse market, with roughly half of visitors arriving from Western European countries and the other half dominated by visitors from America (almost a fifth of total). By contrast, visitation to the rest of catchment is very European centric (around 90 percent) and heavily driven by guests from neighbouring Germany and Belgium making up 59 percent of the visitation. The UK registers as the third largest source market at 8 percent.

**Origin of International Visitors to Amsterdam, 2019**



Source: CBS & LDP

**Origin of International Visitors to the Rest of Catchment, 2019**



Source: CBS & LDP

# Summary Markets

## Summary Resident and Tourist Markets

Market Segment	2019	2024	2029	CAGR
<b>Resident Market</b>				
Primary Market	8,081,416	8,481,110	8,620,245	0.6%
Secondary Market	25,884,169	26,702,084	26,930,590	0.4%
<b>Total Residents (0-120 mins)</b>	<b>33,965,585</b>	<b>35,183,194</b>	<b>35,550,835</b>	<b>0.5%</b>
<b>Tourist Market</b>				
Amsterdam	7,358,951	5,727,358	7,402,544	0.1%
Rest of Catchment	2,143,627	1,920,680	2,568,058	1.8%
<b>Total Tourists (0-60 mins)</b>	<b>9,502,578</b>	<b>7,648,038</b>	<b>9,970,601</b>	<b>0.5%</b>
<b>Total Market</b>	<b>43,468,163</b>	<b>42,831,232</b>	<b>45,521,436</b>	<b>0.5%</b>
<i>School Market (8-12 yo) (0-60 mins)</i>	<i>350,513</i>	<i>352,011</i>	<i>353,539</i>	<i>0.1%</i>



Competitive Environment



# Competitive Environment Introduction

- As part of the analytical approach, we have looked at the competitive environment in the 0-60 minute catchment area. Over the next few pages we have mapped some selected attractions.
- Overall, the market is not particularly competitive, and is mostly dominated by cultural attractions (such as museums) and nature attractions (zoos, farms, etc.).
- Around half of the attractions on our list are located in Gelderland. The most visited attractions on the list are outdoor.
- Burgers Zoo is the most visited attraction in Gelderland with the attendance of just over 1.2 million, followed by Hoge Veluwe National Park (590,000) and the dolphinarium (586,000).
- We have updated pricing and most attendances (where available) for this iteration. Our research suggests that key Dutch museums outside large cities are able to achieve between 260,000 and 430,000 visits per annum. We have discussed this in more depth later on.





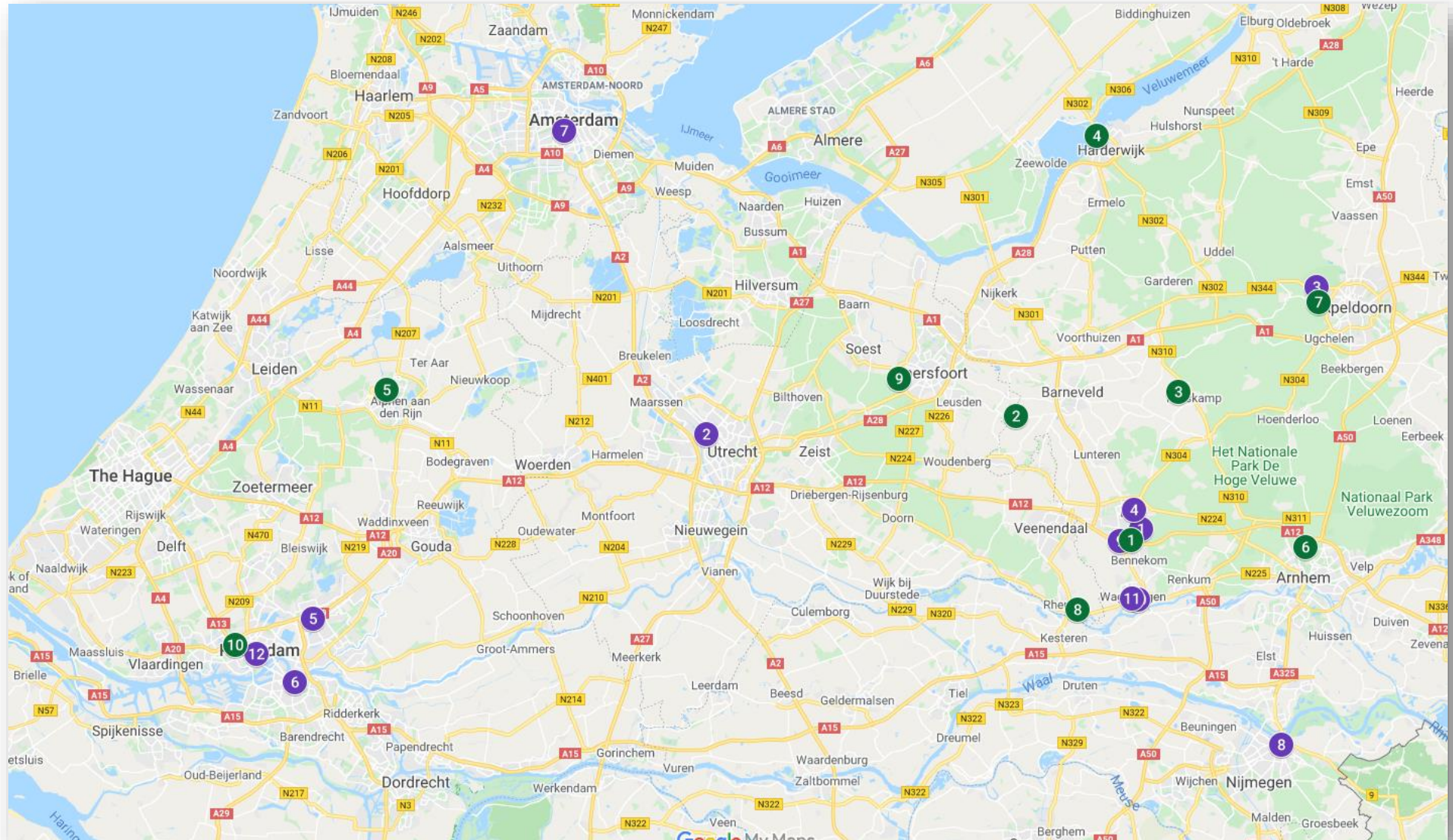
# Animal & Entertainment Attractions Map

## Animal

- 1 Kinderboerderij de Oude Hofstede
- 2 Kinderboerderij Jeugddorp De Glind
- 3 The Passiflorahoeve - Butterfly Garden
- 4 Dolfinarium
- 5 Bird Park Avifauna
- 6 Burgers' Zoo
- 7 Apenheul
- 8 Ouwehands Zoo
- 9 Amersfoort Zoo
- 10 Rotterdam Zoo

## Entertainment

- 1 De Fietser
- 2 KidZcity
- 3 Julianatoren Apeldoorn
- 4 Intersphere Lasergames Ede
- 5 Bungelland children's paradise Rotterdam
- 6 Gamestate de Kuip
- 7 Heineken Experience
- 8 EnjoyVR
- 9 Pathé Ede
- 10 Foundation Filmhouse Movie W.
- 11 Heerenstraat Theater
- 12 Pathé Schouwburgplein





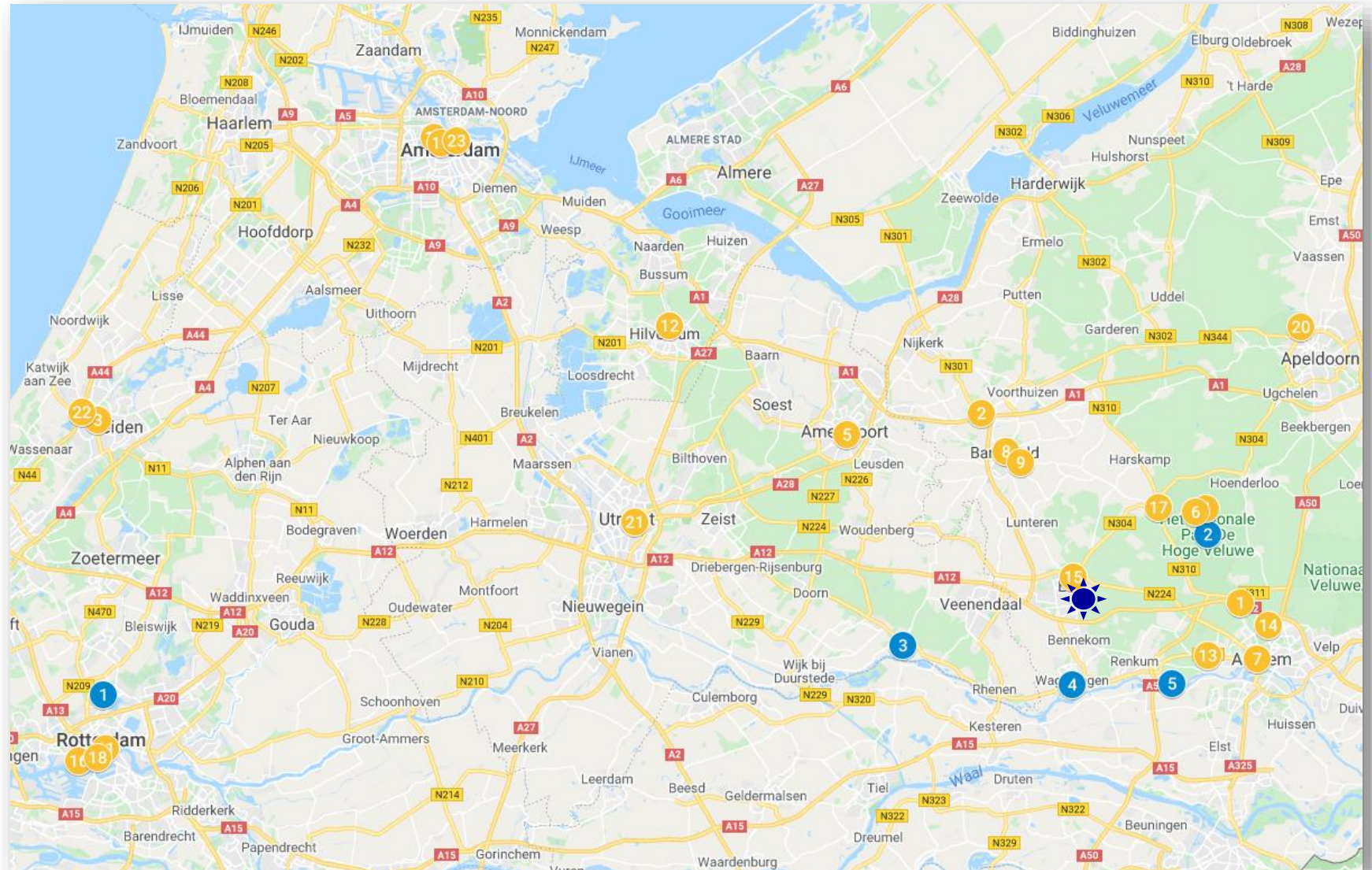
# Museums, Culture & Nature Attractions Map

