



**COURT OF MASTER
SOMMELIERS EUROPE**

BUSINESS CALCULATIONS





A Head Sommelier or Beverage Director must have a fundamental business insight that they can utilise at work.

Terms may differ across the world, but the basic principles apply everywhere; they are -

You buy something, you then sell it at a higher price; the difference is your profit.

Selling Price minus Cost Price = Gross Profit

eg. You sell a wine at £25 that costs you £10; £15 is your Gross Profit

Cost Price plus Gross Profit = Selling Price

eg. You buy a wine at £10 and add £15 profit; £25 is your Selling Price

Selling Price minus Gross Profit = Cost Price

eg. You sell a wine at £25 and make £15 profit; £10 is your Cost Price

Note - Gross vs. Net Profit - Net Profit is your Gross Profit minus all the overheads such as Staff Costs, Heating, Lighting, Laundry Costs, Taxes, Rent etc.

Net Profit needs to exceed Gross Profit or you will be losing money.

Other Terms used Globally

Gross Profit = Gross Income

Cost Price = Cost of Goods Sold (COGS)

Selling Price = List Price, Marked Price, Retail Price

Opening Stock = Beginning Inventory

Closing Stock = Ending Inventory

Difference = Purchases

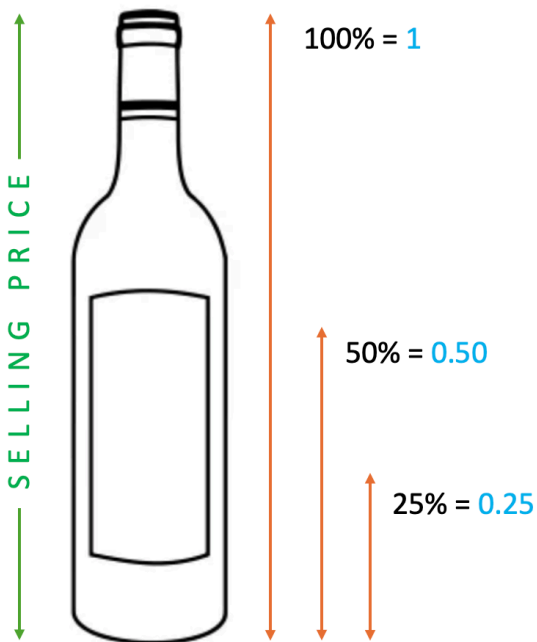


You sell a wine at £25 that costs you £10; £15 is your **Gross Profit**

Here you will make a £15 **cash margin** or a 60% **Gross Profit**

$$60\% (\text{£}15) + 40\% (\text{£}10) = 100\% (\text{£}25)$$

$$\text{GP} + \text{CP} = \text{SP}$$



Do not confuse currency or monetary units

(eg. £, \$, €, ¥ they are CP, SP, GP)

with percentage fractions

(eg. 50%, 25%, 0.50, 0.25)

To find the profit/cost breakdown divide the Selling price by the Percentage fraction required

(eg. Selling price is £/\$/€/¥ 20 and you need to find the cost price if you are making a 75% Gross profit).

20 multiplied by 0.25 (not 0.75 as this is GP not CP)

$$20 \times 0.25 = \text{£}/\text{\$/€}/\text{¥} 5$$



A Sommelier should have the ability to calculate glass quantities per bottle in Centilitre, Millilitre and Ounces (1cl = 10ml) (750ml = 25.4 fluid ounces) (in USA)
(UK Imperial fluid ounces 26.4 oz = 750ml)

750ml standard bottle contains 6 x 125ml glasses
750ml standard bottle contains 4 x 175ml glasses (plus 50ml ullage/waste)
750ml standard bottle contains 5 x 5oz glasses (plus 0.4oz ullage/waste) (in USA)

A Sommelier should have the ability to calculate multiples of cl (centilitre), ml (millilitre) and ounces (oz.)

