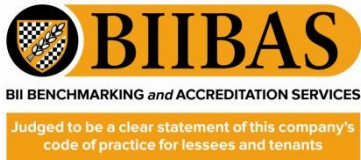




Code of Practice for Letting Pubs
“BE A NAME NOT A NUMBER”



BIIBAS Accredited August 2010



www.brakspear.co.uk

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Unicorn
Kingwood
South Oxfordshire
RG9 5LX

Introduction

W H Brakspear & Sons Limited was founded in 1779 and became part of the J T Davies Group in 2007.

J T Davies is family owned and was founded in 1875. The Board is chaired by Michael Davies whose son Tom is the Chief Executive and cousin Tim is a non-executive director.

Being a family owned company we take the long term view. We want to build a business that is recognised as being responsible, forward thinking and that makes us the first choice for hospitality champions thinking of running a great pub.

Currently we own over 140 pubs located throughout the South of England which we let on either three year tenancy or assignable lease agreements.

The business of each of these pubs has been related to one of four trading segments – Community, Inn, Local or Tavern. A brief segment description appears in Appendix 1. We match your strengths to these characteristics when making our most important management decision – who should run our pubs? If we can make that match then you're a long way towards joining the family business.

As well as owning pubs we are also the owners of the famous Brakspear beer brands that are brewed for us under licence at the Wychwood Brewery in Witney, Oxfordshire. Like our pubs, our beers are very pleasing to the eye and have a great reputation for the highest quality standards.

Our aim is to be the Pub of Choice for drinks, food, lodging and great atmosphere. We recognise this can only happen when we work closely with our tenants and principal suppliers.

Being the Pub of Choice means our tenants and Brakspear have the opportunity to be properly rewarded for our joint efforts while our customers experience a great time, every time.

Our pubs actively seek to build good relations with the communities that support them. We all co-operate with local and national bodies that aim to reduce the harmful effects of alcohol misuse. As members of the British Beer and Pub Association (BBPA) and British Institute of Innkeeping (BII) we maintain an active involvement in promoting best practice in each of our pubs.

We also encourage all our tenants to become members of the BII through our subsidised first year membership scheme.

This Code of Practice on Letting Pubs sets out how we build relationships with existing and new tenants or lessees and what you can expect in the future if you choose to join our family.

It complies with the UK Industry Framework Code and has been accredited by the British Institute of Innkeeping Benchmarking and Accreditation Service (BIIBAS). We expect it to evolve with the industry over time and will work with BIIBAS when such amendments are required.

We believe that by signing the Code of Practice on Letting Pubs both Brakspear and you are committing to open and honest dialogue while never losing sight of our mutual interest in exceeding customer expectations on every visit.



**Catherine Wheel
Goring on Thames
Berkshire
RG8 9HB**

1. First steps in choosing your pub

1.1 Business plan

Before taking a lease or a tenancy agreement, you'll be required to complete an application form that provides us with all your details needed to get us started.

Much more importantly, you will need to complete a business plan for your chosen pub. This sets out who your customers will be, how you will attract and keep them, the profit you expect to make and how you will manage your cash flow.

Your business plan will also say a lot about you, your values and your approach to hospitality at a time when there is ever more pressure on the leisure £.

We make the following information available to assist in preparation of your business plan but recommend you refer to your independent professional advisors and Business Development Manager (BDM) for further support:

- A description of the pub premises and confirmation of its planning use category as a pub
- Business plan template (Appendix 2)
- Shadow Profit and Loss Account (Appendix 3). This will include details of all known existing income streams and estimated costs (based on our experience and industry standards). Drinks gross profit margins will be calculated using the prices you will be charged for drinks products based on our current price list
- Details of drinks volumes purchased from Brakspear in the last three years
- Current price list for tied drinks products supplied and any discounts
- Details of the heads of terms of the proposed agreement (Appendix 4) and repair responsibilities (Appendices 5 and 6)
- Full details of our business support services and any associated costs
- Details of any forthcoming material changes to the pub trading environment that we are aware of at the time you produce your business plan
- The current pub rateable value and rating multiplier
- Estimated start up costs for your business, including (but not restricted to) fixtures and fittings, security deposit, training, stock and glassware, professional fees and working capital.
- Please note that you will be required to provide proof of funding and we will need to check credit references before an agreement can be signed
- We recommend that you seek independent professional guidance on industry benchmarks for costs such as wages and other operating expenses. Specialist licensed trade accountants and the Association of Licensed Multiple Retailers (ALMR) www.almr.org.uk are example sources of this information.
- We are always happy to share our knowledge with prospective tenants and their advisors but it should be borne in mind that you must make your own enquiries to ensure such information is appropriate for your purposes. We cannot guarantee the accuracy of qualitative information provided to you.

1.2 Pre entry awareness training – PEAT

The new British Institute of Innkeeping Pre-Entry Awareness Training (PEAT) is an electronic learning tool that will enable you to gain an understanding of the licensed trade in the comfort of your own home.

There is a short test at the end of PEAT that you must pass in order to receive your BII PEAT certificate. All proposed parties to tenancy or lease agreement must hold a PEAT certificate in order to be considered for a Brakspear tenancy or lease.

There is a test fee of £20 + VAT which if you are appointed to a Brakspear pub, we will refund to you.

1.3 Independent Professional Advice

Before we can formally offer a tenancy agreement or lease, you must be able to demonstrate that you have taken independent professional advice in the preparation of your business plan.

Brakspear may waive this requirement if you are able to demonstrate that you are qualified (through experience) to produce an appropriate business plan or if you represent a company with a track record in pub management.

A full copy of the proposed agreement will be provided for you and your advisors.

We recommend you take independent professional advice prior to entering into either a tenancy or assignable lease agreement

When signing an assignable lease agreement or assigning your lease, you must appoint legal representation to advise you on the implications and to complete the legal procedures.

You should also consider taking professional advice at any time there are proposed changes to your commercial terms, including rent appraisals, or variations to your tenancy or lease agreement.

2. Tenancy and Lease Agreements to Suit You

Routes into the Industry

Brakspear operates Three Year Tenancy and Assignable Lease Agreements

2.1 The four main routes into the pub industry are:

- Freehold purchase: You own and operate your business independent of a landlord
- Management: You are the employee of a business that specialises in pub management
- Tenancy: You rent the pub property and in most cases purchase some or all of your drinks requirements from a landlord who will be responsible for some of the repair obligations associated with the pub
- Assignable lease: You enter into a long term pub property agreement with a landlord under which you agree to undertake all the repairing and insurance obligations associated with property. You may be required to purchase some or all of your drinks requirements from the landlord.

2.2 Three Year Tenancy Agreement

The Three Year Tenancy Agreement provides both certainty and flexibility.

The agreement is contracted out of sections 24 to 28 of the Landlord and Tenants Act which means there is no right of renewal at the end of the three year term. It is typically suited to licensees with some business experience who have access to appropriate levels of funding.

The Agreement contains a Tenants Break Clause that enables a tenant to give notice six months after the start of the Agreement and leave at the end of the first year if things do not work out in the way we both intended.

Prior to the end of the Three Year Tenancy Agreement we will be very happy to discuss business prospects with the aim of agreeing a plan for extending our business relationship.

2.3 Assignable Lease

The assignable lease is fully repairing and insuring and typically either 10 or 21 years in length. It is suited to experienced operators who want a business they can develop and then sell on (assign) at a future date. Generally there is an initial period of three years during which the lease cannot be sold (assigned).

All repairs are usually your responsibility as lessee of the property. You are strongly recommended to undertake a full structural survey of the property prior to entering into the lease to allow you to fully understand your liabilities and the impact on the valuation of the lease.

As the assignable lease requires the lessee to put and keep the property in good condition, we only offer this option where we are convinced the profit opportunity is great enough to cover these costs and provide appropriate reward for you and for Brakspear.

If you sell (assign) the business after the initial three year period, you'll be obligated by way of your lease agreement to enter into an Authorised Guarantee Agreement (AGA). This guarantees to pay Brakspear (upon request) any monies due under the terms of the lease, that aren't paid by your successor. The guarantee remains in place until your successor sells on the lease although individuals (not companies) may negotiate a Deed of Release from this obligation at the time of assignment. Again legal advice must be taken before proceeding.

2.4 Cooling Off Period

Although we do not operate a specific cooling off period for leases, the Three Year Tenancy Agreement Tenants Break Clause referred to in paragraph 2.2 does offer new entrants the opportunity to gain a good understanding of the business. That knowledge can then be used as a sound basis on which to decide whether a career in pub retailing is for you.



**White Bear
Warlingham
Surrey
CR6 9PH**

3. Ending your agreement before its full term

3.1 Requests to Surrender a Tenancy or Lease Agreement

In exceptional circumstances, we may agree to accept a surrender of your trading agreement outside the terms of the Tenants Break Clause. This will be dependent on the appointment of a successor to your business on a tenancy or lease agreement. In these cases, we will work with you to find a leaving date that is mutually agreeable.

If a surrender of your agreement is accepted, it will be brought to an end by a Deed of Surrender. Where applicable, you will also be required to give a prospective successor access to your past three years profit and loss accounts and any other relevant information so that he/she can produce an appropriate business plan.

You will be responsible for any costs associated with the surrender and are strongly advised to seek professional advice if you are considering the surrender of your tenancy or lease agreement.