## Museums & Science Centres

- 1 Arnhems Oorlogsmuseum
- 2 Old Crafts & Toy Museum
- 3 Naturalis Biodiversity Center
- 4 Museonder
- 5 Mariënhof
- 6 Kröller-Müller Museum
- 7 Museum Arnhem
- 8 Museum Nairac
- 9 Dutch Poultry Museum
- 10 Amsterdam Cheese Museum
- 11 Maritime Museum
- 12 Institute for Sound and Vision
- 13 Airbornemuseum Hartenstein
- 14 Netherlands Open Air Museum
- 15 Historisch Museum Ede
- 16 Dutch Pinball Museum
- 17 Nederlands Tegelmuseum
- 18 Natural History Museum Rotterdam
- 19 Madame Tussauds Amsterdam
- 20 Paleis Het Loo
- 21 Railway Museum
- 22 Corpus
- 23 NEMO Science Museum

## Nature & Culture

- 1 Plaswijckpark
- 2 Hoge Veluwe National Park
- 3 Castle Amerongen
- 4 Castle Wageningen
- 5 Castle Doorwerth



# Attendance & Price

## Attendance & Price at Selected Attractions in the 0-60 minute Attractions, 2021

Attraction	Location	Type	Estimated Attendance*	Lead Price 2021, €
Heineken Experience	Amsterdam	Brand centre	1,184,000	€ 21.00
Burgers Zoo	Gelderland	Nature	1,129,000	€ 24.50
Ouwehands Zoo	Utrecht	Nature	1,060,000	€ 26.50
Amersfoort Zoo	Utrecht	Nature	897,000	€ 24.00
NEMO science centre	Amsterdam	Nature	665,000	€ 18.95
Hoge Veluwe National Park	Gelderland	Nature	590,000	€ 11.10
Dolfinarium Harderwijk	Gelderland	Nature	586,000	€ 27.50
Openlucht Museum (open air museum)	Gelderland	Museum	560,000	€ 19.50
Apenheul Primates Park	Gelderland	Nature	506,000	€ 24.00
Plaswijckpark Rotterdam	Rotterdam	Nature	451,000	€ 14.74
Julianatoren Amusement Park	Gelderland	Amusement park	450,000	€ 25.00
Spoorweg Museum (railway museum)	Utrecht	Museum	431,000	€ 17.50
Kroller-Muller Museum	Gelderland	Museum	405,000	€ 11.10
Avifauna (bird park)	South Holland	Nature	377,000	€ 18.00
Paleis Het Loo – temporarily closed	Gelderland	Museum	356,000	N/A
Corpus	South Holland	Museum	343,000	€ 18.95
Naturalis – temporarily closed	South Holland	Nature	340,000	€ 16.00
Netherlands Institute for Sound & Vision	North Holland	Museum	267,000	€ 8.00
Museonder	Gelderland	Nature	154,000	incl. in Hoge Veluwe tickets
KidsCity Utrecht	Utrecht	Soft play	125,000	€ 13.00
Zaans Museum	North Holland	Museum	110,000	€ 12.50
De Fietser	Gelderland	Brand centre	100,000	Free
Amsterdam Cheese Museum	Amsterdam	Museum	32,000	Free
Netherlands Pluimveemuseum (living poultry museum)	Gelderland	Nature	26,000	€ 18.00
Wijnmuseum (wine museum)	Gelderland	Museum	13,000	€ 10.95

\*most attendances updated to 2019 levels

Sources: individual attractions & LDP

# Attendance & Price

- Gelderland has a supply of museums and cultural attractions. But, as the map overleaf shows, these tend to be concentrated in areas outside Ede such as Arnhem, Nijmegen and Veluwe National Park.
- The most popular museum in the region is the Openlucht Museum (open air museum) in Arnhem that attracted 560,000 visitors in 2019. This was followed by the Kröller-Müller museum in the Hoge Veluwe National Park (405,000 visitors).
- The Openlucht Museum does a lot of work with local schools. Around 7 percent of the museum's attendance is generated by school groups (primary and secondary schools). The museum reports that it is challenging to attract school groups given that the cost of travel is rising. Schools pay around just over a half of child full admission fee.
- Most of the Gelderland museums, however, attract less than 100,000 visitors a year, with the sample average lying just below 90,000 and the median at below 40,000.
- Lead pricing is reasonably strong at these attractions, with most charging above €10 for an adult ticket.

## Top Museums and Cultural Attractions in Gelderland

Museum	Est. Attendance	Lead Price, 2021
Nederlands Openlucht Museum	560,000	€ 19.50
Kröller-Müller	405,000	€ 11.10
Paleis het Loo	356,000	N/A
Museonder	154,000	incl. in Hoge Veluwe tickets
Slot Loevestein	120,000	€ 14.00
Airborne Museum	114,000	€ 8.00
De Fietser Ede	100,000	Free
Museum Het Valkhof	70,891	€ 12.50
Nederlands Watermuseum	72,500	€ 9.50
Museum Arnhem	75,000	€ 10.00
CODA Museum	66,000	€ 10.00
Afrika Museum	70,000	€ 15.00
Dutch Bakery Museum	54,000	€ 9.00
Nationaal Bevrijdingsmuseum	46,000	€ 15.00
Oude Ambachten & Speelgoed Museum	35,000	€ 10.95
MuZIEum	37,500	€ 17.50
Stedelijk Museum Zutphen	31,000	€ 9.00
Museum Henriette Polak	31,000	€ 9.00
Museum Bronbeek	28,000	€ 6.00
Jachthuis Sint Hubertus	25,000	€ 4.00
Nederlands Pluimveemuseum	26,000	€ 8.00
Anton Pieck Museum	25,000	€ 9.00
Voerman Museum	18,000	€ 9.00
Villa Mondriaan	14,000	€ 12.00
Marechaussee Museum	14,000	€ 7.50
Nederlands Wijnmuseum Arnhem	13,000	€ 10.95
Museum Elburg	11,500	€ 7.00
Ontdek Sjoel Elburg	11,500	€ 7.00
Museum De Roode Tooren	12,500	Free



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# Entertainment Value

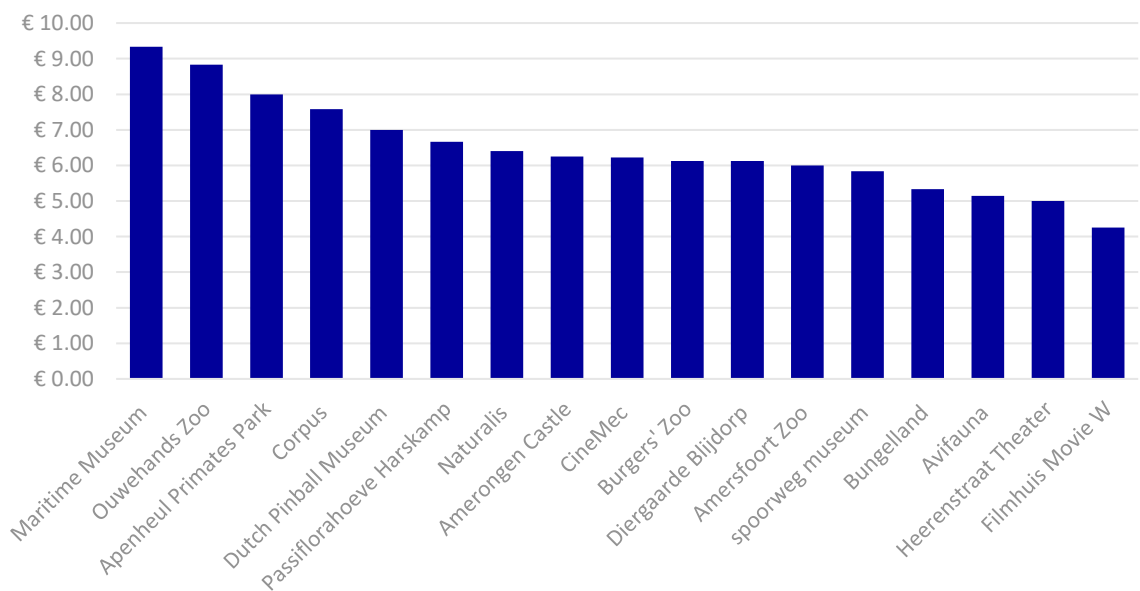
- We have also looked at **Entertainment Value (EV)**. Entertainment Value is the perceived price per hour that consumers are currently spending on entertainment. Although discounts might be available, this is how local markets perceive the value of the experiences.
- We reviewed the pricing of a selected group of attractions to ascertain the current entertainment value in the market area, as shown on the table and chart on the right. EV is calculated by dividing the lead price (i.e. the most expensive price at an attraction – typically adult weekend price although could be child price in children focussed attractions) by the average length of stay amongst visitors.
- We have made comparisons between the EV calculated for the previous assessment (based on 2018 prices) and the 2021 level. Whilst some pricing may be distorted by COVID-19 regulations on capacity and the pandemic’s effect on consumer confidence in attractions, overall the increase appears to be within market norms.
- The average EV in our sample is currently €6.48 compared to €5.73 in 2018 - an increase of €0.70 over three years.

