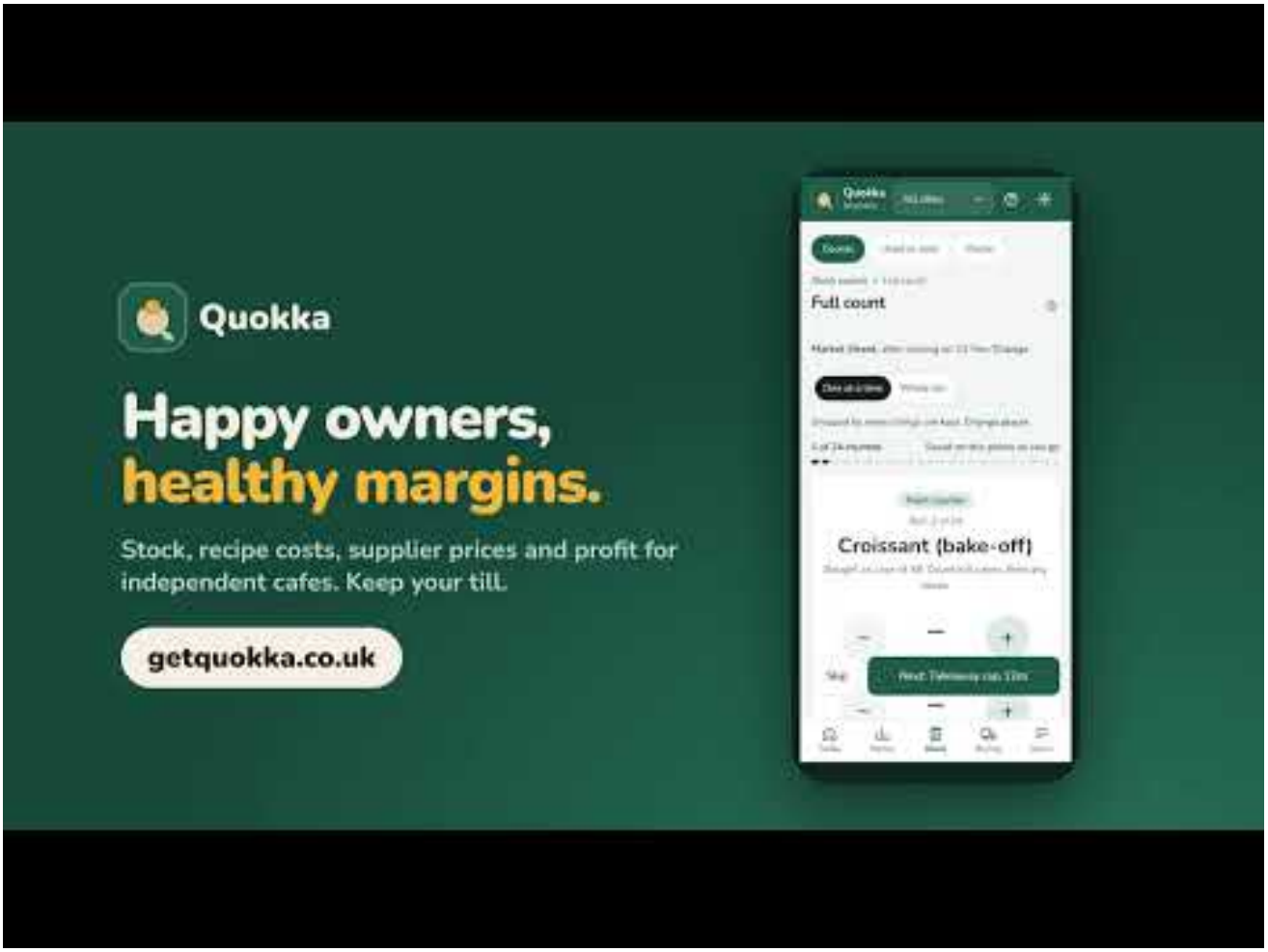
How to Calculate Your Cafe's Real Weekly Profit

Why Your Bank Balance Doesn't Tell the Full Story

Many cafe owners look at the week's takings and assume the difference between what came in and what they spent on stock is their profit. That number can be misleading. Rent, labour, overheads, and waste all eat into the figure before anything is truly earned. To know what your cafe really keeps each week, you need a method that tracks every cost against every sale. This is where cafe profit tracking becomes a practical habit rather than a vague hope.

The process is not complicated, but it does require consistency. Once you set up a simple routine, you will see exactly where money goes and where it gets lost. The steps below walk you through what to measure, what to watch for, and how to pull the numbers together without spending hours on spreadsheets.



Step One: Define Your Sales Revenue Clearly

Start with the top line: total sales revenue for the week. This sounds straightforward, but the detail matters. Are you including cash, card payments, and any app-based orders? What about takeaway sales that were rung up but not yet collected? Be precise about the cut-off time. Choose a consistent end-of-week point, such as Sunday close of business, and stick to it.