3.2 Assigning Your Lease

If you wish to sell (assign) your lease, you are requested to notify us of your intention at the earliest opportunity. It will be your responsibility to obtain an independent valuation, market the business and recommend your successor. A Schedule of Condition and Dilapidations (see Paragraph 7.6) will also be required and any agreed remedial works undertaken. Consent to the sale (assignment) will not be unreasonably withheld by Brakspear but we will wish to interview your proposed successor prior to issuing a Licence to Assign. The appointment of a successor is based upon whether they meet a number of specific criteria that include:

- relevant business experience
- satisfactory credit checks
- proof of their funding
- completion of accredited British Institute of Innkeeping (BII) PEAT training
- holding a Personal Licence
- viability of a professionally advised business plan
- proof that you have provided relevant profit and loss accounts and other information to enable the proposed assignee to produce the business plan

The buyer (assignee) is strongly recommended to have a structural survey of the premises undertaken and to negotiate any identified works with you before assignment as this could have an impact on the value of the business.

All parties must instruct legal representation to complete the assignment on their behalf.

At the time of assignment both the seller (assignor) and the buyer (assignee) will be provided with a guide to assist in progressing the sale. This clearly sets out the estimated timescales and advises of the costs for which you will be liable within the assignment. The guide will also include details of the pre-entry requirements for a new lessee as set out in this Code of Practice.

Your Business Development Manager will be available to discuss the progress of the proposed assignment and will co-ordinate the interview date.



**Chequers
Charney Bassett
Oxfordshire
OX12 0EX**

4. Rent Appraisal

4.1 Rent appraisal

Rents are appraised for new lettings and three or five yearly rent reviews in accordance with the Royal Institution of Chartered Surveyors (RICS) revised Valuation Information Paper and the British Beer and Pub Association (BBPA) Code of Practice.

Rent appraisals are based on the fair maintainable trade (FMT) for the site – that is, the profit the business could realistically be expected to make with a reasonably efficient operator running the pub in normal conditions.

The following headings will be considered (where appropriate) to reach a rental figure, ensuring good performance is not penalised and poor performance is not subsidised:-

- income from drinks sales
- income from food sales
- income from accommodation
- prices you pay for drinks products (net of discounts)
- overheads and staffing costs based on information from independent sources that are appropriate for the business trading segment
- business rates based on current on rateable value
- market conditions
- comparable properties

The following will be disregarded when achieving the rental figure:-

- Goodwill – i.e. the trade generated as a result of your individual performance above and beyond the fair maintainable trade for the business
- Tenant's own improvements – any property improvements or repairs you make that are in excess of your obligations under the terms of your agreement will be disregarded, provided a Licence to Alter was granted by us before proceeding
- Your share of gaming machine income

In the case of rent reviews you will receive notification of the commencement of the rent appraisal process approximately 6 months prior to the rent review date. It will be helpful if you would provide your most recent business profit and loss accounts at this stage so that they may be considered when we prepare the rent appraisal.

Your Business Development Manager will present the proposed rent to our Chief Executive and Chief Financial Officer for approval. Following approval he / she will arrange to meet you at least three months before the review date to explain how the rent was calculated. Prior to this meeting you will receive a Rent Appraisal Pack to include:

- Shadow Profit and Loss Account
- Last three years tied drinks purchases information
- Any other information used to appraise the rent

If the rent is agreed both parties sign a Rent Memorandum which formally sets the rents until the next stated review date. The new rent comes into effect on the rent review date.



**The Old Bell
Henley on Thames
Oxfordshire
RG9 2BG**

4.2 Rent Disputes and Arbitration

If you cannot agree the proposed rent you should set out your grounds for seeking a change in writing to the Chief Financial Officer within 28 days of the meeting with your BDM. The Chief Financial Officer will contact you within 14 days to arrange a meeting to discuss your proposals in light of any supporting information you provide at this stage. If the rent still cannot be agreed, a referral will be made to the Chief Executive who will review the rent appraisal in light of your proposals.

If we still cannot reach agreement, you may refer the rent proposal to an independent expert through the low cost Pub Independent Rent Review Scheme (PIRRS) www.pirrscheme.com. Both parties will be bound by the valuation set by the expert and will be liable for costs set by PIRRS at the time of the referral. You should be aware that under this process rents can go up as well as down.

Brakspear does not operate an upward only rent review policy. If your existing Brakspear tenancy or lease agreement contains an upward only rent review clause this will not be enforced. You may apply to vary this clause by way of a side letter or Deed of Variation but you will be liable for any costs associated with the preparation of the Deed.

4.3 Rent Indexation

All new agreements and many of our old agreements contain a provision to review rents annually in line with Retail Prices Index (RPI). During periods when the RPI has been negative we have honoured and will continue to honour our commitment to amend rents in line with the movement in the index.

We believe it is appropriate to review rents in this way. Not only does it help us plan our finances, it also helps reduce the impact that a three or five yearly review may have on your business by eliminating what may appear to be a sizeable increase that may have to be absorbed in one year.

The mechanic for RPI reviews is quite straight forward with the due date being detailed in your agreement and the index being published by the Office for National Statistics every month. We will write to you soon after the appropriate month's RPI has been published and advise you of its effect on your regular rent payment.

In the event that the RPI ceases to be the way general price inflation is measured, then Brakspear will take professional advice and advise you if any change to our agreement is required.

4.4 Material Changes To Your Business

If you experience a material change to your circumstances or a business difficulty beyond your control you should contact your Business Development Manager immediately to discuss any support that may be available to your business. You will be required to provide copies of your most recent Profit and Loss accounts and information relating to the impact of the material change of circumstances to your business. We will help you to fully review your situation and suggest ways in which you may be able to improve your profitability. In these circumstances you may be eligible for a rates reduction. Our retained Rating Agents, Gerald Eve will help you with this process free of charge.

In very exceptional circumstances we may agree to a temporary rent reduction or to end your tenancy or lease agreement prior to its expiry date as detailed in paragraph 3.1 above.

5. Drinks Purchasing Obligations

5.1 Trading Tie

Our tenancy agreements provide for a full tie trading arrangement, meaning that you will be obliged to purchase all drinks for sale in your pub from us. You will receive a Telesales call each week to take your beer and cider order and will be invoiced by Brakspear.

We operate a fortnightly accounting system with all accounts being collected by direct debit. Goods accounts and rent are collected on separate days that are usually one week apart. Rent is payable in advance and goods are payable two weeks in arrears. (See Appendix 7)

We will help you provide a wide range of ales, lagers, ciders, wines, spirits and soft drinks for your customers. We regularly review the product portfolio with suppliers and have a seasonal cask ales offer featuring Brakspear and other brewers beers that changes monthly.

5.2 Price Lists

Tied product price lists are regularly produced detailing the prices charged for your agreement.

We will give you at least four week's notice of any annual price increases on Brakspear products. Duty and other suppliers increases will be notified in writing at the earliest opportunity following notification to Brakspear.

5.3 Discounts

We operate a number of beer and cider purchase discount schemes that are linked to individual tenancy and lease agreements.

Discounts form part of the pub cost of sales and therefore impact upon profitability and rent.

In general terms, the higher the level of discount granted, the higher the pub rent will be.

Your Business Development Manager will be happy to discuss the various options that we offer.

5.4 Monitoring the Trading Tie

The trading tie is a very important part of the agreement we make with you, and forms a significant part of the commercial terms offered to our tenants

In exceptional circumstances, we recognise you may have a genuine need to purchase an emergency supply of a tied product from someone other than us or our nominated suppliers. Before you consider such action, you must obtain the authorisation of your Business Development Manager or his / her Line Manager who will do his / her utmost to assist you.

We do install drinks monitoring equipment in our pubs. This equipment records the volume of draught beer product you dispense and can be used to compare beer sales to beer purchases. Information is also available regarding the time you make your sales as well as other important matters such as how frequently you clean your dispense lines.

We are happy to share this information with you to help you improve the efficiency of your business.

If information provided by the drinks monitoring equipment indicates there are issues that require further investigation and explanation, your Business Development Manager will arrange a meeting with you at which you may be accompanied by an advisor. Prior to the meeting your Business Development Manager will arrange for our beer monitoring equipment supplier to carry out a calibration check in your presence.

You will be given details of the issues including results produced by the drinks monitoring equipment together with other supporting evidence at the meeting so that they can be discussed and an explanation sought.

If confirmation of purchasing outside the trading tie or tampering with equipment is the outcome of this meeting you will be required to enter into an agreement to resume purchasing from Brakspear with immediate effect and to honour the terms of your agreement in future. In addition, we reserve the right to charge for the cost of repairing any equipment shown to have been damaged in an attempt to prevent the proper operation of the drinks monitoring equipment.

You will also be required to compensate Brakspear for any loss of profits arising from unauthorised purchasing outside the tie. You will be invoiced for any confirmed losses. These will be collected from your account with us by direct debit or other agreed payment method under normal trading terms.

There is a right of appeal against any findings under this process. All appeals, giving the grounds therefore must be made in writing to the Chief Executive within fourteen days of confirmation of the findings.

The appeal hearing will be arranged within fourteen days of receipt of the written appeal.



**Jolly Millers
Bexleyheath
Kent
DA7 4JR**

6. Electronic Leisure Machines

We regard electronic leisure as an area awaiting the right development for our business so we are always on the lookout for that bright idea that could open the way to a new group of pub customers.

Income from amusement with prizes (AWP) also known as fruit machines, pool tables and other machines excluding juke boxes is normally shared on a 50/50 basis (after supplier deductions, duty and licences) between you and Brakspear unless otherwise stated in your Agreement. Juke Box income is payable directly to you subject to payment of a site rental. Your share of machine income is not included in rent appraisals.