**Entertainment Value (EV) at Selected Attractions, 2018 vs 2021**

Statistic	2018	2021
Max	€ 8.33	€ 9.33
<b>Average</b>	<b>€ 5.73</b>	<b>€ 6.48</b>
<b>Median</b>	<b>€ 5.63</b>	<b>€ 6.25</b>
Min	€ 3.33	€ 4.25

Source: individual attractions & LDP

**Entertainment Value at Selected Attractions, 2021**



Source: individual attractions & LDP



# International Benchmarking – Industry & Brand Centres

# International Benchmarks – penetration rates

- The World Food Centre is a unique attraction and there are no directly applicable successful benchmarks. Therefore we have reviewed penetration rates at international industry and branded visitor centres. A penetration rate shows a proportion of the market segment that visits an attraction annually.
- There are a great variety of branded attractions and brand centres internationally. The spectrum of available experiences yields very wide ranges of penetration rates. We have therefore selected only those deemed comparable to the experience.
- We have also considered the performance of good quality Hall of Fames (e.g. the Basketball Hall of Fame outside NY which draws visitors from a significant distance).
- Median is a good measure of performance within the industry.
- As shown, industry museums and brand centres achieve relatively modest penetration rates as they are not very repeatable and attract mostly school and/or corporate groups from the resident market, as

well as tourists, once a stable year of operation has been reached. The expectation for the WFC is that it will offer a relatively repeatable experience.

- We summarise a selection of the case studies on the next few pages.

## Penetration rates at industry & brand centres

	Primary Residents	Secondary Residents	Domestic Tourists	International Tourists
Max	6.9%	1.5%	2.6%	11.9%
Average	2.2%	0.7%	1.2%	5.8%
<b>Median</b>	<b>1.9%</b>	<b>0.6%</b>	<b>1.1%</b>	<b>1.9%</b>
Min	0.4%	0.2%	0.4%	1.6%

Source: LDP



# Corning Museum of Glass, US



- The Corning Museum of Glass first opened in 1951 and significantly expanded in 2012. The attraction is a not-for-profit museum dedicated to telling the story of glass (as an industry rather than limited to Corning). The centre is an example of one of the most successful industry museums internationally and is now housed in a 22,000 sqm building including the 9,300 sqm expansion.
- **Annual attendance:** Currently the museum attracts between 400,000-450,000 annual visitors. In 2016, the first full year after the expansion, the museum received 460,000 (20% growth of independent visitors after expansion) of which 60% are residents and 40% are tourists (domestic and international). The attraction capitalises on the passing group traffic between Niagara Falls and New York City and 40% of attendance is comprised of coach groups. The remaining market is day trips (mostly from the 90 minute catchment). The expansion resulted in a 20% increase in the independent visitors.
- The average length of stay at the attraction is short at 1.5-2.0 hours.
- **Investment:** the attraction is very heavily invested in. The expansion cost €43 million (€4,600/ sqm or €160/ additional attendee in current values).
- **Pricing:** the museum charges US\$ 19.50 (€ 18.10 or €9.50 per hour)) for an adult ticket and the admission is free for under 17s. College students are charged US\$ 16.60 (15% discount) and the local residents pay just US\$ 9.75 (50% discount).





# Cite du Vin, France



- Previously known as the Cite des Civilisations du Vin, the new venue has a total area of 13,350 sqm spread over ten floors. The core concept of the project is something between a theme park, a museum and a cultural space.
- Key spaces are a 600 sqm wine bar, tapas bar and wine shop and a 3,350 sqm dedicated permanent exhibition focusing on a world tour of vineyards with immersive, interactive, multi-sensory experience with twenty themed modules, wine tasting and a 'senses buffet'.
- The Cite du Vin boutique is housed in a circular space displaying 9,725 bottles, stocking a wine from every wine-producing country. The attraction shows a strong integration of technology, strengthened by workshops, tasting sessions, and multi sensory experiences.
- The average length of stay at the attraction is 4 hours. Cite de Vin is set up as a charitable organisation with no public operational subsidies.
- **Opened** in June 2016
- **Attendance:** 416,000 in 2019, a 6.5 percent drop from 445,000 visitors in 2017 (first full year of operation). The original target was 450,000 annually. The proportion of international tourists increased from 23% in 2017 to 46% in 2019 demonstrating falling penetration within the resident markets after the initial champagne effect.
- **Investment:** € 81m including land and infrastructure but excluding VAT (over €6,000/ sqm or €180/ attendee if targets are met). The project went over the planned budget of €63 million (excl. VAT).
- **Pricing:** the attraction charges €20 for a dated ticket (equates to €5 per hour), and €25 for an open date ticket. Workshops are priced at between €15 and €25. Pricing has not changed since opening but significantly more discounts and promotion are now offered to residents to encourage repeat visitation.



# Alimentarium, Switzerland



- A historic Nestle building, located about 15 minutes walk from the now closed Nest experience in Vevey, Switzerland, has been re-developed into a museum on the world of food and nutrition named **Alimentarium**. The museum first opened in 1985 and is marketed as the world's first food museum.
- The attraction is made up of several immersive, interactive, multi-media permanent exhibitions (800 sqm over two floors) and a temporary exhibition space (450 sqm on one floor). The permanent space offers an insight into three sectors of the food journey, sending visitors on an educational tour from the environment, food production and distribution, to society and culture, and finally on the body, health and senses.
- Along with the main museum space, it includes a restaurant with outdoor seats; a garden for growing various crops; a 'Junior Academy' with educational games and workshop space for young children; and a gift shop. We estimate the total indoor area to be around 1,800 sqm over three floors.
- The average length of stay is estimated at between 1.0 and 1.5 hours.
- **Attendance:** For the first 7 months of operation from the re-opening in June 2016, the museum attracted 54,000 visitors. In its first full year (2017), Alimentarium received 68,458 visitors which exceeded the attendance of 61,377 in 2014 (the last full year before renovations). However, attendance continued to fall after renovation to the 2019 level of 53,162 visitors.
- **Investment:** the most recent renovation began in August 2015 and took 10 months before reopening in June. In total, the renovation cost CHF 19.8 million (€18.5 million or €10,300/sqm or €348/attendee in 2019).
- **Price:** Alimentarium charges CHF 13.00 (€12.10, or €8.10 per hour) for an adult ticket, and CHF 4.00 (€3.70) for children between 6 and 15 years old. There is a 15 percent discount (CHF 11.00/ €10.25) for senior citizens, students and job seekers, as well as for adult and over-16s school group tickets (12 people or more). Cookery workshops cost between CHF 30.00 and CHF 80.00 (€28.00 and €74.70).





# International Benchmarking – Museums



# International Museums – Introduction

- Similar to commercial attractions the drawing power and attendance achieved at museums has much to do with both the available markets and the concept/character of the museums.
- Museums can range in character to small industrial/specialised museums achieving less than 100,000 visitors per annum to major internationally renowned art installations attracting millions of visitors.
- More importantly, a key difference between most museums and the other commercial attractions reviewed as that they typically rely on some form of government funding, grants and donations in order to cover their operating costs. They very rarely pay back their capital costs (with the exception of smaller commercially run ventures such as the International Spy Museum in Washington DC).

## Attendance & Pricing at the top 20 European Museums

Name	Type	Annual Attendance 2019	Free/Paid
LOUVRE, Paris, France	Art	9,600,000	Paid
VATICAN MUSEUMS, Vatican, Vatican City	Art	6,883,000	Paid
BRITISH MUSEUM, London, UK	History/ Culture	6,208,000	Free
TATE MODERN, London, UK	Art	6,098,000	Free
NATIONAL GALLERY, London, UK	Art	6,011,000	Free
NATURAL HISTORY MUSEUM, London, UK	Natural History	5,424,000	Free
STATE HERMITAGE, St Petersburg, Russia	Art	4,957,000	Paid
REINA SOFÍA, Madrid, Spain	Art	4,426,000	Paid
VICTORIA & ALBERT MUSEUM, London, UK	History/ Culture/ Art	3,921,000	Free
MUSÉE D'ORSAY, Paris, France	Art	3,652,000	Free
CENTRE POMPIDOU, Paris, France	Art	3,270,000	Paid
SCIENCE MUSEUM, London, UK	Science	3,254,000	Paid
MUSEO NACIONAL DEL PRADO, Madrid, Spain	Art	3,203,000	Paid
STATE TRETYAKOV GALLERY, Moscow, Russia	Art	2,836,000	Paid
RIJKSMUSEUM, Amsterdam, Netherlands	Art	2,700,000	Paid
CITE DES SCIENCES ET DE L'INDUSTRIE, Paris, France	Natural History & Science	2,370,000	Paid
GALLERIA DEGLI UFFIZI, Florence, Italy	Art	2,362,000	Paid
AUSCHWITZ-BIRKENAU MUSEUM, Poland	Historic Site	2,300,000	Paid
NATIONAL MUSEUM OF SCOTLAND, Edinburgh, UK	History/ HNM	2,210,000	Free
VAN GOGH MUSEUM, Amsterdam, Netherlands	Art	2,100,000	Paid

Source: TEA

# International Museums – penetration rates

- This variation in funding sources has led to a variety of pricing strategies which don't necessarily reflect the public's ability to spend and can have an impact on attendance.
- For example, all UK national museums are free of charge, resulting in high levels of repeat visits amongst residents, whilst in Paris, entry is charged at commercial levels.
- At the other extreme as a more complicated example, all museums located on park land in the city of Chicago, Illinois receive money from the parks and recreation department. However, this is received on the proviso that there are 52 'free' days a year for Illinois residents, and all school groups are free, resulting in a higher than average percentage of attendance from school groups.
- School group attendance at museums can constitute anything between 5% and 35% of total attendance, averaging roughly 15%. Over recent years, school group attendance has dropped during the recession due to the cost of fuel associated with coaches for students unable to take public transport. However, it is our understanding, that school group numbers are starting to improve again with the economy slowly improving as well.

