



# Business Plan

## 2015







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# Executive Summary

Wrap It Up! sells gourmet wraps inspired by food from around the world. The business consists of 11 stores in London, of which 6 are franchised and 5 are company-owned. We are raising investment to help us build a new central kitchen in Stratford and for expansion.

The business is entering a growth phase because of 3 important factors now coming together at the same time:

## Our model is ready

Profitable for us, profitable for our franchise partners.

We've strengthened our brand and improved our products

## Pipeline of franchisees

Interest from all over the UK and the world. This is despite having done zero marketing of this.

We've taken deposits off 5 new franchisees.

Our existing franchisees all want new sites.

We could open 10 stores now if we had them.

## New central kitchen

Up to now our expansion has been constrained.

Can produce for up to 100 stores.

Better quality, better consistency.

Allows us to expand outside of London.

We believe that demand for our product is assisted by a re-orientation in the fast food market towards healthier more natural products and we want to capitalise on these favourable conditions by expanding.







# Our Story

We sell wraps from around the world such as Caribbean Roti's, Lebanese Falafel and Mexican Burritos. Our food is created in front of the customer using only natural ingredients. Our aim is to revolutionize fast food by putting wraps on the map as a tasty, healthy alternative.

Our first store was opened in 2006 opposite London's Liverpool Street station and since then we have expanded to 11 stores. We believe that this growth was possible only because we stayed true to our philosophy of sourcing only fresh natural ingredients to bring our customers authentic world food at an affordable price. Authenticity is key for us – for example we employ chefs from around the world and we like buying specialist items from suppliers with a culinary history going back to the original country, e.g. our hand-made rotis which are made by a Trinidadian family.

The company went through a restructuring in 2012 whereby a number of separate entities were combined into a single company (World Gourmet Restaurants Limited). We have emerged from this transition with renewed inspiration and in the last 2 years have strengthened and grown the business.

Right now we are growing and we have a lot of goals and priorities. However our #1 focus is the same thing it always was - selling natural, authentic food at an affordable price!





# The Offering

We are raising **£400,000** for a **6.25%** share of the company.

## Other Rewards for Investing

**£10 - £100**

You get a free wrap.

**£1,000 - £10,000**

Your team or family of 5 get a free meal with drink at any of our stores.

**£10,000 - £20,000**

Half price wraps for 2 years.

**+ £20,000**

You get a free wrap whenever you want it. Our central kitchen will be dedicated in your honour.

Forecast return 6.3x in 5 years (45% per annum). We are EIS eligible, so eligible investors can get 30% of their investment back via a tax rebate.