All leisure machines must be supplied by our nominated suppliers who are responsible for providing management services, data analysis and advice as well as generally overseeing security matters.

Details of the number and type of machines to be sited at your pub will be agreed with you and confirmed in writing.

All machines takings will be collected by a nominated supplier and your share of profits left with you together with a record for your accounting purposes. You should be aware that in the event of a machine making a loss, that loss will be shared equally between Brakspear and yourself. In such a case arrangements will usually be made to change the machine at the earliest opportunity.

We employ the services of a Leisure Machines Consultant who monitors machine performance for the mutual benefit of you and Brakspear. No charge is made to you for this service.

7. Pub Properties

7.1 First Impressions

The first impression of the external and internal condition of your pub gives the prospective customer a split second opportunity to decide whether he or perhaps more importantly, she wants to spend some time with you.

The look of the property, flowers, gardens or furnishings conveys many important signals that can help make or break a business. It's therefore very important to look at your pub "from the other side of the street" everyday and try to see what your customer will be seeing.

Often a little maintenance or watering of hanging baskets will save you money and attract new business.

7.2 Structural and external maintenance

(i) Tenancy Agreements

In the case of tenancy agreements, Brakspear is responsible for the main structure and external condition of the pub. We maintain a decorating plan that aims to keep the pub external appearance at a level that appeals to customers. Full details of the items Brakspear is responsible for maintaining appear in Appendix 6

(ii) Assignable Leases

Assignable leases differ from tenancy agreements in so far that the lessee is responsible for all maintenance and repairs whether structural, non-structural or mechanical.

7.3 Internal Maintenance

Maintenance and decoration of the public and domestic areas of your pub is your liability regardless of whether you are a tenant or lessee. We will be pleased to give advice on various subjects including colour schemes, furnishings, lighting and supplier contacts.

7.4 Equipment Maintenance – *Tenancies only*

At the time you take over your tenancy we will ensure that items such as boilers, sump pumps and cellar coolers are operating efficiently. Thereafter, all maintenance of these items is the tenant's responsibility. In the event that a complete replacement of a major item of equipment such as a boiler is required due to its being beyond economical repair as a result of fair wear and tear, this will be a Brakspear responsibility.

7.5 Repairs Responsibility Schedule

A Repairs Responsibility Schedule detailing the tenants minor repairs responsibilities will be provided at the time you are appointed to your pub. A copy is attached in Appendix 5.

7.6 Schedule of Condition and Dilapidations

A Schedule of Condition and Dilapidations will be prepared by an independent property specialist prior to the end of the tenancy or lease agreement.

This report will detail and cost any property items that you are liable to put into good condition at the end of your agreement. Brakspear property staff and / or your Business Development Manager will discuss the report with you and agree the works that are to be undertaken prior to you leaving the pub.

If you are unable to agree the extent or cost of the works to be undertaken at this stage, you may refer your concerns to the Chief Executive who will attempt to resolve the issue with you. If we still cannot reach agreement you may employ the services of a RICS qualified surveyor to act on your behalf at your own cost.

Should you fail to complete the agreed works or complete them to an unacceptable standard, we reserve the right to charge you for the works. Full details of your own and the Brakspear repairing liabilities will be discussed with you at the Business Plan and Agreement Review (Section 8 below).

If you take on a long term lease and wish to make an assignment (sell the lease) to a new lessee a Schedule of Condition and Dilapidations detailing any remedial works required at that stage will also be required. This can be arranged on your behalf by Brakspear and made available to the potential assignee (purchaser) so that you may discuss the details when negotiating any premium you may charge to the buyer (assignee).

In the case of both tenancy agreements and long term leases the cost of preparing the Schedule of Condition and Dilapidations will be chargeable to you.

We offer a facility to help you save for your pub maintenance and dilapidations by making payments into a bank deposit account. Details will be discussed at the Business Plan and Agreement Review.

7.7 Purchase of tenant's fixtures and fittings at the end of the Agreement

Tenant's fixtures and fittings are movable items such as furniture and bric a brac that the tenant or lessee is responsible for purchasing and maintaining.

At the end of the Agreement or assignment of a long term lease it is usual for these items to be sold directly to the incoming (new) tenant / lessee by the outgoing tenant / lessee.

In cases where this is not possible, the tenancy or lease Agreement ordinarily gives Brakspear the right to buy and you the obligation to sell the tenants fixtures and fittings at a professionally assessed valuation.

7.8 Property Investment and Sales

We regularly review our pub estate and the market generally to identify opportunities for investment and acquisitions.

Similarly, we also consider the performance of those properties where we believe another owner could make more of the opportunity that the site presents.

Whatever decision is made regarding future investment or sale, we undertake to keep you informed and to take your own plans into account.

In the event that a sale is the proposed course of action, no restrictive covenants will be imposed as a condition of the sale so that a prospective purchaser may continue to operate the property as a pub should he or she so wish.

8. Let's Be Sure

8.1 Business Plan and Agreement Review

The Business Plan and Agreement Review is an opportunity for you to ask any questions regarding your proposed agreement and for us to ensure you understand the obligations you will take on if you are appointed to the pub.

It is also a time when you may decide to seek additional advice or withdraw from the appointment process. Your BDM will meet you to discuss your Business Plan (see Appendix 2), the Code of Practice on Letting Pubs and the Agreement Heads of Terms.

A typical agenda for the Business and Agreement Review will cover:

- Confirming that you have completed an approved BII pre-entry awareness training course (PEAT) and discussion of any questions you may have
- Confirming that you hold a Personal Licence issued under the Licensing Act 2003
- Ensuring that you understand the terms of the tenancy or lease agreement and that it is appropriate to your experience, your circumstances, the pub segment and business potential of the pub
- Explanation of the trading tie, volume information that is available to you, our monitoring procedures and what the sanctions will be if you are found to have breached your tied purchase obligations

8.1 Business Plan and Agreement Review continued

- All matters relating to rents, including the rent appraisal process, shadow profit and loss account and the last three years tied drinks product volumes – see Rent Appraisal section 4 above
- A copy of the Premises Licence and details of any enforcement action in the past two years or other restrictions will be supplied and fully discussed.
- Our Electronic Leisure Machines policy will be explained so that the most appropriate types of machine for your pub may be considered both from the customer satisfaction and financial viewpoints
- A review of our drinks prices / discounts and a check to ensure they are reflected in your business plan
- An introduction to the drinks product range, including the seasonal cask ale range
- Confirmation that you have sufficient cash resources to fund the cost of taking over the pub. Items to be considered include, furniture and fixtures for customer use, kitchen equipment, stock, deposits, fees and so on
- Your cashflow forecast will also be considered in detail to ensure sufficient funds are generated by the business to pay the bills, invest in the future and reward you for your efforts
- A reminder that we do undertake credit checks before signing agreements. If you are aware of any circumstances that may affect your credit worthiness it may be in your best interests to carry out your own checks at an early stage in order to avoid wasted time and effort
- The dilapidations fund you may wish to open to save for re-decorating your pub or providing for end of term dilapidation costs
- The security deposit, which is generally calculated as 3 months' rent which will be held in individual named bank accounts attracting market rates of interest and is repayable when you leave your pub, subject to all invoices and payments being cleared in full. A statement of your deposit account will be provided each year by Lloyds TSB
- We will clarify the approximate value of the trade inventory and how purchase from the outgoing licensee is completed. We will also recommend the appointment of a licensed trade valuer to value and oversee the inventory transfer and make any utility compliance checks on your behalf
- Advise on the liabilities of Stamp Duty Land Tax (relating to long term leases) how you calculate the amount due and how to pay using the HM Revenue and Customs website. <http://ldccalculator.hmrc.gov.uk/LDC01.aspx>
- Provide you with information regarding your potential licence obligations under the Licensing Act 2003 as well as to the Performing Rights Society (PRS) and Phonographic Performance Limited (PPL) for licences required should you intend to provide live or recorded music in your pub.

8.1 Business Plan and Agreement Review continued

- A full review of any property issues and your own and Brakspear repair responsibilities
- We will advise you of any proposed property development plans, the expected effect on your business and anticipated impact on your profit potential and rent. Prior to progressing the works, we will conclude a Building Development Agreement with you that will detail any closure periods and impact on your rent
- Tenants improvements to property should not be undertaken without completion of a Licence to Alter (see paragraph 4.1)
- Details of other significant changes we are aware of including Brakspear developments that may affect or are affecting the business such as competitor pubs, housing development, local industry changes, etc
- Discussion of the importance of energy cost management. Details of the energy advice available and our recommendations on how to make energy savings
- Clarification of the business support services including insurance available from our nominated suppliers. The costs (where applicable) and how to make use of these services will be confirmed
- We will explain your obligations under the Transfer of Undertaking (Protection of Employment) Regulations 2006 (TUPE) including ensuring the outgoing licensee meets the legal requirement to provide a full list of employees, their terms and conditions and any outstanding legal issues.



**Jolly Brickmakers
Redhill
Surrey
RH1 2JE**

9. Business Services

9.1 Introduction

At Brakspear we do our utmost to provide you with services and support including sound advice, favourable purchasing terms and reliable back up when you need it most.

We offer free support for various business development activities through our Marketing Executive and operating cost savings including food purchases, insurance and rating advice.

Various property related costs are arranged for you and are chargeable by way of a service charge which is collected by direct debit in twenty-six fortnightly instalments per annum.