## Penetration Rates at Selected European Museums

	Primary Res. (0-60 min)	Secondary Res. (60-120 min)	Domestic Tour. (0-60 min)	International Tour. (0-60 min)
Max	11.5%	7.3%	7.7%	13.8%
Average	3.1%	1.5%	1.9%	2.8%
Median	2.5%	0.9%	1.7%	1.8%
Min	0.4%	0.1%	0.2%	0.1%

Source: individual attractions and LDP

- A penetration rate shows a proportion of the market segment that visits an attraction annually. On average penetration rates at museums tend to be lower than at major attractions such as theme parks and waterparks. Clearly in the case of internationally renowned museums such as the Louvre they are able to capture large numbers of international tourists. It is important to note, however, that most museums that achieve penetration rates at the upper end of the range tend to be in city centre locations where they can easily capture residents and tourists alike.

# International Museums – Operating Performance

## Visitor Revenues

- Typical **Admission yield** at museums is around 60-65%, with traditional school group oriented museums achieving yields at the lower end of the range and specialty adults and/ or tourist oriented museums achieving relatively strong yields in the region of 70-75%.
- On average, **admission spend** accounts for 65-70% of total spend per head at traditional museums.
- **Food & Beverage** spend is typically modest but dependant on the average length of stay and the quality of the F&B offer at a museum (many museums have relatively mediocre F&B offering, but those that have signature restaurants may do well).
- **Merchandise** opportunities in museums are often limited to guide books, literature and small items, resulting in a modest spend per head. Merchandise spend can, however, be impacted by the design, layout and the location/visibility of the shop and the merchandise within the shop, and there are ways to boost the spend somewhat.
- In some cases, museums have developed their own signature retail products (NHM in London for example) to such a degree that often people will come to the store specifically to purchase gifts and not visit

the museum. In the case of the National UK museums or Smithsonian museums in Washington DC, this is quite common as they are free entry.

- Retail spend can be high at specialty museums based around an iconic brand or figure (for example, the Beatles Museum, Graceland, etc.).
- If a museum has the aspiration of driven retail sales on top of those achieved from visitor spending, it is very important to have separate access to the museum store from the street.

## Non-visitor Revenues

- As mentioned in the previous page, the majority of international museums are either subsidised or break-even operationally. A modern high quality museum built to fit the market may look at closing the funding gap in operations but it is highly dependent on the market concept.
- Museums, however, tend to struggle pay back their initial capital investment or even to pay commercial rents if part of a larger development. In many cases the capital/building costs are gifted as part of the planning approval process.



# International Museums – Operating performance

- As stated earlier, there are a number of ways in which museums can supplement their income in order to break even operationally. In many cases 50% to 100% of total revenues is achieved through means other than admissions.
- **Government Support:** One key area of support is clearly annual support from the local or national government which helps subsidise the operations. However, in some cases this might have 'strings' attached such as free admission for certain user groups or even everyone.
- **Membership** is another way in which museums can maintain healthy revenue streams. This will often be sold to local residents who either support the actual mission of the museums or tend to repeat visit (as in the case of annual memberships).
- **Sponsorship** from local companies can also help build up the revenue stream. In many cases, they might provide sponsorship for special halls or exhibits, especially if the exhibit is somewhat related to the company's core business. General sponsorship is typically on an annual basis, whilst capital sponsorship will often go toward major capital improvements such as a new exhibit hall etc.
- **Additional non-visitor revenue** in addition to the 3 core methods of raising non-visitor revenues just outlined, there are other sources as outlined below:
  - **Special Exhibits** are always charged and can be a source of revenue from the proportion of visitors who choose to pay
  - Similarly, **Travelling Exhibits** developed by the museum can be hired out to other similar museums globally
  - **Donations** from individuals and **bequests** as part of a will can be gained, however can be sporadic in nature and therefore the operating budget should not rely on them
  - **Special events** in the events when the museum is closed to the public can gain significant revenue from hall rental and even catering (in the case the museum has a strong restaurant offer)
  - **Venue hire:** In addition to special events, the museum can be hired as a TV or film location.
  - **Volunteers:** Although not strictly a revenue stream, volunteers (docents) can help save money in regards to staffing.
  - **Capital campaigns** are also another source of revenues for major capital projects. Museums can go out to the local community and raise capital via donations for a specific project via programmes such as 'sponsored bricks' gala events, etc.
- As a result of the myriad of ways that museums source revenue, their operating performance in regards to opex can vary significantly (especially as many are able to negotiate tax breaks of some form). Each model is unique and a reflection of the type of museum, experience, and most importantly, the level and types of non-visitor revenues achieved.

The graphic features a large, light blue circular shape in the background. Overlaid on this is a dark blue horizontal band that spans the width of the image. Within the circular area, there are several overlapping, curved shapes in shades of light blue and white, creating a sense of motion or a stylized 'S' or 'G' shape. The text "Performance Assessment" is centered within the dark blue band.

# Performance Assessment

# Performance Assessment

## Key aspects of the NEW concept:

- 7-day operation
- The entry is batched due to the opening show
- More educational and less interactive
- The experience is less repeatable (no multiple paths offered)
- The show and the roof terrace provide a statement and are easier to communicate and market to tourists
- Roof terrace only available to visitors
- No farm, no marketplace, pizza machine replaced by food machine
- Average length of stay at 2 hours estimated by BRC Imagination Arts
- Additional revenue streams: events, sponsorship, restaurant walk-ins (external visitors)
- Council grant of €28m for concept, CAPEX and pre-opening, in addition to €2.5m operator grant and €2.5m fundraising
- A loan of €20m to cover building and construction
- Corporate sponsorship at €1.5m per annum towards operations guaranteed for 5 years

# Performance Assessment

## Key Assumptions

- We have run an assessment of potential attendance and visitor revenues for the proposed World Food Centre in Ede. The current assessment is based on BRC designs which have been presented to us to date. We have assumed that the full experience from the BRC concept materials has been delivered.
- As requested by the client team, this latest iteration splits the WFC operation into attraction and restaurant, with separate Profit & Loss Statements (up to a Contribution Margin) and a consolidated P&L that includes shared operating revenues (such as sponsorship) and shared costs (such as WFC Foundation Fee and Rent).
- The assessment is based on the following key assumptions:
  - Our work assumes sufficient capital and capacity to deliver the stated attendance;
  - We have assumed a year-round operation and that an average length of stay of 2.0 hours is delivered;
  - Professional operation of the attraction and strong pre- and post-opening marketing campaign, regionally, nationally and internationally including joining efforts with local attractions to draw coach tours;
- Opening year – 2023 with 2025 being the first stable year;
- Appropriate preparation and soft opening are allowed for; full experience is available on opening and to international standards;
- Our assessment assumes healthy and ongoing reinvestment to keep the experience fresh and ensure repeat visitation from the residents and repeat tourists. We have assumed that technology is updated alongside the progress in the industry – this is particularly important for the immersive experiences such as VR, augmented reality, 3/4/5D, etc.
- VAT on admissions and F&B at 9% (at this level of detail, we have not differentiated alcoholic drinks from the rest of the F&B spend and have used 9% across the board);
- VAT on merchandise and other at 21%;
- Annual inflation rate at 1.5%

# Performance Assessment – Attraction Attendance

## Penetration rates

- We estimate annual attendance using penetration of the available market segments. Deriving reasonable penetration rates was a reflection of the comparables reviewed, as well as the local market environment and levels of competition.
- It is of paramount importance not to overestimate the opportunity and accurately reflect the potential for the project and site given the current markets and environment.
- For a more detailed analysis, we have split the potential school group market from the primary resident market.
- The tourist market is large in size but the majority is concentrated in and around Amsterdam. As it is challenging to make tourists travel to a museum/ educational attraction from a significant distance (especially given the strong offering in Amsterdam itself), we have split the market into Amsterdam and the rest of the 1-hour catchment area.
- We note that the concept is in early stages of development and we have taken a prudent view on the performance based on the drawings and visitor experience descriptions provided to date. Clearly the designs will need to be balanced with potential development cost and building limitations, and may mean changes

to the programming, which in turn may impact the attendance potential.

## Primary Residents (0-60 mins)

- **Residents (0-30 mins):** We have used a penetration rate of 4.0 percent for this market segment, which is slightly below our previous assessment due to lower repeatability of the new concept.
- **Residents (30-60 mins):** We used a penetration rate of 1.5 percent in this market segment, again slightly lower than in our previous assessment due to lower repeatability and less sizeable fun and immersive aspect.
- **Schools (0-60 mins):** We have assumed that the attraction would be particularly strong on school group visitation. However, given the challenges in attracting the Dutch school market, we have been cautious not to go too much over the regional industry norm. We have used a penetration rate of 11.0 percent of the school market, which would translate into 12.5 percent of total attendance, slightly above the regional industry. We have assumed that significant work is carried out with schools to make the attraction a 'must visit'. Some upside may be achievable shall the visit make it to the national/ regional curriculum. We do not expect any school visitation from beyond the one hour's drive.