750ml standard bottle contains 15 x 50ml glasses
750ml standard bottle contains 7.5 x 100ml glasses
750ml standard bottle contains 12 x 2oz glasses (plus 0.7oz ullage/waste) (in USA)

A Sommelier should have the ability to calculate Selling Price based on Gross Profit %

Selling Price = Cost Price divided by (1-GP%) eg. 40% = 0.4

Eg. Cost Price (price to buy) is £25, calculate what is Selling Price with 65% Gross Profit

25 divided by 0.35 = 71.42 selling price would be £71.50

Question

You buy a 6-bottle (75cl) case of Port for £350 and are selling it in 100ml glasses.

How much would you sell each glass for to make 60% gross profit (taxes not included)?

£350 divided by 6 = £58.33 per bottle cost price

7.5 x 100ml glasses per bottle

58.33 divided by 7.5 = £7.77 cost price per glass

7.77 divided by 0.4 = 19.45

Selling price = £19.50 (after rounding to nearest 50p)



A Sommelier should have the ability to calculate Gross Profit % based on Selling Price

Gross Profit % = (Selling Price – Cost Price) divided by Selling Price

Eg. Cost Price (price to buy) is £25; calculate Selling Price with 65% Gross Profit

25 divided by 0.35 = 71.42 selling price would be £71.50

Question

You buy a 12-bottle (75cl) case of Grand Cru Burgundy for £900.

Selling each bottle at £190 what would be your Gross Profit (taxes not included)?

900 divided by 12 = £75 Cost Price

Gross Profit % = 190 – 75 divided by 190

115 divided by 190 = 0.60 = 60% Gross Profit

A Sommelier should have the ability to calculate Cost Price based on Gross Profit %

Cost Price = (Selling Price divided by 100) X Gross Profit

Question

You sell a bottle of Bourbon for £75 making 30% Gross Profit

What is the Cost Price?

(75 divided by 100) x 70 OR 75 x 0.7 = 52.50

Cost Price = £52.50



Question

**A guest has £100 budget for a 4-course dinner to which 25 people are invited.
Your chef needs £40 for food cost (taxes not included).**

- 1. At 33% cost price, what is your budget for wine?**
- 2. How many bottles will you need if each guest drinks a 125ml glass with each course?**

£60 for wines. 4 courses = £15 per course
33% cost = £5 per person or £20 overall
750ml divided by 125ml = 6 glasses per bottle
25 glasses per course. 25 divided by 6 = 4.16 bottles
Must be 5 bottles per course, 20 bottles in total

Question

**A new wine by the glass costs £16.00 per bottle.
How much would you charge per glass for a 125ml pour at 33% GP?**

6 glasses per bottle
£16 divided by 6 glasses = £2.66
£2.66 divided by 0.66 = £4.00

Question

**You are organising a 2-hour Rare Malt Whisky tasting for 35 businessmen.
You have a budget of £125 per bottle.**

At 20% cost what is your buying cost per bottle?

2 hours (*not relevant*)
35 people (*not relevant*)
Rare Malt Whisky (*not relevant*)
20% of £125 = (125 divided by 100) x 20 **OR** 125 x 0.20 = £25 per bottle

Business Scenario

You are the Head Sommelier in a prestigious Restaurant in London. You have worked with your General Manager on your department's Budget for the next financial year (starting today).

Please note that you have scheduled to add 3 team members to the beverage team.

Your Financial Director has received the plan below, but he is missing some essential information (White Cells)

Please fill in the missing parts of that Budget.

You will have 20 minutes.