9.2 Service Charge

The service charge is a convenient way to ensure you meet your obligations under your tenancy or lease agreement while benefitting from the opportunity to spread the cost over your trading year. The costs included in the service charge are:

9.2.1 Buildings Insurance – *Tenancies and Leases*

Brakspear arrange buildings insurance cover to ensure your pub is protected against risks such as fire and impact damage. Details of cover will be advised to you.

We regularly compare the rates chargeable by a number of insurers to ensure costs are at least in line with the market place.

If you believe you can obtain a better price we will review the quotation and subject to it providing comparable cover we will match the premium in your service charge.

There are no excesses for you to worry about should you make a claim under the building insurance policy and our Broker will handle the administration of a claim.

Do remember that you will be responsible for arranging all other cover required for your businesses in our joint names, including Public and Employer's Liability, cash in electronic leisure machines, business risks and personal effects.

We will be happy to put you in touch with a number of licensed trade insurance specialists who will advise you on cover for the various items required under the Agreement and for your own protection such as home contents. They will also ensure your policy is registered in the joint names of yourself and Brakspear.

9.2.2 Licensing – *Tenancies and Leases*

All licensed premises are liable to pay an annual licensing fee to the relevant local authority. Brakspear will pay and co-ordinate premises licence applications and renewals and spread the cost to you through the service charge. A certified copy of the Premises Licence held by Brakspear will be provided to you.

9.2.3 Cellar Cooling – *Tenancies only*

An annual maintenance visit per year and out of hours breakdown cover are included in the service charge. Replacement of your cellar cooler due to its being beyond economical repair due to fair wear and tear is a Brakspear responsibility



**Angel on the Bridge
Henley on Thames
Oxfordshire
RG9 1BH**

9.2 Service Charge continued

9.2.4 Central Heating and Hot Water Systems – *Tenancies only*

Boilers, water heaters and gas fires must be serviced annually. Brakspear will arrange the annual service and equipment certification using qualified gas engineers and include the cost in the service charge. All other maintenance of central and water heating systems is a tenant's responsibility. Complete replacement of boilers, water heaters, gas fires and radiators due to their being beyond economical repair caused by fair wear and tear will be funded by Brakspear.

9.2.5 Fire Precautions – *Tenancies only*

Recent legislation has placed the onus for carrying out fire risk assessments and maintaining fire fighting equipment on businesses rather than the fire brigade. Brakspear will carry out tenant's (not lessees) fire risk assessments in accordance with the statutory timetable and carry out regular services to fire detection and fire fighting equipment installed in your pub.

The cost will be included in the service charge.

9.2.6 Chimney Sweeping – *Tenancies only*

Many traditional pubs in the Brakspear estate have feature fire places that are very popular with customers.

Logs and coal produce soot which can lead to chimney fires and potentially serious harm to people and property.

For this reason, the Three Year Tenancy agreement requires chimneys to be swept at least twice a year. Brakspear will arrange for this work to be done and the cost included in the service charge.

9.2.7 Other Equipment – *Tenancies only*

Maintenance of lifts and hoists, comfort cooling equipment and pub sewerage treatment plants will also be arranged by Brakspear and the cost included in the service charge.



**Chequers
Fingest
Oxfordshire
RG9 6QD**

9.3 Electrical Inspection – *Tenancies only*

Electrical installations must be inspected periodically by an NICEIC qualified electrician. Brakspear will arrange for this work and equipment certification together with any essential repairs to wiring circuits to be carried out. Tenants will be required to replace any items attached to electrical circuits that are found to be defective during the inspection. Tenants are also required to carry out their own portable appliance testing (PAT) and to replace any items that are found to be defective during the inspection.

9.4 “Must Have” services in Year 1

The first year you are in business at a new pub will be a time when it is critical to establish good accounting and stock taking practices.

We believe this is so important, we specifically include accountant and stocktaker fees in the rent appraisal for both tenanted and leased pubs. Therefore, we insist you appoint suitably qualified specialists as soon as you know you are to become a Brakspear tenant. Brakspear will recommend the services of a number of trade specialists or you may make your own nomination of a suitably qualified accountant who will supply timely cashflow, profit and loss and balance sheet reportage that can be used at regular meetings with your Business Development Manager.

Likewise, a licensed trade stocktaker must be employed to provide you with information that will be invaluable in maximising profitability and minimising stock losses.

9.5 Free of charge services

We are pleased to provide a range of services free to all tenants and lessees including:

9.5.1 Electronic leisure machines advice and procurement

Our specialist provider will empty the machines, arrange payment of machine duty, provide you with accounting information for your records and leave your share of any machines profit with you.

9.5.2 Rating

Our rating specialists are the leading chartered surveyors Gerald Eve. They have many years experience of rating issues and can be contacted via your Business Development Manager.

9.5.3 Purchasing

We have very strong links with IPA Purchasing a consultancy who can provide advice on a wide range of pub related services from frozen foods to insurance and energy suppliers.

9.4.4 Technical Services

Technical services assistance is available via a dedicated helpline while new brand installations will be progressed by your Business Development Manager.



**Bottle & Glass
Binfield Heath
Oxfordshire
RG9 4JT**

9.5.5 Energy Consultant

Our approved Energy Consultant is available to give advice on energy saving measures the appropriate tariff and suppliers for your business.

9.6 British Institute of Innkeeping (BII) membership

All tenants and lessees are encouraged to join the British Institute of Innkeeping (BII). As corporate members, Brakspear are able to offer a concessionary first year membership fee of just £50.

The BII are industry leaders in providing services such as staff training, purchasing discounts and advice to licensees throughout the UK.

If you are not a member already, we recommend you join at the earliest opportunity.

9.7 Mystery Customer and Brakspear Annual Awards

Mystery customer reports are a great way of seeing your business through your customer's eyes.

Brakspear introduced mystery customer reports in 2010 as an independent way of helping to raise retail standards and assess who should win our prestigious annual awards

Already the reports are proving very useful working documents for Business Development Reviews.

Although we cannot guarantee to continue free mystery customer reports forever, we are very keen to give them an opportunity to become the catalyst to increased business for our tenants, lessees and Brakspear.

9.8 Brewery Trips

Your Business Development Manager will be pleased to arrange trips to the Wychwood Brewery at Witney where Brakspear beers are brewed for you and your customers. A nominal charge covers the cost of the tour and a tutored beer sampling experience.

9.9 Brakspear Website

The Brakspear website, www.brakspear.co.uk is the place to find out about the services available to you. Even more importantly, it is a great place to publicise what is going on in your pub. We recommend all tenants and lessees set up links from their own pub website and to post regular updates that will help keep the various search engines such as Google and Bing interested in what you have to offer.

10 Supporting You and Your Business

Our support team members are dedicated to helping you run your business efficiently for the benefit of your customers.

The support team comprises:

- Business Development Managers
- Pub Administrators
- Marketing Executive
- Surveyors
- Telesales and Property Maintenance Operators
- Credit Controller
- Accounts Staff

10.1 Business Development Managers

Your Business Development Manager (BDM) will be your prime point of contact with Brakspear. As well as fully participating in the recruitment of tenants and lessees, BDMs offer business advice and ideas for improving your customer offer.

Regular business reviews will focus on marketing, financial management and administration.

Marketing to help you identify and satisfy customer needs profitably.

Financial management to help make sure you are profiting from your efforts and Administration to advise you on the many laws and regulations that impact on businesses.

BDMs are equipped with mobile communications and can be contacted by email or telephone at all reasonable times.

Our BDMs have a long experience of the licensed trade and most have direct experience of running their own pub.

We hold regular briefing and training events for BDMs so they can keep abreast of industry and other developments. These are usually conducted by either Brakspear directors or external providers.

A copy of the Business Development Manager's job description appears in Appendix 8.

10.2 Pub Administrators

The Pub Administrators are based at our Henley on Thames office and handle most of the day to day enquiries and requests that you may have about your business with Brakspear. Examples of queries might be orders for point of sale material, advice on or booking training courses or responding to a request for information that may have been sent to you.

10.3 Marketing Executive

The Marketing Executive works with the tenants, lessees and suppliers to generate money making ideas. You will receive a regular newsletter – Marketing Matters and other updates which tell you what is on offer and provide you with timely reminders of forthcoming events. We also have contacts with a web designer who is able to set up a website for your pub at a very competitive price.

10.4 Property Maintenance Manager

The Property Maintenance Manager's main role is to ensure Brakspear properties are kept in safe and sound condition. He/She will manage the relationship between our various property repair, maintenance and development contractors and ensure that you get a first class service from them. He/She will visit your pub from time to time inspecting repair quality and to discuss property issues with you.

He/She will also carry out periodic inspections of the property to ensure all parties comply with the terms of the tenancy / long term lease agreement.



**Five Horseshoes
Maidensgrove
Oxfordshire
RG9 6EX**

10.5 Telesales and Property Maintenance Operators

Telesales staff will contact you every week to take your drinks product orders. You will be advised in advance of your Telesales call day which is usually 48 hours prior to delivery by our nominated supplier.

Special arrangements may apply at Bank and Public holidays but these will be advised to you in advance of any change of Telesales call day. Telesales staff will also deal with any delivery or ullage (non-saleable beer) queries you may have. The ullage reporting and credit policy is stated at Appendix 9.

Property maintenance responsibilities are advised in Appendices 5 and 6.

Repairs that are a Brakspear Landlord's responsibility should be advised to our property department as soon as possible. They will be very happy to provide all the assistance that you need in repairing any items for which you are responsible.