# Performance Assessment – Attraction Attendance

- **Total Primary Residents (0-60 mins):** as a result of the above attractions, the total resident market penetration rate including schools is 2.5 percent in the first stable year which is in line with the median for European museums and above the average of industry museums and brand centres, reflecting the strong concept.
- We have incorporated some evolution of the primary market penetration rates allowing for some champagne effect in early years and gradually levelling off to reach stability for residents, and a gradual increase of schools penetration as it will take some time to build up the uptake.

## Secondary Residents (60-120 mins)

- This market is particularly large in size encompassing a part of a densely populated area of Germany. In fact, this is one of the largest markets we have seen in the developed world.
- It is significantly more challenging and expensive to communicate to, and hence capture, a large diverse market. Therefore attractions in large markets tend to perform towards the bottom end of the range in terms of penetration rates (which can still translate into relatively strong attendance numbers). Typically, where the attraction of this nature manages to penetrate this market segment, it is due to

capturing those visiting the area anyway (rather than arriving to specifically visit the attraction).

- Bearing in mind a strong level of Veluwe's visitation by residents, we have used a relatively strong penetration rate of this market, at 0.2 percent in stable year. Of course, the level of repeat visitation for this segment is likely to be high and therefore effort must be taken to generate repeat visits.
- We expect the champagne effect for this market segment to take place in the second year of operation, as opposed to the first year for the primary market, as it takes longer to reach further away.

## International Tourists (0-60 mins)

- The project will be mostly oriented towards the Dutch market. However, we still expect some interest from international tourists, especially those engaged with the food industry (international students and food industry professionals).
- We have used a penetration rate of 2.0 percent in stable year 3 for the market outside of Amsterdam, in line with median for both the industry and branded attractions, and successful international museums.



# Performance Assessment – Attraction Attendance

- International tourists (cont.):** We do not anticipate the attraction to draw international visitors staying in Amsterdam (due to the short stay, non-family nature of the tourist market to the city and the wide array of available attractions and experiences located there). Therefore, we have applied a modest penetration rate of 0.075% to this market, in stability. This results in a blended penetration rate of the international tourist market of just under 0.6 percent which is consistent with regional attractions.
- The penetration rate in this market is built up over the first few years of operation, as it takes time to convince tourists to visit a new

attraction, as well as for the marketing effort to take effect on individual tourists, tour operators, groups etc.

## Overall Attendance

- As shown in the table below, our calculations yield 310,000 visits in the first stable year of operation (2025). The attendance then grows to 340,000 by the end of the model. As mentioned, we believe there may be some upside potential for the attendance depending on whether the project makes it to the curriculum, its work with schools, the fun vs. educational components, potential capacity constraints, etc.

Projected Annual Attendance at the Proposed WFC Experience									
Market Segment	Market size (000s people)			Penetration Rates			Attendance (000s visits)		
	2023	2024	2025	2023	2024	2025 onwards	2023	2024	2025
<b>Resident Market</b>									
Primary (0-30 min)	1,252	1,257	1,262	6.0%	5.0%	4.0%	75	63	50
Primary (30-60 min)	6,846	6,872	6,898	1.75%	2.25%	1.75%	120	155	121
School Children 8-12yo (0-60 min)	352	352	352	6.0%	8.0%	11.0%	21	28	39
Secondary (60-120 min)	26,643	26,702	26,762	0.225%	0.25%	0.20%	60	67	54
<b>International Tourist Market</b>									
Amsterdam	4,772	5,727	6,300	0.025%	0.05%	0.075%	1	3	5
Rest of Catchment	1,601	1,921	2,113	1.5%	1.75%	2.0%	24	34	42
<b>TOTAL ATTENDANCE</b>							<b>301</b>	<b>349</b>	<b>310</b>

# Performance Assessment – Attraction Revenues

## VISITOR REVENUES

### Admission spend per head

- **Average length of stay (ALOS):** BRC estimate the average length of stay of 2.0 hours which we have used for this assessment. We note that, after reviewing the planned experience, we feel the ALOS is likely to be slightly shorter in reality but for purposes of pricing planning we have used the designer assessment as agreed with the client team.
- **Lead Price:** the current Entertainment Value (EV) for a variety of reviewed attractions varies between €4.25 and €9.30 with the average among most applicable sites at €6.60. We have used a lead price of €14.50 in 2021 values. It results in the EV of €7.25, above the market average due to the association with the university, free gift at the end of the experience and an element of branding. With the VAT rate of 9 percent, the net price is €13.30 in current values.
- **Admission yield** reflects discounts for adults, groups, promotions, free visits, etc. We have built up the admission yield assuming the likely visitor mix and discounting policy, resulting in a stable admission yield of 66 percent, broadly in line with the regional median. The yield builds up from 63.3 percent in Year 1 and 64.5 percent in Year 2, as the level of promotion and free visits decreases

over time (which is balanced somewhat by the growth of school group visitation).

- **Spend per head** on admissions equates to €9.58 gross/ €8.79 net in 2021 values.

### Secondary spend per head

- **Merchandise:** we have used a merchandise spend per head of €1.00 in 2021 values including photo opportunities. There may be some upside to this spend based on the final content and the opportunities for pushing sales of culinary equipment, cook books, etc.
- **Other spend:** we have used the Other spend per head of €0.50 in 2021 values. As more details (and potentially upcharges) emerge through the design process, this spend could be updated).

### Total spend per head

- Total net spend per visitor equates to just over €10.00 (€11.08 including VAT) in current 2021 values. **Note:** this excludes F&B revenue which is accounted for in the Restaurant Assessment, as per client's request.

# Performance Assessment – Attraction Revenues

## OTHER REVENUES

### MICE & Events

- The events assumptions have been provided by Teka Group. The development is assumed to have 100 events of 100 delegates, each. This results in an annual attendance of 10,000. As agreed with Teka, we have assumed that 15 percent of these, or 1,500 people, use WFC for evening private events.
- We have then layered in some revenue assumptions by applying an admission yield of 60 percent to the lead price (VAT rate at 9 percent) resulting in a net spend of €8.70 per delegate. This equates to the net revenue of just €11,972 in 2021 values, which is significantly lower than in previous assessment but could potentially have an upside.
- We note that this revenue includes access to venue only. There will be some, more substantial, catering revenue to the operator. There will also be expenses on additional staff, security, cleaning, F&B, performers and other associated costs – these will pass through to the event/conference organiser.

### Revenue Assumptions for WFC Attraction, 2021 values

Category	Spend incl. VAT	Spend excl. VAT
<b>ADMISSION SPEND PER HEAD</b>		
Lead Admission Price	€ 14.50	€ 13.30
Admission Yield	66%	66%
<b>Admission Spend per Head</b>	<b>€ 9.58</b>	<b>€ 8.79</b>
<b>SECONDARY SPEND PER HEAD</b>		
Merchandise	€ 1.00	€ 0.83
Other	€ 0.50	€ 0.41
<b>Total Secondary Spend</b>	<b>€ 1.50</b>	<b>€ 1.24</b>
<b>TOTAL SPEND PER HEAD</b>	<b>€ 11.08</b>	<b>€ 10.03</b>
<b>MICE/ EVENTS/ B2B SPEND PER HEAD</b>		
Lead Admission Price	€ 14.50	€ 13.30
Admission Yield	60%	60%
<b>Admission Spend per Head</b>	<b>€ 8.70</b>	<b>€ 7.98</b>

Notes:

Numbers are rounded

VAT at 9% for admissions and 21% for secondary spend

Source: LDP

# Performance Assessment – Attraction OPEX

- We have estimated operating expenses for the attraction. It should be noted that, as F&B revenue has been removed from this part of the assessment, the resultant ratios need to be taken with adjustment for this when comparing with benchmarks.
- Staff costs:** Our operator associate Martin Barratt has built a staffing schedule for the project, based on the new concept and discussions with both WFC and BRC. We provide the details in the tables over the following pages. The staff costs have been estimated in 2022 values and then inflated for the model using an inflation rate of 1.5 percent per annum.
- We have made an effort to keep the number of staff positions to a minimum having combined some roles within the operation and having assumed some shared positions with the wider project. These were then discussed with the client team and the appointed operator (Teka Group). Following these discussions, further adjustments were made.
- The staff costs are built based on a 7-day operation as requested by the client team.