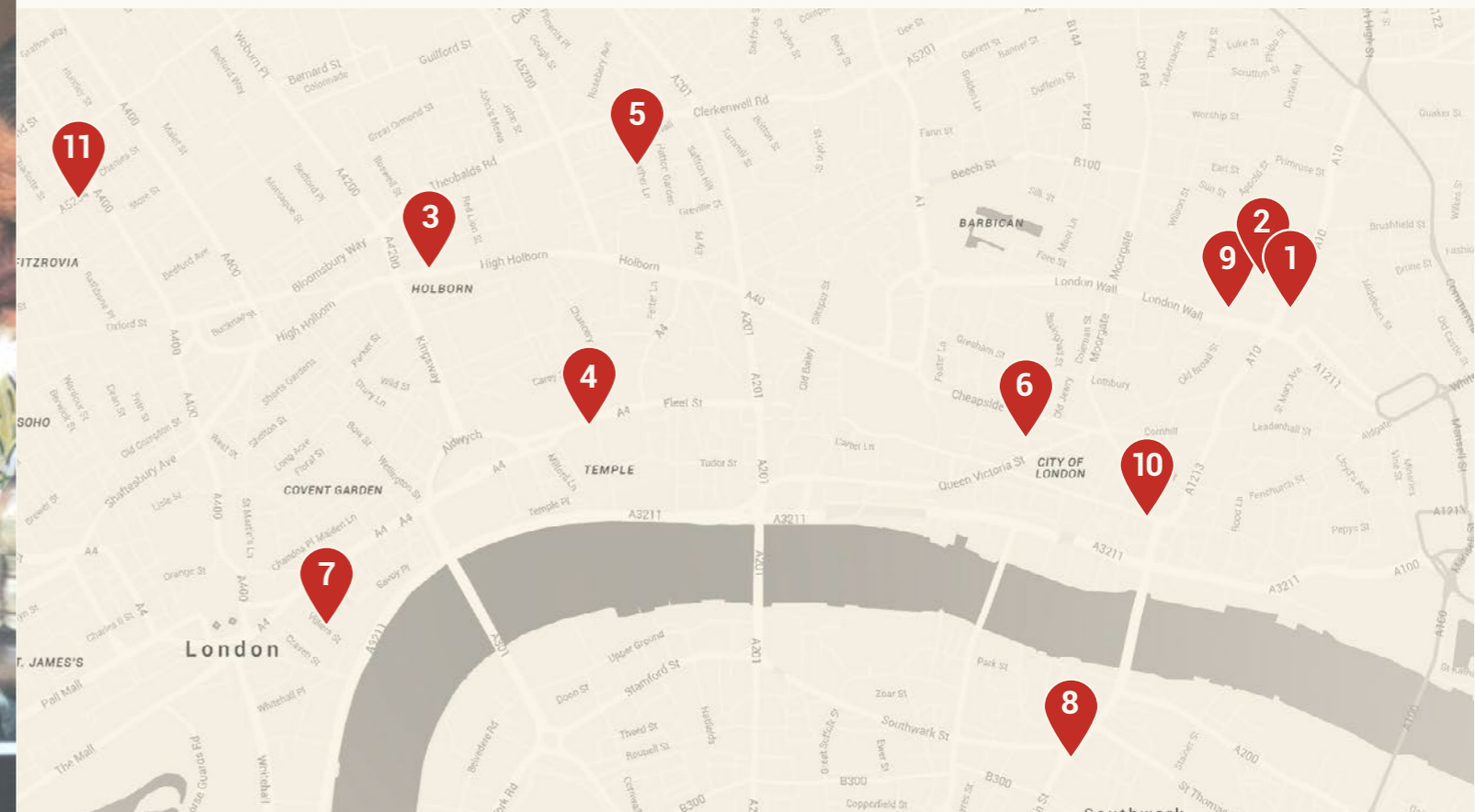




# Our Locations

We have 11 stores in prime London locations. We choose to trade in high-footfall office or shopping areas. Our store format is typically small, with 5 to 10 seats, with a focus on serving busy professionals.

- |   |   |  |
|---|---|--|
| <p><b>1. Bishopsgate</b><br/>166-170 Bishopsgate,<br/>London, EC2M 4LX</p> <p><b>2. Broadgate</b><br/>Unit 5, Broadgate Circle,<br/>London, EC2M 2QS</p> <p><b>3. Holborn</b><br/>111 High Holborn,<br/>London, WC1V 6JS</p> <p><b>4. Strand</b><br/>233 Strand,<br/>London, WC2R 1DA</p> | <p><b>5. Hatton Gardens</b><br/>45 Leather Lane,<br/>London, EC1N 7TJ</p> <p><b>6. Bow Lane</b><br/>52 Bow Lane,<br/>London, EC4M 9ET</p> <p><b>7. Charing Cross</b><br/>45 Villiers Street, London,<br/>WC2N 6NE</p> <p><b>8. London Bridge</b><br/>85-87 Borough High Street,<br/>London, SE1 1NH</p> | <p><b>9. London Wall</b><br/>18 Blomfield, London,<br/>EC2M 7AJ</p> <p><b>10. Monument</b><br/>122 Cannon Street,<br/>London, EC4N 6AS</p> <p><b>11. Goodge Street</b><br/>18 Goodge St,<br/>London, W1T 2QD</p> |
|---|---|--|





# The Growth Plan

The company is entering a growth stage due to the culmination of 3 factors, (1) strong demand from customers as we've improved our offering and brand, (2) demand from franchise partners who want to open stores and (3) the capacity to meet that demand with our new central kitchen.