10.6 Credit Controller

As the name suggests our credit controller is concerned with making sure amounts due to Brakspear are received on time.

We recognise that from time to time emergencies may occur and that payment under our two weekly direct debit arrangement may need to be adjusted. The important thing is to make sure you contact the credit controller as soon as possible in such circumstances so that we may decide what assistance may be available.

10.7 Accounts Staff

Our accounts staff will be pleased to assist you with any queries you may have regarding invoices, statements and any other general accounts questions.

11. Training

Being a small company, Brakspear does not have its own training department. However, we do have close contacts with the BII and other agencies such as Business Link.

We regularly monitor courses and training days that are available and distribute details throughout the year.

Depending on your level of experience, we can arrange suitable post appointment training for you including cellar management and the introduction to licensed retailing course operated by the BII.

We can also arrange specific events for topics such as licensing or drugs awareness when a need is identified.

12. Delivery Charges

You may be charged if you do not place orders for drinks products on your designated or otherwise advised (such as at Christmas or Bank Holidays) order day and subsequently require a delivery to be made to your pub.

13. Disputes Resolution

If you think that any aspect of this Code of Practice has not been followed you should set out full details of your complaint in writing to Tom Davies, Chief Executive, W H Brakspear & Sons Limited, The Bull Courtyard, Bell Street, Henley on Thames, Oxon RG9 2BA. He will arrange to meet with you to discuss your concerns and aim to reach an amicable solution.

You may also refer your complaint in writing to the British Institute of Innkeeping (BII) who will determine that there are no misunderstandings or personality issues standing in the way of a more fruitful dialogue between us and you or your representative.

The contact details for the British Institute of Innkeeping are:

BIIBAS Scheme Secretariat
Wessex House
80 Park Street
Camberley
Surrey
GU15 3PT
Telephone: 01276 684449
Website: www.biibas.com

14. Further Information

For further information on any aspect of our business or specific questions in relation to this code, please contact your Business Development Manager who will direct your query to the most appropriate person.

15. Appendices

1. Segment Descriptions
2. Business Plan template
3. Shadow Profit and Loss Account
4. Tenancy Agreement Heads of Terms
5. Tenants Responsibility for Repair
6. Brakspear Responsibility for Repair
7. Trading Terms
8. Business Development Manager job description
9. Ullage Policy

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Appendix 1

Segment descriptions

Community

This is the pub at the heart of its community. Customers live locally and like to call in regularly for a pint, play games, watch a match or may be eat a snack. There's always plenty going on with charity fundraising often being the reason for major events.

Inn

Inns serve a dual purpose both as tavern and a lodging inn. Usually with between three and ten letting bedrooms offering a high standard of comfort in historic surroundings, the inn is an interesting and slightly quirky place to stay for people on business or leisure breaks.

Local

Locals serve a mix of customers some of whom walk to the pub from home or work and others who may drive a short distance to visit. There is always a welcoming atmosphere whether you are visiting for a drink, wholesome pub food or perhaps to watch an important televised match.

Tavern

The Tavern is a traditional pub most likely located in a rural area or village. The day time customers tend to be reasonably affluent and have time to travel to the pub because they like the atmosphere, food and drinks. Later in the day the customers are still affluent but are likely to visit for reasons of convenience or a regular treat.

**W H Brakspear & Sons Limited
Code of Practice on Letting Pubs**

Appendix 2

Business Plan Template

The Plan

Pub Name:	
Name of applicant(s):	
Company name (if applicable):	
Correspondence address:	
Postcode:	
Date:	
Applicant signature(s):	

Why do I need a business plan?

Starting any new business can be a daunting prospect, but taking over a pub and starting to trade as soon as you walk through the door is extremely difficult. Once you are running a pub it is often hard to step back and plan the direction of the business. Whenever a pub vacancy occurs, we need to ensure that you as the applicant have fully thought through the implications of running not just your own pub, but your own business, and that you have planned and prepared as fully as possible. If you take time to plan, you are more likely to succeed.

Your plan is not just a document to complete initially, but a constant record of how you want your business to work. Over the first 12 months of trading you can review your plan with your BDM, and your BDM will use your plan as a live document with you.

This document will guide you through the key elements of a business plan. Please ensure you work through it, and that you fully complete your own research specific to the pub you are interested in. If you have another format you prefer for writing business plans, feel free to use it, this document is only intended to help you to work through all of the information you will need.

As running your own business is such a complex issue, we would recommend that you seek independent professional advice before entering any agreement with us or any other pub company.

**W H Brakspear & Sons Limited
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Appendix 2

Business Plan Template continued

The Business to date

This section is for you to record how you think the business is performing now, it is a summary of all the research you have been doing.

<p>1. The Pub.</p> <p>Think about how the pub is now, describe it. The questions below might help you think about the current situation.</p> <p>How does the pub trade at present? What is the offer? How would you describe the pub? When is it open? What are the licensing hours?</p> <p>When is it busy and quiet?</p> <p>Is the pub well kept or in need of refurbishment? What is the outside space like?</p>	
<p>2. The People</p> <p>Who are the customers and when do they visit?</p> <p>How old are the customers?</p> <p>Are there any teams or clubs?</p> <p>How far do customers travel to come to the pub?</p> <p>What are the demographics of the local area, and what potential new customers are there?.</p> <p>What about other people living in the area who are not current customers, go to your competitors, or aren't catered for in the area currently?</p> <p>Who are the major employers?</p> <p>Are there any local housing developments planned?</p>	
<p>3. The Place</p> <p>If you lived here, how would you describe this area? What are the local attractions?</p>	

Who are the competition? Are they busy? What are their strengths and weaknesses?

Who are their customers?

What are they famous for?

Where does the pub sit in relation to the competition? Cheapest? Sportiest? Best Quality?

Business Plan Template continued

What's the opportunity?

List the strengths of the pub	
List the weaknesses of the pub	
List the opportunities of the people and the place	
List the risks of the people and the place	

If you could only do one thing to improve this pub, what would it be?

The Proposition

Summarise in 3 key words what your new business is going to be about	
Tell us in one sentence what your business offer is	
Why will customers keep coming back to you?	
How will you be different from other pubs in the area?	
Give an example of a pub most closely offering what you are planning to do	
What do you aim to achieve during your first 100 days at the pub?	

Business Plan Template continued

The Purpose

This section is for you to tell us about your personal motivation for running your own pub business. Please answer as fully as possible.

Why do you want to run your own pub business?	
What is motivating you to run a pub?	
If applying as a couple or a team, which tasks will each of you do in the business?	
What are your personal strengths and weaknesses?	
How might your previous experience help you?	
What areas do you feel you may need additional training in?	
Why should we offer you this pub?	
Do you have a personal licence?	

Business Plan Template continued

The Product & the Price

In this section, tell us about what you are going to offer to your customers.

<p>Food</p> <p>Are you going to serve food Lunch times & evenings? Will it be formal or informal? What prices will you be charging?</p> <p>If you have a draft menu, please attach it to the end of the business plan, or please give some examples of dishes for the menu.</p>	
<p>Drink</p> <p>What will be your key products?</p> <p>What price will you charge for main line draught beers?</p>	
<p>Accommodation</p> <p>If your pub has letting rooms, what service level will you offer?</p> <p>What sundries will be in the rooms?</p> <p>Do you plan any upgrades of the accommodation?</p> <p>What will the price per person per night be?</p>	
<p>Machines</p> <p>How many machines will you have and what type will they be?</p>	
<p>Entertainment & music</p> <p>Will you offer weekly entertainment, and what kind of things will you be doing?</p> <p>Will you have recorded background music or live bands, and if so, how often?</p>	
<p>Smoking</p> <p>What will you offer your smokers in terms of facilities?</p>	

<p>Service Style</p> <p>Will the offer change throughout the day? Will you waitress serve and call order or will you have orders at the bar?</p>	
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The People

<p>Tell us about your customers</p> <p>Do you plan to keep the existing customers?</p> <p>Do you plan to attract new customers?</p> <p>Who will your target customers be and where will they come from?</p>	
<p>Tell us about your staff</p> <p>Who will run the business on a day to day basis?</p> <p>How will you staff the business?</p> <p>Do you already have your core staff members? If not, how will you recruit them?</p> <p>What training needs might you have?</p>	

Business Plan Template continued

The Processes

Managing your own business successfully requires a tight control on the operation and a good knowledge of your costs and profits. Tell us how you plan to do this.

Stock control Do you have a stock taker experienced in the licensed trade?	
Accountancy & Book keeping Do you have an accountant experienced in the licensed trade? We can recommend accountants if you do not have one.	
Systems Will you have a manual or computer based system?	

The Physical Evidence

What changes will be made to the look of the pub to fit your vision? Tell us what you might change in terms of decoration, furniture, equipment the garden, or the smoking area.	
Are there any changes to the structure or layout of the building that you think would work?	
What do you envisage will be your investment level to make these changes happen?	

Business Plan Template continued

The Promotion

You’ve told us which customers you want to attract, but how will you reach them?

List the ways you will make contact with these groups of people	
What do you plan to say to them? Are there any offers you can make which will attract them?	
How will you keep them coming back for more?	
Are there any seasonal events you can plan activity round?	
Tell us about other ways you plan to promote your business	

Finances

This section is the most important of the business plan as it will help you to determine the potential profitability of your business, and therefore whether you wish to proceed with your plan.

The following 2 templates are available as excel documents. We have added in formulas to the spreadsheets to make your calculations easier, but you must check that the additions and formulas are accurate.

Profit and Loss forecast:

This predicts how profitable the business is likely to be.