Watch out for voids, refunds, and comped items. If you void a sale or give a free coffee to a regular, that reduces your real revenue. Track these separately so you can see whether they are a small adjustment or a growing pattern. A cafe that voids a lot of transactions may have a training issue or a till error, both of which eat into the final number.

Step Two: Calculate Your Cost of Goods Sold

Cost of goods sold (COGS) is the direct cost of the ingredients and packaging that went into every item you sold. For a cafe, this includes coffee beans, milk, syrups, cups, lids, napkins, and any food ingredients. Do not include cleaning supplies or takeaway bags that sit in storage unused; only what actually left the shelf this week.

To get an accurate COGS, you need to know the cost per portion. That means measuring how many shots of coffee you use per drink, how much milk per latte, and how many grams of bacon per sandwich. If you rely on guesswork, your profit figure will be wrong. Recipe costing is the only reliable method, and it pays for itself the first time you spot a discrepancy.

Watch out for price changes from suppliers. A bag of coffee that cost a certain amount last month may have gone up. If you do not update your cost per portion, your COGS will be understated and your profit will look better than it really is.

Step Three: Factor in Labour Costs

Labour is often the biggest expense after ingredients. Include wages, salaries, employer national insurance contributions, pension contributions, and any tips that are paid out to staff. Also include the cost of cover if you use agency staff or extra hours for busy periods.

Divide the total labour cost by the number of hours worked to get an average hourly rate. Then compare that to your sales per labour hour. A healthy cafe typically sees sales per labour hour that are several times the hourly rate. If the ratio is tight, you may be overstaffed for the volume, or your prices may not cover the true cost of service.

Watch out for overtime and unplanned hours. A few extra shifts here and there add up quickly. If your weekly labour cost jumps without a corresponding rise in sales, you need to ask why.

Step Four: Account for Rent and Overheads

Rent, business rates, utilities, insurance, and any equipment leases form your fixed overheads. These do not change much from week to week, but they still need to be allocated. A simple method is to divide your monthly rent and overheads by 4.33 to get a weekly figure. Then subtract that from your gross profit.

Watch out for seasonal spikes. If your energy bill doubles in summer because of air conditioning, your weekly profit takes a hit. Similarly, if rent is reviewed annually, plan for the increase. Do not treat overheads as a background cost; they are a real deduction that determines whether your cafe is sustainable.

Step Five: Include Waste and Spoilage

Waste is often the hidden leak in a cafe's finances. Every coffee that gets poured out because it sat too long, every sandwich that does not sell before closing, and every spilled ingredient counts as a cost. Track waste daily if you can, or at least tally it at the end of each week.



Assign a monetary value to the waste. A half-full jug of milk that goes down the sink cost you the same as if you had sold it. When you see the number, you will be motivated to adjust portion sizes, improve forecasting, or train staff to prepare smaller batches.

Watch out for the difference between pre-service waste (ingredients that spoil before use) and post-service waste (unsold finished items). The first suggests a purchasing or storage problem; the second suggests a menu or portion issue. Both reduce your net profit.

Step Six: Calculate Gross Profit and Net Profit

Gross profit is sales revenue minus COGS. This tells you how much you have left to cover everything else. Net profit is gross profit minus labour, overheads, and waste. Net profit is the number that matters. It is what your cafe really keeps each week.

To make this calculation stick, you need a system that pulls the data together without manual error. A spreadsheet can work, but it relies on you entering every figure correctly every week. That is where a purpose-built tool helps. The site getquokka.co.uk offers a phone-first cafe management app that combines stock control, recipe costing, sales tracking, supplier invoice checks, waste monitoring and profit analysis. Using such a platform automates the repetitive parts and gives you a weekly profit figure you can trust.

What to Watch for Over Time

Once you have a few weeks of numbers, look for trends. Is your gross profit margin steady, or does it dip when you change a supplier? Is your labour cost rising faster than your sales? Are you consistently writing off the same ingredient each week?

Compare your net profit against your target. If it is lower than expected, go back through the steps. The problem could be in the COGS calculation, the waste tracking, or an overhead that has crept up. The discipline of weekly reporting helps you catch issues early.

Also watch for the impact of menu changes. A new item might boost sales but also increase waste if it does not sell well. Track its cost and its contribution separately for a few weeks before deciding whether to keep it.

Making the Habit Stick

Cafe profit tracking does not have to take hours. The key is to set aside the same time each week, perhaps Monday morning, to run the numbers. Use a consistent template so you are not reinventing the process each time. If you use an app like the one at getquokka.co.uk, much of the data is already there from your daily operations, and the weekly report generates itself.

Share the results with your team if you can. When staff see how waste affects the bottom line, they often become more careful. When they understand the labour cost, they may be more willing to adjust their own schedules. Transparency builds ownership.

Remember that profit is not a single number; it is a story about how well your cafe operates. Each week's figure tells you something about purchasing, pricing, staffing, and waste. The more consistently you track it, the clearer the story becomes, and the easier it is to make decisions that keep your cafe healthy.