The business case is simple – each new store we open has an average operating profit of 20% but does not increase our head office cost much. In other words, with a fully staffed head office function that is now paying for itself, we have reached a level of scale that allows us to expand more rapidly.

Our plan is to capitalise on this favourable situation by growing from 11 stores to 50 stores in 5 years. This ambitious goal will be met through opening a combination of company-owned and franchised stores, initially weighted more toward the latter.

We also believe that the demand for our product is helped by a re-orientation within the fast food market toward healthier, more natural food offerings.

To reach these targets we are doing the following:

- Ramp up site acquisition** We have allocated extra resources to finding sites.
- Do more marketing** We have increased our marketing budget by 1.5 times to 3% of turnover. In 2015 we have started advertising on bus stops and phone kiosks and in addition we are expanding our existing customer data programme.
- Improve our products** We are making regular incremental menu changes. Our new kitchen will allow us to improve quality and consistency and also greatly aids our product development efforts.
- Get more franchisees on board** For now we have enough franchisees but to meet our 5 year goal we will start marketing ourselves so as to build a strong pipeline for the future. We have signed up to exhibit at franchise fairs.

Number of Store Openings	2015	2016	2017
Company stores	1	2	3
Franchise stores	4	6	5
<b>Total</b>	<b>5</b>	<b>8</b>	<b>8</b>

**Exit Strategy**

We are working towards a trade or private equity sale within the 5 years. This is an important part of our strategy because:

- A large partner can help take us to the next level of growth.
- We will have access to better sites. Landlords prefer a big backer as their rent is better protected.
- Access to skills and systems.



# The Market

The UK fast food market is £6bn in size annually. The market is dominated by the larger brands with the top 4 brands (McDonalds, Subway, KFC, Dominos) generating 63% of the sales. The sector is forecast to grow by 9% between 2015 and 2019.

Market commentators believe there is a shift away from the unhealthy fast food of the past towards more natural food of higher quality. Evidence cited for this is the gourmet burger phenomenon, the proliferation of burrito and salad chains across London high streets, and the rise of sandwich chain Pret a Manger over the last decade.

Our direct competition includes Mexican Burrito chains such as Chipotle, Chilango and Tortilla as well as independent wrap outlets and street food concepts. We estimate that there are 60 Mexican burrito stores in London and we expect this figure to grow, albeit at a slower rate than has been the case recently. There

are also a number of new entrants in London selling Lebanese, Caribbean and Indian wraps. These are yet to make a meaningful impact. More generally we compete to some extent with the major brands as we operate in the same prime locations competing for customers in the area.

## Main Competitors

### Mexican Burrito Outlets

Number of outlets have grown in recent years.

### Other Wrap Concepts

Independents selling for example Indian, Caribbean or Lebanese.

### Major Brands

High street sandwich chains and other.





# People Behind The Plan



**Tayub Mushtaq**  
*Managing Director*

Tayub joined as the company's first franchisee in 2010. He took an active role in the wider company, driving growth to its current 11 stores. After a management buyout of the company he became MD in 2012. Prior to Wrap It Up! he worked as a broker in the City.



**Horun Meah**  
*Operations Director*

Horun joined the company in 2010 having previously been an investor in Wrap It Up! He has previously founded a successful training provider to private and listed companies which he converted to a not-for-profit social enterprise which continues today.



**George Groves**  
*Marketing Director*

George joined in 2013 having sold his previous business of 3 stores to Wrap It Up! He has a PhD in engineering and previously worked at an investment bank in the City.



**Kashif Akram**  
*Finance Director*

Kashif is a Chartered Certified Accountant with many years experience encompassing the hospitality sector, audit & advisory, risk, financial & performance management as well as business consultancy.



**Naureen Khan**  
*HR Manager*

Naureen has worked as HR manager at Wrap It Up for 2 years and prior to that spent 4 years teaching at GCSE level. She has an MA in Sociology.



**Afnan Bashir**  
*Advisor*

Afnan co-founded Wrap It Up in 2006. He is a director at a multi-site KFC franchise company. He has an MBA from the University of Chicago.