## WFC – Salaried management team positions, € in 2022 Values

Position	Basic	On costs	Total	No of Positions	Total Cost	% to WFC	WFC Cost
Managing director	105,000	25%	131,250	1	131,250	20%	26,250
Finance director	65,000	25%	81,250	1	81,250	20%	16,250
Marketing director	80,000	25%	100,000	1	100,000	50%	50,000
Commercial director	65,000	25%	81,250	1	81,250	40%	32,500
Content curator	65,000	25%	81,250	1	81,250	100%	81,250
Maintenance team	40,000	20%	48,000	1→2 *	48K→96K	100%	48K→96K *
Operations manager	50,000	20%	60,000	1	60,000	100%	60,000
Operations supervisor	30,000	20%	36,000	2	72,000	100%	72,000
Sales manager	35,000	20%	42,000	1	42,000	50%	21,000
Sales team	25,000	20%	30,000	2	60,000	50%	30,000
PR manager	35,000	20%	42,000	1	42,000	50%	21,000
HR manager	40,000	20%	48,000	1	48,000	40%	19,200
HR officer	25,000	20%	30,000	1	30,000	40%	12,000
Education officer	25,000	20%	30,000	1	30,000	100%	30,000
Retail supervisor	25,000	20%	30,000	1	30,000	50%	15,000
FOH manager	30,000	20%	36,000	1	36,000	50%	18,000
IT manager	40,000	20%	48,000	1	48,000	100%	48,000
IT officer	25,000	20%	30,000	1	30,000	100%	30,000
Stage manager	25,000	20%	30,000	2	60,000	100%	60,000
Cashier	27,500	20%	33,000	1	33,000	100%	33,000
Administration 1	30,000	20%	36,000	1	36,000	100%	36,000
Administration 2	25,000	20%	30,000	1	30,000	100%	30,000
<b>Total Staff Cost, Salaried</b>				<b>25 → 26</b>	<b>€789,450 → 837,450</b>		

\* 1 position for the first 5 years growing to 2 as attraction ages, input provided by the client team/ operator

Source: Martin Barratt, WFC, Teka Group & LDP



# Performance Assessment – Attraction OPEX

- Here we explore hourly and waged stuff. We note the following key assumptions:
  - Numbers are in 2022 values
  - Minimum wage per week = € 431.25
    - > multiplier = 1.2 (exhibition)/ 2.0 (performers)
    - > on cost = 12%
    - > Holidays for full timers = 8% of pay rate/ 25 days a year
- 160 Busy days (school holidays + weekends) / 205 Quiet days
- The resultant summary tables for total staff cost are presented overleaf.

## WFC – Exhibition Staff

Zone / Position	Staff Positions (instantaneous)	
	Quiet	Busy
Welcome host	1	1
Welcome desk/ VIP	-	1
Ticketing/ Guest Relations	1	1
Groups	-	1
Ticket check	1	1
Cloakroom	1	1
Retail	1	2
Breaks	2	3
Theatre Host	1	1
Theatre Demonstrators/ Performers	2	2
The market Host	1	1
Demonstrators/ Performers Breaks	1	1
The Hub – Host	1	1
The Hub – Demonstration/ Performers Kitchen	1	2
The Hub – Town Hall Demonstrators/ Performers	1	2
The Hub – Breaks	1	1
Food Value Chain – Taste experience / Performers	1	1
Food machine	1	1
<b>Total Exhibition</b>	<b>12</b>	<b>16</b>
<b>Total Performers</b>	<b>6</b>	<b>8</b>
<b>Total Positions</b>	<b>18</b>	<b>24</b>

# Performance Assessment – Attraction OPEX

## WFC Total Staff Cost, € in 2022 values

		Full-time exhibition	Part-time exhibition	Performers
Minimum	Per week	431.25	431.25	431.25
Wage	Per day	86.25	86.25	86.25
Multiplier	Multiplier	1.2	1.2	2.0
&	On Cost	12%	12%	12%
on-cost	Holiday Entitlement	8%	-	-
<b>Resultant</b>	<b>Per week</b>	<b>621.00</b>	<b>579.60</b>	<b>966.00</b>
<b>Wage</b>	<b>Per day</b>	<b>124.20</b>	<b>115.92</b>	<b>193.20</b>
<b>Agency</b>	Multiplier	-	1.5	1.5
<b>Staff</b>	<b>Daily Rate</b>	-	<b>173.88</b>	<b>289.80</b>

Source: Martin Barratt & LDP

## WFC Total Non-Salaried Staff Cost, € in 2022 values

Type	No of Employees	Cost per Period, €	No of periods	Total Cost, €
<b>Exhibition Staff</b>				
Full-time	12	621.00/ week	52.14 weeks	388,569
Part-time	4	115.92/ day	160 days	74,189
Holiday cover	12	173.88/ day	25 days	52,164
<b>Performers</b>				
Quiet days	6	193.20/ day	205 days	237,636
Busy days	8	193.20/ day	160 days	247,296
Holiday cover	6	289.80/ day	25 days	43,470
<b>Total Cost</b>				<b>€ 1,043,323</b>

Numbers contain roundings; Source: Martin Barratt & LDP

## WFC Total Staff Cost, € in 2022 values

Type	Total Cost, €
Salaried Management Staff	837,450
Exhibition staff (full & part time)	514,921
Performers	528,402
<b>Total Staff Costs</b>	<b>€ 1,880,773</b>

Source: Martin Barratt & LDP

# Performance Assessment – Attraction OPEX

## Other Operating Costs

- The table on this page sets out our assumptions for other operating costs, based on benchmarks.
- We have allowed for the **marketing** cost at €1.75 per visitor (in current values) in stability, decreasing from €2.00 per visitor in the first two years of operation. This is on the light side but should be sufficient given the wider development (and some additional marketing spend from the restaurant). We have assumed cross-promotion and cross-marketing with the University.
- We have assumed an increasing allocation for **repairs & maintenance**, as the attraction gets older, to a stable level of 4 percent in Year 3 of operation. The operating contract stipulates that at least 2.0 percent of revenues should be set aside for maintenance. However, this is below norm and we have allowed for a stronger allocation.

- Overleaf, we present the resultant Profit & Loss Statement for the attraction component. As F&B revenues and sponsorship have been removed, the resultant contribution margin is modest (at 13 to 17 percent) compared to the full P&L.

## Key operating cost assumptions for WFC Attraction

Operating Expense	As % of Total Revenue
-------------------	-----------------------

Cost of Goods Sold – Merchandise	35% of Merchandise revenue
Cost of Goods Sold – Other	25% of Other revenue
Staff	staffing schedule
Marketing Expenses	€2.00 → €1.75 per annual visit
Repairs and Maintenance	1.5% → 3.0% → 4.0%
Utilities	3.0%
Admin & General	4.0%
Other Expenses	4.0%

Source: LDP

# Performance Assessment – Attraction Profit & Loss

## Projected Account of Profit & Loss for the Proposed World Food Centre - in actual values (EUR)

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
<b>Estimated Annual Attendance</b>	<b>301,182</b>	<b>348,866</b>	<b>310,455</b>	<b>313,483</b>	<b>316,630</b>	<b>319,903</b>	<b>323,117</b>	<b>325,943</b>	<b>328,686</b>	<b>331,518</b>	<b>334,441</b>	<b>337,460</b>	<b>340,577</b>	<b>343,443</b>
<b>OPERATING REVENUES</b>														
Admission	2,612,827	3,130,448	2,895,120	2,966,711	3,040,927	3,117,904	3,195,928	3,271,769	3,348,345	3,427,377	3,508,972	3,593,239	3,680,296	3,766,445
Merchandise	256,434	301,489	272,319	279,099	286,130	293,424	300,817	308,000	315,251	322,736	330,466	338,450	346,701	354,863
Other	128,217	150,744	136,159	139,550	143,065	146,712	150,409	154,000	157,625	161,368	165,233	169,225	173,350	177,431
B2B Events/ MICE	12,334	12,519	12,707	12,898	13,091	13,288	13,487	13,689	13,895	14,103	14,315	14,529	14,747	14,968
<b>TOTAL REVENUE</b>	<b>3,009,812</b>	<b>3,595,201</b>	<b>3,316,306</b>	<b>3,398,257</b>	<b>3,483,213</b>	<b>3,571,328</b>	<b>3,660,640</b>	<b>3,747,458</b>	<b>3,835,116</b>	<b>3,925,585</b>	<b>4,018,986</b>	<b>4,115,444</b>	<b>4,215,094</b>	<b>4,313,707</b>
Cost of Goods Sold	121,806	143,207	129,352	132,572	135,912	139,376	142,888	146,300	149,744	153,300	156,971	160,764	164,683	168,560
<b>Gross Margin</b>	<b>2,888,006</b>	<b>3,451,994</b>	<b>3,186,954</b>	<b>3,265,685</b>	<b>3,347,301</b>	<b>3,431,951</b>	<b>3,517,752</b>	<b>3,601,158</b>	<b>3,685,372</b>	<b>3,772,285</b>	<b>3,862,014</b>	<b>3,954,680</b>	<b>4,050,411</b>	<b>4,145,148</b>
<b>OPERATING COSTS</b>														
Staff Costs	1,860,265	1,888,169	1,916,491	1,945,239	1,974,417	2,056,519	2,087,367	2,118,677	2,150,457	2,182,714	2,215,455	2,248,687	2,282,417	2,316,653
Marketing Expenses	300,981	359,520	331,631	339,826	348,321	357,133	366,064	374,746	383,512	392,558	401,899	411,544	421,509	431,371
Repairs and Maintenance	45,147	107,856	132,652	135,930	139,329	142,853	146,426	149,898	153,405	157,023	160,759	164,618	168,604	172,548
Utilities	90,294	107,856	99,489	101,948	104,496	107,140	109,819	112,424	115,053	117,768	120,570	123,463	126,453	129,411
Admin & General	120,392	143,808	132,652	135,930	139,329	142,853	146,426	149,898	153,405	157,023	160,759	164,618	168,604	172,548
Other Expenses	120,392	143,808	132,652	135,930	139,329	142,853	146,426	149,898	153,405	157,023	160,759	164,618	168,604	172,548
<b>TOTAL OPERATING COSTS</b>	<b>2,537,473</b>	<b>2,751,017</b>	<b>2,745,568</b>	<b>2,794,803</b>	<b>2,845,221</b>	<b>2,949,351</b>	<b>3,002,527</b>	<b>3,055,542</b>	<b>3,109,236</b>	<b>3,164,111</b>	<b>3,220,201</b>	<b>3,277,548</b>	<b>3,336,191</b>	<b>3,395,080</b>
<b>Contribution Margin</b>	<b>350,533</b>	<b>700,976</b>	<b>441,386</b>	<b>470,882</b>	<b>502,080</b>	<b>482,600</b>	<b>515,225</b>	<b>545,616</b>	<b>576,135</b>	<b>608,175</b>	<b>641,813</b>	<b>677,132</b>	<b>714,220</b>	<b>750,067</b>
	<b>11.6%</b>	<b>19.5%</b>	<b>13.3%</b>	<b>13.9%</b>	<b>14.4%</b>	<b>13.5%</b>	<b>14.1%</b>	<b>14.6%</b>	<b>15.0%</b>	<b>15.5%</b>	<b>16.0%</b>	<b>16.5%</b>	<b>16.9%</b>	<b>17.4%</b>

### Notes:

Numbers contain roundings

Annual inflation at 1.5 percent



# Performance Assessment – Restaurant Revenues

## Restaurant Visitors from WFC Attraction

- We have assumed that there is no kiosk in the attraction but there is a take away service in the restaurant which would replace the kiosk function.
- We have therefore assumed €0.50 for take away and €2.50 for the sit down snack (this could be achieved if 35 percent of visitors eat at the outlet spending €7.00 each, on average). These add up to a total F&B spend per capita of €3.00 in current values.
- The VAT rate for F&B has been used at 9 percent following changes in tax legislation (Note: VAT on alcoholic drinks at 21 percent has not been incorporated at this level of detail but would have a marginal difference on financials).