ANSWERS ON FOLLOWING PAGE

NB - All TAXES are included in the figures			THIS YEAR			NEXT YEAR		
CATEGORIES	PRODUCT		SALES	GROSS PROFIT	GP %	SALES	GROSS PROFIT	GP %
WINES	SPARKLING WINES		£525,000	£330,750		£565,000	£378,550	67%
	WHITE WINES		£720,000		75%	£785,000	£588,750	
	RED WINES		£850,000	£612,000	72%	£860,000	£619,200	72%
	SWEET WINES		£78,000	£46,800	60%	£83,000	£51,460	62%
	FORTIFIED WINES		£150,000	£82,500	55%	£165,000	£107,250	65%
	TOTAL			£1,612,050	69%	£2,458,000	£1,745,210	
LIQUORS AND SPIRITS	GIN		£280,000	£229,600		£310,000	£257,300	83%
	VODKA		£230,000	£184,000	80%	£25,000	£20,500	82%
	WHISKIES		£110,000	£73,700	67%	£125,000		67%
	RUM/TEQUILA			£54,400	64%	£85,000	£54,400	64%
	COGNAC/ARMAGNAC/CALVADOS		£28,000	£12,600	45%		£12,600	45%
	LIQUORS		£120,000	£98,400	82%	£135,000	£113,400	84%
	VERMOUTH		£8,000	£5,200	65%	£12,000	£9,000	75%
	OTHERS		£3,500	£1,750	50%	£8,000	£4,800	60%
		TOTAL		£864,500	£659,650		£728,000	£555,750
BEERS AND CIDERS	BOTTLE		£280,000	£190,400	68%	£340,000	£244,800	72%
	DRAUGHT		£260,000		45%	£295,000	£177,000	60%
		TOTAL		£540,000	£307,400	57%	£635,000	£421,800
WATER AND SOFT DRINKS	WATER		£180,000	£156,600	87%	£230,000	£202,400	88%
	MIXERS		£120,000	£98,400	82%	£155,000	£127,100	82%
	JUICES		£5,000	£4,150	83%	£7,000	£5,810	83%
		TOTAL		£305,000		£392,000	£335,310	86%
TOBACCO	CIGARS	TOTAL	£60,000	£27,000	45%		£40,800	48%
TOTAL BEVERAGES	TOTAL			£2,865,250	70%	£4,298,000		72%
GLASSWARES PURCHASED inc Taxes	GLASSES						£118,000	
	DECANTER			£16,500				
	TOTAL			£151,500			£130,000	
SOMMELIER TEAM PAYROLL				Salary per year			Salary per year	
	HEAD SOMMELIER			£72,000			£72,000	
	ASSISTANT HEAD SOMMELIER 1			£45,000			£45,000	
	ASSISTANT HEAD SOMMELIER 2			£45,000			£45,000	
	BARTENDER 1			£32,000			£32,000	
	BARTENDER 2						£32,000	
	SOMMELIER 1			£32,000			£32,000	
	SOMMELIER 2			£32,000			£32,000	
	SOMMELIER 3			£32,000			£32,000	
	SOMMELIER 4							
COMMIS SOMMELIER 1			£25,000			£25,000		
COMMIS SOMMELIER 2			£25,000			£25,000		
COMMIS SOMMELIER 3						£25,000		
	TOTAL						£429,000	
FINANCIAL BUDGET	TOTAL BEVERAGES		£4,092,500	£2,865,250	70%	£4,298,000	£3,098,870	72%
	GLASSWARES PURCHASED						£130,000	
	SOMMELIER TEAM PAYROLL			£340,000			£429,000	
		TOTAL			£2,373,750	58%	£4,298,000	£2,539,870

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	SOMMELIER TEAM PAYROLL			£340,000			£429,000	
	TOTAL		£4,092,500	£2,373,750	58%	£4,298,000	£2,539,870	59%



Business Scenario

(12 minutes)

Please see the attached Excel document, highlighting part of your monthly stocktake and answer the questions below.

Task 1:

There are various discrepancies in your stocktake report this month.

1. What is the Sales figure in £'s for these wines at end of the month?

ALBARINO
BROUILLY

2. Please give three reasons why there may be discrepancies between closing, opening and difference on a stock sheet?

Task 2:

Please fill in the missing cells from the document, calculating the GP% and selling prices where appropriate: (20 points)

Please round your answers to the nearest percentage and do NOT take taxes into account.

RUINART
PULIGNY
ETNA ROSSA
CINSAULT

Task 3:

There are three errors in the wording of your wine list – please identify them and list below:

	cost price	selling price	% GP	opening stock	closing stock	difference	sales (£)
Champagne							
Ruinart Blanc de Blancs, NV	£ 45.00		71%	12	9	3	£ 465.00
Pol Roger Brut Tradition, NV	£ 40.00	£ 145.00	72%	24	12	12	£ 1,740.00
Agrapart, Terroirs, Blanc de Blancs, NV	£ 45.00	£ 165.00	73%	16	7	9	£ 1,485.00
Bérèche et Fils, Le Crans 1er Cru, Extra-Brut, NV	£ 82.00	£ 220.00	63%	9	4	5	£ 1,100.00
Krug, Grande Cuvée, 169eme edition, NV	£ 250.00	£ 550.00	55%	6	5	1	£ 550.00
Sparkling							
Gusbourne Rosé 2018	£ 35.00	£ 100.00	65%	13	6	7	£ 700.00
Eric Rodez, Rosé, NV	£ 45.00	£ 120.00	63%	6	0	6	£ 720.00
White							
Albariño, Zarate, Rias Baixas, Spain, 2021	£ 15.00	£ 54.00	72%	32	7	25	
Sauvignon Blanc, Dog Point, Martinborough, NZ, 2022	£ 15.00	£ 55.00	73%	23	8	15	£ 825.00
Grüner Veltliner, Kamptaler Terrassen, Willi Brundlmayer, Kamptal, Austria, 2022	£ 20.00	£ 63.00	68%	11	3	8	£ 504.00
Assyrtiko, Argyros Estate, Santorini, Greece, 2021	£ 25.00	£ 80.00	69%	8	6	2	£ 160.00
Bourgogne Blanc, Tollot Beaut, 2020	£ 20.00	£ 68.00	71%	21	5	16	£ 1,088.00
Puligny Montrachet, Bachelet Monnot, 2019	£ 40.00	£ 130.00		12	7	5	£ 650.00
Château Musar, Blanc, Bekaa Valley, Lebanon, 2017	£ 25.00	£ 82.00	70%	4	3	1	£ 82.00
Semillon, Vat 1, Brokenwood, Hunter Valley, 2017	£ 28.00	£ 96.00	71%	7	4	3	£ 288.00
Red							
Côte-Rôtie, Les Schistes, D. Clusel Roch, 2018	£ 35.00	£ 110.00	68%	14	8	6	£ 660.00
Malbec, Reserve, Domaine Bousquet, 2020	£ 12.00	£ 45.00		36	13	23	£ 1,035.00
Etna Rosso, Benanti, Sicily, Italy, 2020	£ 15.00	£ 52.00	71%	24	7	17	£ 884.00
Côte de Brouilly, Les Sept Vignes, Chateau Thivin, Beaujolais, France, 2018	£ 25.00	£ 80.00	69%	21	9	12	
Château Ducru-Beaucaillou, 2ème Cru Classé, St Julien, Bordeaux, France, 2005	£ 220.00	£ 500.00	56%	3	2	1	£ 500.00
Langhe Rosso, Roagna, Piedmont, Italy, 2017	£ 30.00	£ 105.00	71%	12	8	4	£ 420.00
Spätburgunder, Blauschiefer, Meyer-Nakel, Ahr, Germany, 2018	£ 25.00	£ 85.00	71%	5	1	4	£ 340.00
Cinsault, Dassiekop, AA Badenhorst, Swartland, South Africa, 2019	£ 27.00		70%	16	10	6	£ 540.00
Fortified							
D'Oliveiras, Sercial, 1999	£ 60.00	£ 180.00	67%	9	6	3	£ 540.00

Task 1:

a. Albarino, Zarate, Rias Baixas: £1,350

b. Côte de Brouilly, Chateau Thivin: £960

a. Wastage from a by the glass listing - overpouring, underpouring, out of condition not recorded

b. Miscounted during stocktake

c. Theft or Incorrect Delivery

d. Not properly allocated from other source, eg Tasting Menu, To Kitchen, Marketing/Gifts

Task 2:

Ruinart Blanc de Blancs: Selling price = £155 at 71%

Cinsault, AA Badenhorst: Selling price = £90 at 70%

Puligny Montrachet, Bachelet Monnot: GP = 69% at £130 selling price

Malbec, Reserve, Domaine Bousquet: GP = 73% at £45 selling price

Task 3:

1. Sauvignon Blanc, Dog Point: from Marlborough, not Martinborough

2. Semillon, Vat 1: from Tyrells, not Brokenwood

3. Cinsault, AA Badenhorst: Dassiekop is a Chenin Blanc vineyard



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 www.courtofmastersommeliers.org