# Our New Central Kitchen

We have already secured the unit, a freehold property in Stratford, and construction has begun. This has been funded out of company profits so far. The new kitchen will give us the capacity to service built up demand for new sites. Demand from franchisees for sites has been high and we have had to slow down taking deposits from them. Another very important benefit of the facility is that it will result in better food quality and improved product consistency.

- 17-Nov-2014 We took possession of Units 6 & 7 Abbey Trading Point, Stratford.
- £410,000 freehold property
- 5,000 sq ft of space
- 30-Nov-2014 The date we sent in the lads to start demolition!
- 122 tons of rubbish removed.
- 31-August-2015 Expected completion of construction.
- Up to 100 sites can be supported by the kitchen.
- +£1,644 p.m extra cashflow from taking on this kitchen. The mortgage of £1,723 is offset by rent savings from moving our office, existing warehouse and existing kitchen into this facility.
- Up to 500 jobs created if we get it to full capacity.

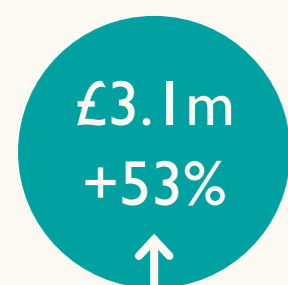




# Finances

## Profit & Loss

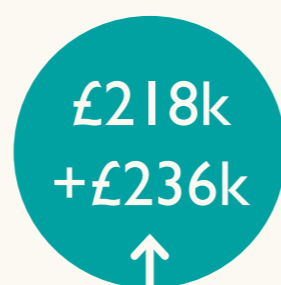
In 2014 revenue in our company was £2.5m, an increase of 48%. Sales across all stores including those of our franchisees was £3.2m. The company generated an operating profit of £218,040. Gross profit margin improved from 62% to 67% due to bulk buying into our warehouse and better control in our shops. This figure includes food, drink and packaging sold to our franchisees at 34% margin and when stripping this out our company stores achieved a gross margin of 68%, i.e. cost of sales of 32%.



Brand Turnover



Company Turnover



Operating Profit

Our forecasts are for a 15% increase in same-store revenue over 3 years, in continuation of the existing trend and from increasing our marketing spend. We see potential to reduce cost of food and packaging by 3% over 3 years through increased bulk buying and better food control in shops. Marketing

spend is increasing by 1.5 times to 3% of sales including head office wages relating to this.

We have shown certain professional fees separately from operating profit as these are one-off in nature relating to restructure of legacy leases and expansion.

All figures in 1000's.

	FY13	FY14	FY15	FY16	FY17
	actual unaudited	actual unaudited	forecast	forecast	forecast
No of Company Owned Stores	7	6	6	8	11
No of Franchised Stores	5	6	10	16	21
Revenue (company stores)	1,275	1,687	1,947	2,578	3,599
Cost of Sales	(483)	(535)	(622)	(798)	(1,079)
<b>Gross Profit</b>	<b>792</b>	<b>1,152</b>	<b>1,324</b>	<b>1,779</b>	<b>2,250</b>
<b>Gross Margin</b>	<b>62%</b>	<b>67%</b>	<b>68%</b>	<b>69%</b>	<b>70%</b>
Operating costs (company stores)	(669)	(821)	(923)	(1,222)	(1,707)
<b>Operating Profit (company stores)</b>	<b>123</b>	<b>331</b>	<b>401</b>	<b>557</b>	<b>814</b>
<b>% Operating profit (company stores)</b>	<b>10%</b>	<b>20%</b>	<b>21%</b>	<b>22%</b>	<b>23%</b>
Franchising Revenue - Food	300	487	726	1,387	2,149
Franchising Revenue - Royalties	36	111	207	396	614
Franchising Cost of Sales	(217)	(399)	(594)	(1,135)	(1,757)
<b>Profit Before Head Office Costs</b>	<b>243</b>	<b>531</b>	<b>741</b>	<b>1,206</b>	<b>1,819</b>
Other Income	65	204	107	144	128
Head Office Costs	(170)	(312)	(329)	(450)	(584)
Kitchen Running Costs	(155)	(204)	(219)	(329)	(454)
<b>Profit before tax and depreciation</b>	<b>(18)</b>	<b>218</b>	<b>300</b>	<b>571</b>	<b>909</b>
<b>(EBITDA)</b>					
<b>Profit margin</b>	<b>(1%)</b>	<b>9%</b>	<b>10%</b>	<b>13%</b>	<b>14%</b>
Professional Fees	(25)	(38)	(65)	(66)	(66)
Depreciation	(78)	(108)	(205)	(218)	(114)
Interest	(14)	(8)	(16)	(14)	(12)
Taxes	0	0	0	(1)	(137)
<b>Profit (loss)</b>	<b>(134)</b>	<b>64</b>	<b>14</b>	<b>271</b>	<b>581</b>
<b>Net Margin</b>	<b>(8%)</b>	<b>3%</b>	<b>1%</b>	<b>6%</b>	<b>9%</b>