## External (Walk-in) Visitors to Restaurant

- We have also assumed an additional spend at the restaurant by external visitors who do not partake in the attraction's experience. We have assumed 250 covers as per latest design materials and a total of 107,312 punters per annum (equating to an average of 1.2 turns per cover per day across the year). We believe the restaurant to be busier during the summer months.

- The restaurant is assumed to open and close one hour after the attraction, therefore the main opportunity is lunch. However, closing around 7pm means opportunities (albeit limited) for evening snack also arise during the week (we have assumed Fri to Sun the restaurant will not be available to public due to events). We have assumed an average spend per head of €8.00 in 2021 values, which equates to a net spend of €7.34 (once a VAT rate of 9 percent has been applied).

## Revenue Assumptions for WFC Restaurant, € in 2021 values

Category	Spend incl. VAT	Spend excl. VAT
<b>F&amp;B REVENUE FROM INTERNAL VISITORS</b>		
Internal visitors (from WFC Attraction)	€ 3.00	€ 2.75
Annual attendance	x attendance to the attraction	
<b>Internal revenue (range as attendance varies)</b>	<b>€ 904 – 1,047,000</b>	<b>€ 829 – 960,000</b>
<b>F&amp;B REVENUE FROM EXTERNAL VISITORS</b>		
External visitors (walk-ins)	€ 8.00	€ 7.34
Annual attendance	107,312	107,312
<b>External revenue (rounded)</b>	<b>€ 858,000</b>	<b>€ 788,000</b>

VAT at 9%, numbers are rounded; Source: LDP

# Performance Assessment – Restaurant OPEX

- Restaurants have a plethora of operating cost items. In order to be able to consolidate the restaurant and the attraction assessments, we kept the operating expense structure consistent. Rent and WFC Foundation fees are calculated separately.
- We note that LDP are not a restaurant operation consultancy and have relied on light research and benchmark/ industry information that has been readily available for purposes of separating the operations (as requested by the client, not part of original scope). Teka Group should be able to provide a more detailed review during the operational business planning stage of the project.
- The table on this page sets out our assumptions. The **Cost of Goods Sold** has been assumed at 35 percent of revenue as per client's request. This is in line with the industry. **Staff cost** assumption has been provided by Teka Group, at 25 percent of revenue. This is at the bottom end of the range but not unachievable given the quick-serve style of the operation with no waiter service. We have assumed these include on-cost, holiday cover and training.
- We have allowed for **marketing** cost 3.0 percent of revenue in stability, decreasing from 5.0 percent in Year 1. As a ratio, this is at the industry's bottom end but as a budget should be broadly sufficient given additional marketing from the attraction and the wider WFC project, as well as raised awareness through the University.
- We have assumed an increasing allocation for **repairs & maintenance**, as the restaurant gets older, to a stable level of 4 percent in Year 3 of operation to stay consistent with the attraction. This includes spend on technology maintenance. **Utilities** are kept at 3.0 percent of revenues, in line with attraction and at the lower end of the restaurant industry range.
- **Admin & General** includes insurance and legal fees among other items. **Other** costs comprise a variety of items, including payment processing fees, music licenses, software licences, subscriptions, operational licenses and permits, technology acquisitions (that are not included in re-investment) and other hidden costs. These are set towards the lower end of the industry range.

Key operating cost assumptions	
Operating Expense	As % of Total Revenue
Cost of Goods Sold – F&B	35%
Staff	25%
Marketing Expenses	5.0% → 4.0% → 3.0%
Repairs and Maintenance	1.0% → 2.5% → 4.0%
Utilities	3.0%
Admin & General	2.0%
Other Expenses	3.0%
Source: LDP	

# Performance Assessment – Restaurant Profit & Loss

- Here, we provide the restaurant Profit & Loss Statement. The restaurant performs very strongly although we note that rent is not accounted for in this component's assessment.

## Projected Account of Profit & Loss for the Proposed World Food Centre - in actual values (EUR)



	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
<b>Estimated Annual Attendance</b>	<b>212,726</b>	<b>229,415</b>	<b>215,971</b>	<b>217,031</b>	<b>218,133</b>	<b>219,278</b>	<b>220,403</b>	<b>221,392</b>	<b>222,352</b>	<b>223,343</b>	<b>224,366</b>	<b>225,423</b>	<b>226,514</b>	<b>227,517</b>
<b>OPERATING REVENUES</b>														
Internal (from WFC visitors)	853,996	1,004,041	906,897	929,478	952,892	977,183	1,001,804	1,025,723	1,049,873	1,074,801	1,100,543	1,127,133	1,154,609	1,181,790
External (walk-ins)	811,417	823,588	835,942	848,481	861,208	874,127	887,238	900,547	914,055	927,766	941,683	955,808	970,145	984,697
<b>Total Revenue</b>	<b>1,665,413</b>	<b>1,827,629</b>	<b>1,742,839</b>	<b>1,777,959</b>	<b>1,814,100</b>	<b>1,851,310</b>	<b>1,889,043</b>	<b>1,926,270</b>	<b>1,963,928</b>	<b>2,002,567</b>	<b>2,042,226</b>	<b>2,082,941</b>	<b>2,124,754</b>	<b>2,166,487</b>
Cost of Goods Sold	582,894	639,670	609,994	622,286	634,935	647,958	661,165	674,195	687,375	700,899	714,779	729,029	743,664	758,270
<b>Gross Margin</b>	<b>1,082,518</b>	<b>1,187,959</b>	<b>1,132,846</b>	<b>1,155,673</b>	<b>1,179,165</b>	<b>1,203,351</b>	<b>1,227,878</b>	<b>1,252,076</b>	<b>1,276,553</b>	<b>1,301,669</b>	<b>1,327,447</b>	<b>1,353,912</b>	<b>1,381,090</b>	<b>1,408,216</b>
<b>OPERATING COSTS</b>														
Staff	416,353	456,907	435,710	444,490	453,525	462,827	472,261	481,568	490,982	500,642	510,556	520,735	531,188	541,622
Marketing Expenses	83,271	73,105	52,285	53,339	54,423	55,539	56,671	57,788	58,918	60,077	61,267	62,488	63,743	64,995
Repairs and Maintenance	16,654	45,691	69,714	71,118	72,564	74,052	75,562	77,051	78,557	80,103	81,689	83,318	84,990	86,659
Utilities	49,962	54,829	52,285	53,339	54,423	55,539	56,671	57,788	58,918	60,077	61,267	62,488	63,743	64,995
Admin & General	33,308	36,553	34,857	35,559	36,282	37,026	37,781	38,525	39,279	40,051	40,845	41,659	42,495	43,330
Other Expenses	49,962	54,829	52,285	53,339	54,423	55,539	56,671	57,788	58,918	60,077	61,267	62,488	63,743	64,995
<b>TOTAL OPERATING COSTS</b>	<b>649,511</b>	<b>721,914</b>	<b>697,136</b>	<b>711,184</b>	<b>725,640</b>	<b>740,524</b>	<b>755,617</b>	<b>770,508</b>	<b>785,571</b>	<b>801,027</b>	<b>816,890</b>	<b>833,176</b>	<b>849,902</b>	<b>866,595</b>
<b>Contribution Margin</b>	<b>433,007</b>	<b>466,045</b>	<b>435,710</b>	<b>444,490</b>	<b>453,525</b>	<b>462,827</b>	<b>472,261</b>	<b>481,568</b>	<b>490,982</b>	<b>500,642</b>	<b>510,556</b>	<b>520,735</b>	<b>531,188</b>	<b>541,622</b>
	<b>26.0%</b>	<b>25.5%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>

Notes:

Numbers contain roundings

Annual inflation at 1.5 percent

Source: Leisure Development Partners

# Performance Assessment – CONSOLIDATED P&L

## SHARED REVENUES

### Sponsorship

- We understand from the client team that operational sponsorship is agreed for an annual sum of €1.5 million, guaranteed for the first five years of operation. We have assumed, to be prudent, that a similar amount is secured thereafter although it is hoped that the attraction is successful at attracting a higher amount.

## SHARED OPERATING COSTS

### WFC Foundation Fee

- We have allowed for the WFC Foundation Fee at 3 percent of total revenues, as per contract the client team has provided.

### Rent

- Rent has been provided by the client team at €787,500 in 2020 values. This has been inflated accordingly using an inflation rate of 1.5 percent per annum.