First year Cash flow forecast:

The cash flow forecast analyses the flow of money in and out of the bank account. It should include VAT and therefore VAT payments. It will help you to identify seasonal trends and the capital needs of the business, especially working capital required.

Please also complete the section on Initial Expenditure and sources of funding within this document. Please note that we will require proof of funding, so please supply a copy with your business plan application.

If you are in any doubt as to how to complete the following documents, you should seek the advice of an accountant or an independent professional advisor.

Business Plan Template continued

Initial Expenditure

What are the overall costs of starting the business?

INGOING CAPITAL	COST £
Fixtures & Fittings	
Deposit	
Rent in advance	
Stock at valuation	
Working Capital	
Investment Capital	
Training Fund	
Solicitors Fees	
ADDITIONAL LEASE COSTS	
Stamp Duty	
Survey	
TOTAL REQUIRED	

Funded From	Cost £	Source
Cash		
Secured Loan		
Unsecured Loan		
Overdraft		
Other		
TOTAL		

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Appendix 3

SHADOW PROFIT & LOSS ACCOUNT			
		FMT	% of sales
Sales			
	Drink	0	#DIV/0!
	Food	0	#DIV/0!
	Accommodation	0	#DIV/0!
	Machines	0	#DIV/0!
	Other	0	#DIV/0!
	Total	0	#DIV/0!
Gross Profit			
	Drink	0	
	Food	0	
	Accommodation	0	
	Machines	0	
	Other	0	
	Total	0	#DIV/0!
Wages & Salaries			
		0	#DIV/0!
Operational costs			
		0	#DIV/0!
Property costs			
		0	#DIV/0!
Repairs			
		0	#DIV/0!
Other Overheads			
		0	#DIV/0!
Managerial Profit		0	#DIV/0!
Divisible Profit (Managerial Profit less machine Income)			
		0	#DIV/0!
Rent		0	#DIV/0!
Tenants Profit (excluding machine income)			
		0	#DIV/0!
Machine income			
		0	#DIV/0!
Tenants Profit		0	#DIV/0!
<p>This document is produced for rent appraisal purposes only and is based on our assessment of fair maintainable trade levels and best estimates of costs.</p> <p>It is not intended to indicate and does not guarantee current or future turnover or profitability.</p> <p>Users of this information are advised to take independent professional advice when making decisions regarding any aspect of the viability of this Business.</p>			

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Appendix 3 continued

SHADOW PROFIT & LOSS ACCOUNT - Drinks Sales Analysis						
Product group	Wholesale unit	Retail unit	Retail price		FMT volume	FMT turnover ex VAT
Brakspear Bitter	36 gallons	Pint	£0.00		0	0
Brakspear Oxford Gold	36 gallons	Pint	£0.00		0	0
Hobgoblin	36 gallons	Pint	£0.00		0	0
Seasonal Ales	36 gallons	Pint	£0.00		0	0
Cask Foreign	36 gallons	Pint	£0.00		0	0
Standard Lager	36 gallons	Pint	£0.00		0	0
Premium Lager	36 gallons	Pint	£0.00		0	0
Stout	36 gallons	Pint	£0.00		0	0
Keg Bitter	36 gallons	Pint	£0.00		0	0
Total Draught Beer					0	0
Packaged Own	Litres	500 ml	£0.00		0	0
Packaged Foreign	Litres	330 ml	£0.00		0	0
Cider	Gallons	Pint	£0.00		0	0
Spirits	Litres	25 ml	£0.00		0	0
Wines	Litres	175 ml	£0.00		0	0
Minerals	10 litres	Half pint	£0.00		0	0
Drinks Total Turnover						£0
<p>This document is produced for rent appraisal purposes only and is based on our assessment of fair maintainable trade levels and best estimates of costs.</p> <p>It is not intended to indicate and does not guarantee current or future turnover or profitability.</p> <p>Users of this information are advised to take independent professional advice when making decisions regarding any aspect of the viability of this Business.</p>						

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Code of Practice on Letting Pubs

Appendix 4

Tenancy Agreement Heads of Terms

TERM:	The term is three years.
RENT:	Open market rent plus VAT. Subject to review.
RENT REVIEW:	1. The rent will increase annually in line with the retail prices index. 2. Reviews may also take place if there is any variation of the terms of the agreement eg the terms of trading.
RENT DEPOSIT:	The tenant shall be required to provide a deposit equivalent to three months' rent.
OUTGOINGS:	Tenant pays all rates and other outgoings.
REPAIRS:	Tenant takes the property in its present condition and is responsible for all internal repairs and maintenance throughout the term.
BREAK CLAUSE	Tenant may give six months notice to leave on the sixth, twelfth, eighteenth, twenty fourth and thirtieth month
HEALTH AND SAFETY:	Tenant will be fully responsible for ensuring all statutory and other requirements are met.
DECORATIONS:	The tenant is required to decorate all internal areas of the premises throughout the term as reasonably required by the landlord.
ALTERATIONS:	All proposed alterations require the landlord's consent (which may be withheld in the landlord's discretion).
INSURANCE:	Landlord will insure the property (to include surveyors fees and three years loss of rent). Tenant to repay landlord's cost of insuring. Tenant to insure in joint names the trade inventory, stock, glass, licences, third party and employer's liability, and loss of money.
ASSIGNMENT AND SUBLETTING:	Assignments and sub lettings are prohibited.
USER:	Public house (and ancillary thereto sale of food and/or bed and breakfast accommodation).
TRADING TIE:	All drinks to be purchased from the landlord.
MONITORING EQUIPMENT:	Agreement contains provisions allowing for the equipment installation inspection maintenance repair and use of drinks monitoring equipment and other information exchange equipment.
TRAINING COURSES:	Tenant will be required to pass Pre Entry Awareness Training and Cellar Management course. Tenant and staff will be required to attend training courses on a regular basis.

PUB MACHINES AND

AMUSEMENTS: Agreement allows all such machines with prior consent of the landlord who will procure such machines for the tenant. Pursuant to the agreement:-
(a) In respect of AWP machines, the tenant receives fifty per cent of the net balance after payment of VAT, licence duty and rent.
(b) In respect of other machines (e.g. pool tables and SWP machines) the landlord and tenant will share the net income from the machine equally after payment of VAT, rent and duty (if applicable).
(c) In some circumstances, specified types of machine may be supplied at the landlord's discretion at a fixed site rate (instead of a share of takings).

VALUE ADDED TAX:

All payments are exclusive of Value Added Tax which where applicable will be payable by the tenant in addition.

LANDLORD'S COSTS:

Tenant to pay any landlord's legal and other costs and disbursements relating to the agreement.

BUSINESS CONDUCT:

Tenant is expected to fully exploit the trading potential of the business while maintaining the good reputation of the premises.

FURNITURE AND FITTINGS:

Tenant will purchase at the date of completion of the agreement, the inventory of trade furniture and fittings at a price (inclusive of associated fees) assessed by an independent valuer appointed by the landlord. This will specifically exclude trade fixtures, e.g. bar counters. The landlord is to have the option to buy the tenant's inventory at the end of the term.

EMPLOYMENT LEGISLATION:

Pursuant to the transfer of undertakings legislation the tenant will be required to take over existing staff and fully comply with employment legislation

STOCK AND DISPLAY:

Tenant is required to maintain levels and standards of display stock.

NOTE:

This document is not intended to create any binding legal obligation and only records the main heads of agreement. Other terms will be contained in the legal documentation which will be in accordance with the landlord's standard form. In the event of any inconsistency between this document and the legal documentation the latter will prevail.

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Appendix 5
Tenants Responsibility for Repair

Boiler & Central Heating	To maintain and repair boiler, pipework, radiators, pumps, valves and associated fittings. Boiler service and maintenance to be included in the Service Charge.
Car park topping	Keep all car park surfaces clean and weed free. Spread and level shingle topping regularly.
Catering equipment	All cleaning, maintenance and annual safety checks of all catering equipment. When changing equipment comply with relevant regulations. Charge to be included in the Service Charge
Cellar cooling	To repair, service, maintain & replace parts as necessary. Charge to be included in the Service Charge
Cess pools, septic tank & treatment plants	To maintain and empty on a regular basis (at least twice a year) and supply landlord with written confirmation of completion.
Doors - External	External door locks and external door closers
Doors - Internal	Door, frames, hinges, locks, handles & closers
Drains & sanitary fittings	To clean, maintain and keep free flowing and carry out initial investigations of problems.
Electrical fittings	Supply all light fittings, replacement of all lamps, carry out PAT testing & maintain all loose equipment. Any alteration to electrical wiring must be discussed with us, and be carried out by a registered electrician.
External decoration	Out buildings and garden furniture belonging to the tenant ie sheds, fences, etc
Extractor Fans	To repair or replace if beyond economical repair
Fire Fighting Equipment	Equipment servicing costs to be included in the Service Charge. Replace any equipment discharged or used other than for the purpose intended.
Floor covering	All applied floor coverings eg, carpets, sheet flooring, vinyl tiles, paints, etc.
Garden	Maintain garden excluding mature trees
Glass	Replacement of all damaged glass including putty & decoration
Grease traps & dosing systems	To maintain & empty on a regular basis in line with manufacturers recommendations.
Gutters & downpipes	Clearing of all debris and unlocking down pipes to keep free flowing. Report if found to be defective after investigation.
Internal decoration	All internal surfaces including filling of holes in plaster and joinery.
Joinery	To maintain the architrave & skirting boards, etc
Kitchen extractor	Regularly clean all filters, fans, ducting internal & external. To repair. Replace if beyond economical repair
Pests	Eradication and control of all vermin and pest infestation including protection of out buildings.
Plumbing	All pipes/wastes fittings inc, wastes that carry liquid/substance to and from sanitaryware,etc.
Sanitaryware & taps	Repair all damage (or replace as necessary) to urinals WC pans hand basins and cisterns internal working of cisterns taps baths and showers. Clean & free blockages to wastes.
Sump pump	Clean and regularly maintain sump pump and associated fittings. Repair and replace sump pump as necessary. Keep sump holes free of obstructions or debris. Maintain sump cover.
Wall tiles	Replacement of all wall tiles.
Window furniture	Repair & replace catches & locks
Yards & internal fencing	Keep clean and maintain yard. Removal of all rubbish including white goods, catering equipment, furniture etc, and supply us with waste transfer notices for disposal of notifiable waste. Maintenance, repair and replacement of all internal fencing.