# Finances

## Balance Sheet

The largest fixed asset in the company is our central kitchen purchased in 2014 for £410,000. This is a freehold building in Stratford, London.

Long term liabilities include a £283,500 mortgage on the central kitchen (2.6% p.a. over 15 years). Short term liabilities include £10,685 in loans, which have since been paid down. The remainder of the short-term liabilities are supplier balances due in the normal course of business.

The future forecast includes an extra £200,000 in long-term liabilities from asset finance on equipment purchased. Fixed assets are forecast to increase by £495,000 in 2015 owing to our new kitchen. For a breakdown of the cash flow relating to the new kitchen see the next section.

All figures in 1000's.

	FY13	FY14	FY15	FY16	FY17
	actual unaudited	actual unaudited	forecast	forecast	forecast
Bank / Cash balances	46	13	12	121	319
Accounts Receivable	150	123	135	160	197
Inventory	25	30	36	54	78
<b>Total Current Assets</b>	<b>220</b>	<b>165</b>	<b>182</b>	<b>334</b>	<b>594</b>
Intangible assets	106	100	94	88	83
Fixed Assets (NBV)	294	693	1,188	1,233	1,491
<b>Total Assets</b>	<b>620</b>	<b>958</b>	<b>1,464</b>	<b>1,655</b>	<b>2,168</b>
Current Liabilities	(59)	(76)	(91)	(137)	(196)
Long Term Debt	(37)	(294)	(442)	(388)	(332)
<b>Total Liabilities</b>	<b>(96)</b>	<b>(370)</b>	<b>(534)</b>	<b>(525)</b>	<b>(528)</b>
Share Capital	726	726	1,126	1,126	1,126
Retained Income	(202)	(139)	(195)	4	514
<b>Total Equity</b>	<b>523</b>	<b>587</b>	<b>931</b>	<b>1,130</b>	<b>1,640</b>



# Finances

## Cash Flow Statement

The cash flow statement in 2014 includes £197,000 spent out of company profits on our new central kitchen. This includes a £126,500 deposit on the commercial mortgage and £70,500 in construction and other costs to fund the start of construction work. The total cash flow implication of the new central kitchen is shown in the table below.

On an ongoing basis the new kitchen will result in an improvement in cash flow by £1,644 p.m as the mortgage payment of £1,732 is offset by the rent savings from moving out of our

existing facilities including: our warehouse at Mile End (£750 p.m), our kitchen at Middlesex St (£1,666 pm) and our office at Bishopsgate (£960 pm).

### Cash flow for New Kitchen

Cash Out		Cash In	
Freehold Property	410	Mortgage	284
Fees	22	Asset Finance	200
Building work	237	Equity fundraising	400
Equipment	328	Profits	113
<b>Total</b>	<b>997</b>	<b>Total</b>	<b>997</b>

All figures in 1000's.