## PROFIT & LOSS

- We provide the consolidate P&L Statement overleaf. As shown, WFC shows an impressive performance for an educational attraction with the EBITDA margin hovering around 20 percent in stability generated by corporate sponsorship. This means that the operational revenue is able to cover the OPEX almost fully – a very positive sign for an

attraction of this nature. Without the sponsorship, however, the WFC experience is unlikely to be able to cover re-investment.

## REINVESTMENT

- Reinvestment is part of Cashflow, rather than Profit & Loss. However, we have added this below the EBITDA line to demonstrate the attraction's ability to pay for reinvestment. All attractions have to reinvestment in updating, refreshing and changing content to encourage repeat visitation from the resident and domestic tourist markets, in order to maintain attendance. Restaurants also have to reinvest in new equipment, technology, menu re-decoration/ re-modelling to remain relevant, etc.
- We recommend the allocation of at least 7.0 percent of combined visitor and MICE revenues (as opposed to 5.0 percent stipulated in the operating contract). Reinvestment allowance, whilst accrued annually, is typically spent on a major change every 2-3 years. Internationally, the range is 8-12 percent with indoor attractions towards the lower end of the range. A significantly larger amounts are required to grow visitation.
- As shown overleaf, sponsorship is crucial for WFC to be able to cover re-investment. Without sponsorship, the attendance is likely to decrease over time putting downwards pressure on achievable EBITDA margin.



# Performance Assessment – Consolidated Profit & Loss

## Projected Account of Profit & Loss for the Proposed World Food Centre - in actual values (EUR)

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
<b>Estimated Annual Attendance</b>	<b>301,182</b>	<b>348,866</b>	<b>310,455</b>	<b>313,483</b>	<b>316,630</b>	<b>319,903</b>	<b>323,117</b>	<b>325,943</b>	<b>328,686</b>	<b>331,518</b>	<b>334,441</b>	<b>337,460</b>	<b>340,577</b>	<b>343,443</b>
<b>OPERATING REVENUES</b>														
<b>Visitor Income</b>														
Admission	2,612,827	3,130,448	2,895,120	2,966,711	3,040,927	3,117,904	3,195,928	3,271,769	3,348,345	3,427,377	3,508,972	3,593,239	3,680,296	3,766,445
Food & Beverage	1,665,413	1,827,629	1,742,839	1,777,959	1,814,100	1,851,310	1,889,043	1,926,270	1,963,928	2,002,567	2,042,226	2,082,941	2,124,754	2,166,487
Merchandise	256,434	301,489	272,319	279,099	286,130	293,424	300,817	308,000	315,251	322,736	330,466	338,450	346,701	354,863
Other	128,217	150,744	136,159	139,550	143,065	146,712	150,409	154,000	157,625	161,368	165,233	169,225	173,350	177,431
B2B Events/ MICE	12,334	12,519	12,707	12,898	13,091	13,288	13,487	13,689	13,895	14,103	14,315	14,529	14,747	14,968
Corporate Sponsorship	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
<b>TOTAL REVENUE</b>	<b>6,175,225</b>	<b>6,922,830</b>	<b>6,559,145</b>	<b>6,676,216</b>	<b>6,797,313</b>	<b>6,922,637</b>	<b>7,049,683</b>	<b>7,173,728</b>	<b>7,299,044</b>	<b>7,428,152</b>	<b>7,561,211</b>	<b>7,698,385</b>	<b>7,839,848</b>	<b>7,980,194</b>
Cost of Goods Sold	704,701	782,877	739,345	754,858	770,847	787,335	804,053	820,494	837,119	854,198	871,750	889,793	908,347	926,830
<b>Gross Margin</b>	<b>5,470,524</b>	<b>6,139,953</b>	<b>5,819,800</b>	<b>5,921,358</b>	<b>6,026,466</b>	<b>6,135,303</b>	<b>6,245,630</b>	<b>6,353,234</b>	<b>6,461,925</b>	<b>6,573,954</b>	<b>6,689,461</b>	<b>6,808,592</b>	<b>6,931,501</b>	<b>7,053,364</b>
<b>OPERATING COSTS</b>														
Staff Costs	2,276,618	2,345,076	2,352,201	2,389,729	2,427,943	2,519,346	2,559,627	2,600,245	2,641,439	2,683,356	2,726,011	2,769,422	2,813,606	2,858,275
Marketing Expenses	384,252	432,625	383,916	393,164	402,744	412,672	422,735	432,534	442,429	452,636	463,165	474,033	485,252	496,365
Repairs and Maintenance	61,801	153,547	202,366	207,049	211,893	216,905	221,987	226,949	231,962	237,126	242,448	247,935	253,594	259,208
Utilities	140,257	162,685	151,774	155,286	158,919	162,679	166,490	170,212	173,971	177,845	181,836	185,952	190,195	194,406
Admin & General	153,701	180,361	167,509	171,489	175,611	179,879	184,206	188,424	192,683	197,075	201,604	206,277	211,099	215,878
Other Expenses	170,355	198,637	184,937	189,269	193,752	198,392	203,097	207,686	212,322	217,100	222,026	227,106	232,346	237,543
WFC Foundation Fee	185,257	207,685	196,774	200,286	203,919	207,679	211,490	215,212	218,971	222,845	226,836	230,952	235,195	239,406
Rent	823,472	835,824	848,361	861,087	874,003	887,113	900,420	913,926	927,635	941,549	955,673	970,008	984,558	999,326
<b>TOTAL OPERATING COSTS</b>	<b>4,195,712</b>	<b>4,516,439</b>	<b>4,487,839</b>	<b>4,567,360</b>	<b>4,648,783</b>	<b>4,784,667</b>	<b>4,870,054</b>	<b>4,955,188</b>	<b>5,041,414</b>	<b>5,129,531</b>	<b>5,219,600</b>	<b>5,311,683</b>	<b>5,405,845</b>	<b>5,500,407</b>
<b>EBITDA</b>	<b>1,274,812</b>	<b>1,623,513</b>	<b>1,331,960</b>	<b>1,353,999</b>	<b>1,377,683</b>	<b>1,350,636</b>	<b>1,375,576</b>	<b>1,398,046</b>	<b>1,420,511</b>	<b>1,444,423</b>	<b>1,469,860</b>	<b>1,496,908</b>	<b>1,525,656</b>	<b>1,552,957</b>
<b>EBITDA Margin</b>	<b>20.6%</b>	<b>23.5%</b>	<b>20.3%</b>	<b>20.3%</b>	<b>20.3%</b>	<b>19.5%</b>	<b>19.5%</b>	<b>19.5%</b>	<b>19.5%</b>	<b>19.4%</b>	<b>19.4%</b>	<b>19.4%</b>	<b>19.5%</b>	<b>19.5%</b>
Reinvestment	327,266	379,598	354,140	362,335	370,812	379,585	388,478	397,161	405,933	414,971	424,285	433,887	443,789	453,614
<b>EBITDA after reinvestment</b>	<b>947,546</b>	<b>1,243,915</b>	<b>977,820</b>	<b>991,663</b>	<b>1,006,871</b>	<b>971,051</b>	<b>987,098</b>	<b>1,000,885</b>	<b>1,014,578</b>	<b>1,029,452</b>	<b>1,045,575</b>	<b>1,063,021</b>	<b>1,081,866</b>	<b>1,099,344</b>
<b>EBITDA Margin</b>	<b>15.3%</b>	<b>18.0%</b>	<b>14.9%</b>	<b>14.9%</b>	<b>14.8%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>13.9%</b>	<b>13.9%</b>	<b>13.8%</b>	<b>13.8%</b>	<b>13.8%</b>	<b>13.8%</b>

# Physical Planning

- To cross-check the capacities, we have reviewed the physical planning parameters for the WFC. We have assumed a peak month at 15 percent of annual attendance, in line with similar attractions nationwide.
- **Design day** is an average busy day, often a weekend during school summer holidays. This is the parameter attractions are planned for and is different from the peak day (the busiest day of the year). Applying the weekly and daily distribution assumptions we estimate a design day at 1,800 in 2023 growing to 1,900 by 2030.
- We have also assumed that 20 percent of daily visitors on a design day **arriving during a peak hour**, resulting in 355 to 385 arrivals to WFC in the busiest hour of the day. With the opening show accommodating 125 people per show, and four shows an hour, the maximum theoretical hourly capacity is 500 people which appears broadly sufficient for the planned peak arrival hour given that realistic capacity is often somewhat below theoretical due to delays in load and unload times, allowances for disabled visitors, etc.
- Given that peak arrivals do not typically spread evenly across the hour but may arrive in groups/ coaches or dependant on public transport (for example, trains), the waiting hall may become somewhat crowded whilst a queue builds up with some customers

who may have to wait for up to 30 minutes. To avoid this, a slightly shorter show may be considered to ensure better spread and improve customer satisfaction.

- We also note that our calculations show that the 260 covers in the restaurant should suffice to accommodate both visitor and external demand. Our estimated requirement for internal demand is 85-95 covers.

## Physical Planning Parameters

	2023	2025	2030
<b>Attendance</b>	<b>301,182</b>	<b>310,455</b>	<b>325,943</b>
Peak Month	15.0%	15.0%	15.0%
Week % of Month	22.5%	22.5%	22.5%
Design Day % of Week	17.5%	17.5%	17.5%
Peak Hour Arrivals	20.0%	20.0%	20.0%
Peak Month	45,177	46,568	48,891
Week % of Month	10,165	10,478	11,001
Design Day % of Week	1,779	1,834	1,925
<b>Peak Hour Arrivals</b>	<b>356</b>	<b>367</b>	<b>385</b>

Source: LDP



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