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Appendix 6

Brakspear Responsibility for Repair

Boiler & Central Heating	Landlord's gas safety checks excluding associated service costs. Charge to be included in the Service Charge
Boundary fencing	Fence panels damaged by weather conditions and rot
Car Park - structural	Preparation and relaying, if hard surface, such as tarmac/concrete. To supply only suitable size topping to loose shingled car park in order to make up levels, which tenant will be responsible for spreading.
Ceiling Structure	Repair/replace to include lath & plaster, plaster board ceilings, other coverings, plaster and paint/decorate, if previously painted. Does not include papering or decorative damage & its effects.
Chimney Structure	All associated structural members that make up a chimney
Doors - external	Doors, frames & hinges.
Drains - structural	Structural repairs that may be deemed necessary after initial inspection by you.
Electrics - part 1	All electrical cables & wiring but not additional tenants wiring or fittings unless repairs are paid for by the tenant.
Electrics - part 2 -	Maintenance and repair of all smoke detection equipment, fire alarms, emergency lighting, control panels and wiring. Charge to be included in the Service Charge
Electrics - part 3	Periodic test & report. Charge to be included in the Service Charge
External decoration	Redecoration of all external painted surfaces on main building, swing sign posts and out buildings belonging to us.
Floors	Floor boards, joists, floor tiles/stone and cellar screeds due to fair wear & tear (not coverings)
Gutters & downpipes	Damaged or leaking gutters and down pipes
Joinery	Rotting or loose window frames, external doors and frames and staircases
Principal branding - signage	Due to deterioration by time or weather conditions
Roof structure & coverings	All elements of structural members that make up any pitched or flat roof to include all coverings and associated flashings and weatherings
Walls & structural plaster	All structural members including plaster finish of wall and paint where previously painted. Not decorative/minor damage or papering.
Windows furniture	Maintain sash cords

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Appendix 7

Trading terms

1. Trade goods accounts

Invoices are raised following confirmation of delivery and posted out to the tenant. Account transactions are collated fortnightly on the tenant's statement, which is also posted out.

EXAMPLE

Invoice Wk1 value	1,000.00
Invoice Wk 2 value	<u>1,000.00</u>
Statement value	<u>2,000.00</u>

The value of goods on the statement will ordinarily be collected by direct debit on the second Friday following the statement date.

2. Rent

Rent is charged to the tenant's account at the beginning of each calendar month so rent for December is charged on the 1st December.

Two weeks rent is ordinarily collected at fortnightly intervals on the Friday that falls between the dates of the goods account collections

For example

Friday 1st – goods direct debit collection
Friday 8th – rent direct debit collection
Friday 15th – goods direct debit collection

3. Calendar

A calendar of goods and rent collection dates is published in December for the succeeding year.

Appendix 8

Job Description

Job Title: Business Development Manager

Name:

Reports To: Chief Executive

Job Objective: To develop the profitability of an area of tenanted and leased public houses.

Responsibilities: To achieve budgeted levels of wholesale profit, rent and electronic leisure income to Brakspear while supporting tenants to develop their business.

Duties:

Existing Business

- To manage the area in a manner which achieves budgeted profitability while upholding the values of Brakspear.
- To carry out at least two in depth business development meetings and one property inspection with each tenant per annum.
- To identify opportunities to grow wholesale profit through product introductions, merchandising and improved retail standards.
- To review rent levels in accordance with the rent review timetable and gain management approval to commence negotiations with tenants.
- To work with the credit controller to minimise the level of debt due on trading and rent accounts
- To use information produced by drinks monitoring systems installed in the estate for the benefit of Brakspear and its tenants.

People

- To identify and recruit suitable candidates to fill current or planned vacancies throughout the business.
- To work with tenants to identify development needs and the means by which they should be addressed.
- To work closely with peers and colleagues in order to ensure all opportunities to maintain and develop the Brakspear business are maximised.

Job Description

Business Development Manager

Duties continued

Property

- To work with tenants and the property team to ensure property issues, are effectively managed for the benefit of the Company and its tenants.
- To regularly check premises for compliance with current legislation and take appropriate action to minimise any risk of prosecution or risk to the Premises Licence.

Forward Planning

- To maintain a people plan aimed at maximising the potential of each tenant
- To identify opportunities for profitable capital investment and to submit project appraisals for Board approval.
- To ensure new and existing tenants develop their businesses in a manner that differentiates their business from other Brakspear tenants within their immediate catchment area.

Personal Development

- To keep up to date with legislative and other changes impacting on the management of the tenanted and leased estate.
- To work with the Chief Executive to develop personal effectiveness in the role of Business Development Manager

Signed:

Date:

Job Holder:

Signed:

Date:

Chief Executive:

August 2010

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Code of Practice on Letting Pubs**

Appendix 9

Ullage Credit Criteria

Product / Container Fault Reporting

If you suspect a beer quality problem contact Brakspear Customer Service Desk and advise the following information on **01491 570233**:

- Pub account name and number.
- The best before date of the product (as detailed on the container label).
- The nature of the problem (please see fault descriptions below).
- The brand.
- The container size.
- The container Racking Code (as detailed on the container label).

Recognised product and dispense fault descriptions

Cloudy

Flat

Head Retention

Palate

Fobbing

Product Recall

Leaking Container / Extractor Fault)

Leaking Cask) Must be reported within 24 hours

Short Fill)

No Label)

Overage – No Credit

Technician Visits

In the interests of customer service and product quality at the point a fault is reported, Brakspear Pub Company reserve the right to arrange a Technical Services visit to your premises.

If a technician does not visit your pub arrangements will be made to uplift the container from the premises.

Product Quality Samples may be taken prior to destruction in accordance with Customs and Excise regulations.

Ullage Container Uplift

Heineken UK delivery crews will check the uplift documentation details against the actual container/s requested for collection and obtain the customers signature. Once the container is returned to the Heineken UK, the container will be checked and weighed to;

1. Verify the accuracy of data previously reported with any discrepancies being reported back through the recognised channel, and
2. Determine the contents of the container.

Credit Criteria

Subject to the following conditions being met, credit for the full nominal contents of the container will be given.

1. Product should not be on sale beyond its best before date.
2. Product should be reported as faulty prior to the expiry of its best before date.
3. Product should not be mismanaged, diluted or adulterated.
4. The keg or cask racking label must be present.
5. There should be no sign of tampering with the container or spear.
6. The volume of product in the container meets our Minimum Contents Criteria.

In addition credit for the full nominal contents of the container will be given, without consideration of the minimum contents criteria, in the following circumstances;

1. The container is reported faulty at the time of delivery (e.g. a missing seal / label etc.)
2. There is acknowledged production fault associated with the product.
3. The container is leaking.
4. The container has an extractor fault and cannot be broached.

Credit is not considered under the Returned Beer Policy where

1. The product is **below the minimum contents allowed.**
2. The container label is not intact or illegible.
3. The best before date has expired.
4. The product integrity has been compromised (this is determined by a container sample having been taken and failing to meet the specific product criteria.)

Minimum Contents Criteria

Credit will normally be given on the full nominal contents of the container if the product has been stored and dispensed in a manner so as not to affect the quality and standard of the product and the reported date is prior to the best before date. Credit will only be given providing that the following minimum quantities are returned:

20 Ltr	=	6 Ltr Minimum.
30 Ltr	=	16 Ltr Minimum.
41 Ltr (9 Gal)	=	27 Ltr Minimum.
45 Ltr (10 Gal)	=	31 Ltr Minimum.
50 Ltr (11 Gal)	=	36 Ltr Minimum.
82 Ltr (18 Gal)	=	68 Ltr Minimum.
100Ltr (22 Gal)	=	86 Ltr Minimum.

The minimum contents policy is designed specifically to identify product quality issues as quickly as possible and so limit potential losses.