	FY14	FY15	FY16	FY17
	actual unaudited	forecast	forecast	forecast
<b>Opening Cash</b>	<b>46</b>	<b>13</b>	<b>12</b>	<b>121</b>
Total Cash flow from (to) Operations	200	179	465	676
Total Cash flow from (to) Investing	(499)	(712)	(288)	(409)
Total Cash flow from (to) Financing	266	532	(68)	(68)
Overdraft draw down / (repayment)	0	0	0	0
Long term debt issuance/(repayment)	257	132	(68)	(68)
New Equity investments	9	400	0	0
Dividends	0	0	0	0
<b>Ending Cash</b>	<b>13</b>	<b>12</b>	<b>121</b>	<b>319</b>



# Customer Feedback



## @Playmob wrote:

A new @wrapitupwraps has opened next to our office. There's never been so many smiles! :D

## @Suhail Patel wrote:

@wrapitupwraps You gotta tell me where you get the Piri Piri sauce or how you make it. It's delicious and I want it on more of my food! #yum

## @ebzworldpeace wrote:

First time going @wrapitupwraps & I'm definitely going back.

## @ChadwickHussein wrote:

All is good with the world after getting my yummy free lamb roti from @wrapitupwraps

## @TeeXCI wrote:

Tried something new for lunch today. A Caribbean lamb roti from @wrapitupwraps It's going down so well. Really nice.

## @Romily Smith wrote:

Discovered a little gem of a fast food chain yesterday in Liverpool St @wrapitupwraps #newfave #futureregular



## Ali M Sheikh wrote:

The Best wrap I have ever tried, defiantly a must when in central London. Try for yourselves and be the judge.

## KusurMad NamRah ImDah wrote:

I just can't explain my mouth watering experience!

## Hollie Jeffries wrote:

Thanks guys for amazing service today! You made my day today!

## Irfan Ahmed Iqbal wrote:

Simple comment! It's London's fire! Love the food love the service!

## Coffee Central wrote:

Wrap It Up have been a customer of ours for a while now and have been a pleasure to deal with. Always friendly and look forward to building our ongoing relationship!



## Danni-lee666 wrote:

My mum & I had a wrap each at an exhibition at their stand. It was amazing. They were giving free samples pieces of chicken. Succulent, juicy, flavoursome. We chose different wraps and I swapped a couple of dressings on my wrap and they were more than accommodating. All smiley, happy and helpful chaps serving great food! Well done.

## Elly L wrote:

ts actually really spicy, which I love! Well filled and always faultless customer service even in the busy lunch period when they are queuing out the door!

## Wiltshirewanderer77 wrote:

Really yummy, fresh made hot wraps, the meal deal is huge and will keep you going all day. Quick service too.

## Steve\_Gaskell wrote:

Great wraps to go. Nice for a picnic lunch. Tried the mexican and chicken tandoori. Both good. Check it out if you are hungry and in a hurry.



## Matt R. wrote:

I needed to grab lunch quickly whilst meeting a friend from uni, I'd just seen Wrap it Up's appearance on Dragon's Den and thought I'd give it a go. Man, I'm glad I did! I opted for the chicken fajita meal for £7.50 - a wrap, crisps and a coke. I didn't need to, the wrap was filling enough on it's own - I'm writing this now at my desk with a packet of Jalapeño & Coriander 'Salty Dog' crisps. Their food is cheap, filling and the staff are outstanding. I recommend them 100%.

## Eakan G. wrote:

The to grab a wrap or burrito in Bishopsgate. Lots of options for non-vegetarians. Their large burritos are really large. Totally worth every penny you pay for it. But I felt the Mango Lassi was weird. It was thicker than the normal lassi and tasted more like melted ice-cream. But I shall forgive them because after all they are not running a drinks business, wraps are what they do and that is good.

## Antony O. wrote:

Nice place, food is made in a central kitchen then shipped out to each shop in the mornings. Can't fault it! Great place to catch up with old friends.





Get more info:

[www.crowdcube.com/wrapitup](http://www.crowdcube.com/wrapitup)

**Your capital is at risk.**

Read the offering documentation at [www.crowdcube.com/wrapitup](http://www.crowdcube.com/wrapitup) to understand the risks and legal terms.  
Approved as a Financial Promotion by Crowdcube Ventures Limited (no. 572026).



# Thank you



**World Gourmet Wraps**

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