Product Adulteration

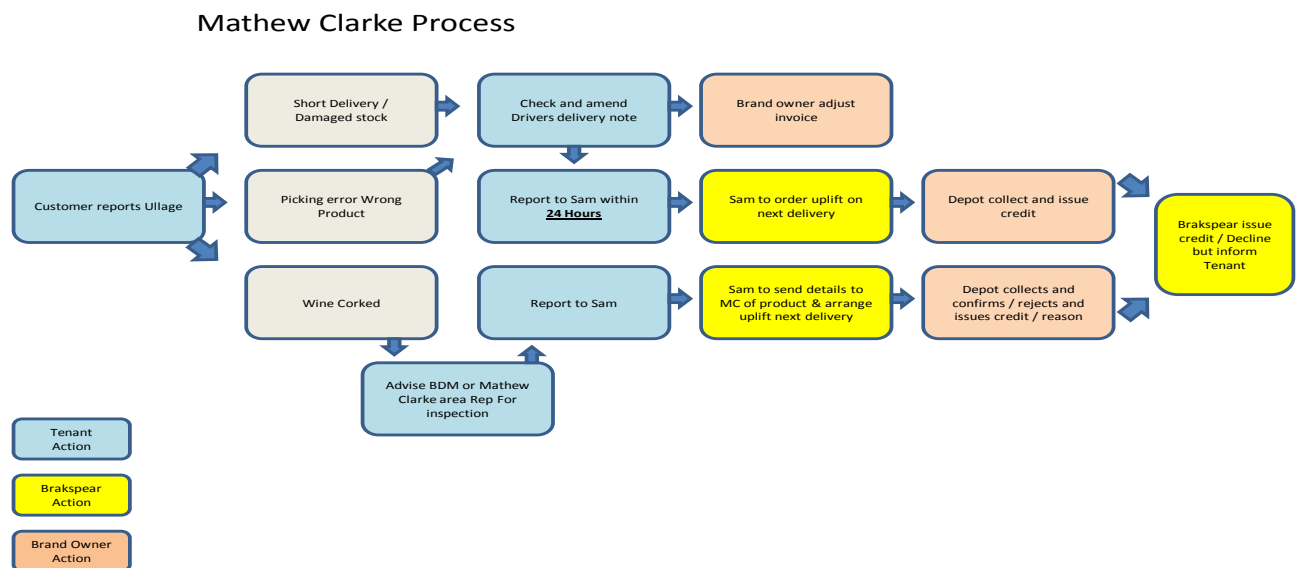
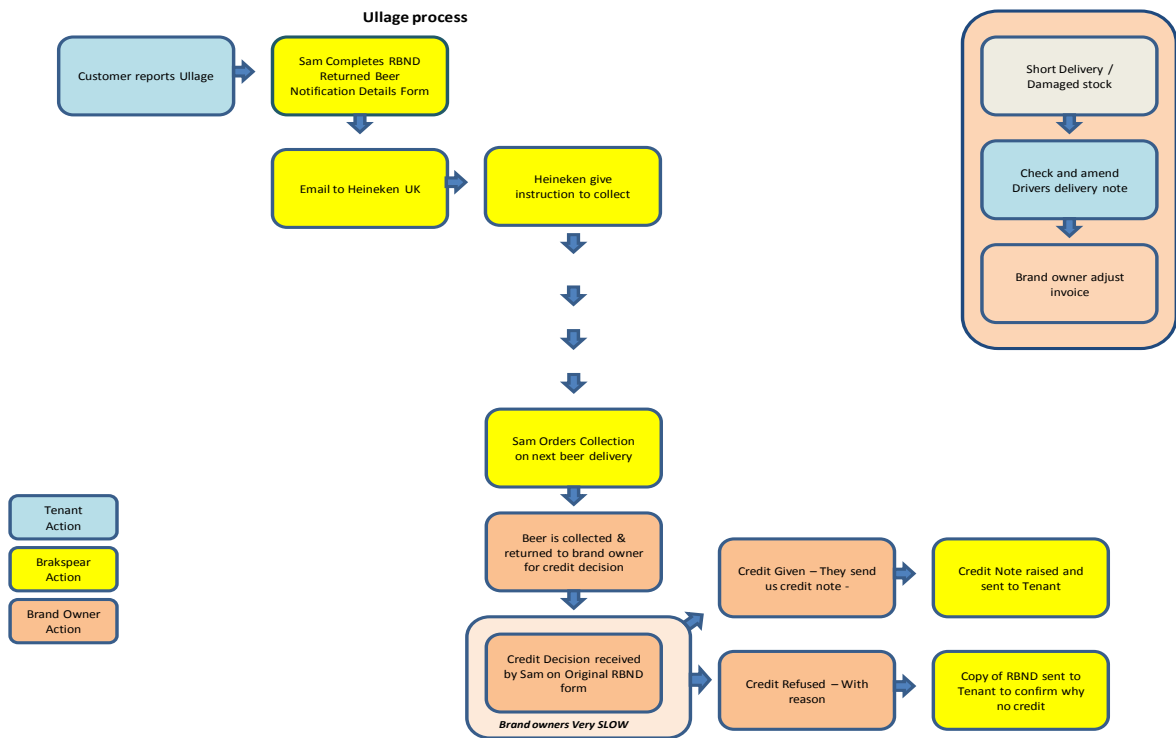
Following the completion of analysis at the Heineken UK laboratory if a sample is subsequently found not to be creditworthy Brakspear Pub Company customer service desk will notify the customer and process a reversal of the credit against the individual account.

Product Management

Filtering back damages product quality and contravenes legislation. Evidence of such a practice will result in a nil credit decision.

There are a number of Customer key actions required to ensure that beers are served and maintained in a quality condition;

- *Maintain air temperature at 12c +/- 2c*
- *Allow stock 48hrs acclimatisation in the cellar before use.*
- *Rotate stock by age and sell within best before date.*
- *Store in a clean and hygienic environment. Ensure the cellar has hot and cold water supply as well as adequate drainage facilities. Do not keep animals or chemicals in the cellar.*
- *Dispense beer as per quality standards, using correct tap at the recommended temperature and speed.*
- *Ensure the appropriate gas is used to dispense the beer.*
- *Clean equipment and lines at least every 7 days, using the recommended detergents, strength and soak time.*
- *Rinse nozzles and sparklers daily and leave to soak in clean water or soda water between trading sessions.*
- *Do not tamper with, or remove spears from kegs.*
- *Do not filter back (autovacs are not approved on the grounds of hygiene).*



Signatures

By signing this Code of Practice all parties signify their commitment to an open and honest dialogue in all our business dealings and to comply with the terms of our proposed tenancy / lease agreement:

Applicant:

Name (Capitals) _____

Signature _____

Date _____

Business Development Manager

Name (Capitals) _____

Signature _____

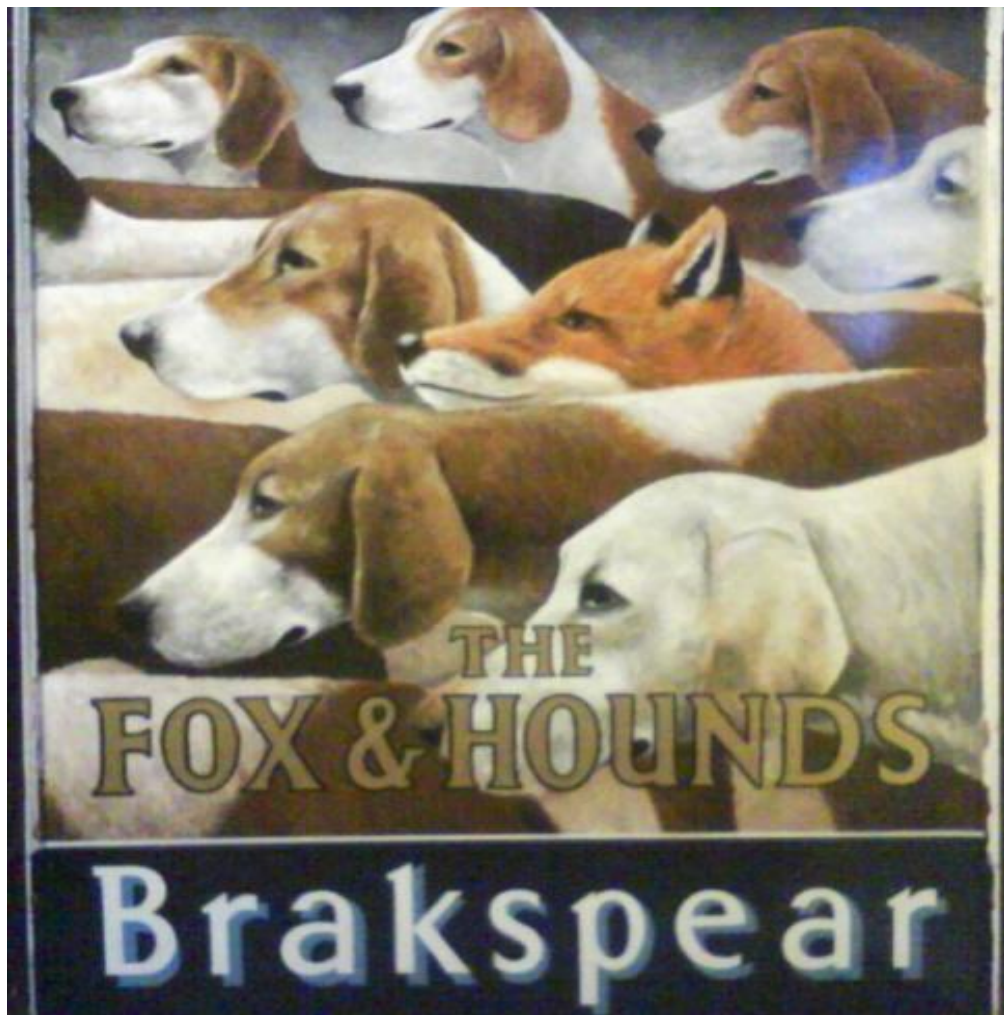
Date _____

W H Brakspear & Sons Ltd Director

Name (Capitals) _____

Signature _____

Date _____



**Fox & Hounds
Christmas Common
Oxfordshire
OX49 5HL**