

ESTD



1849

Everards
of LEICESTERSHIRE



YOUR PUB, YOUR BUSINESS

WORKING WITH EVERARDS

CONTENT

2 - About Us

3 - Running a Pub Business

8 - Business support

11 - Pub Premises

15- Accountancy

16 - Agreement Renewal

18 - Leaving your Pub Business

20 - Principle Heads of Terms/Business Owner Obligations

21 - Glossary

22 - Appendix 1

27 - Appendix 2

ABOUT US

AN INTRODUCTION TO EVERARDS



WHO WE ARE

Everards of Leicestershire is an independent, family brewer business based in Leicestershire. Chairman Julian Everard is the sixth generation of his family to run the business since it was established by William Everard in 1849.

We have more than 150 pubs across the East Midlands, which are all run as independent businesses, as well as brewing a wide range of ales which include Sunchaser, Old Original and our much-loved local favourite, Tiger. We also have a diverse and vibrant range of Limited Edition Brews ranging from Session IPA's to rich stouts and porters.

OUR PHILOSOPHY

We are and will remain an independent private company with active family involvement underpinned by our ownership and development of freehold properties.

Our purpose is to increase the real worth and profitability of the company by;

- Developing trusted relationships
- Creating a rewarding environment for our team to grow and evolve the business while respecting our heritage
- Making a positive contribution in the communities in which we trade.



RUNNING A PUB BUSINESS

YOUR PUB, YOUR BUSINESS



IS RUNNING A PUB RIGHT FOR YOU?

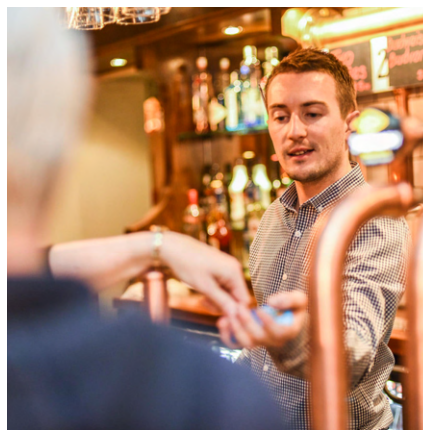
Although running a pub is an exciting venture, it's hard work and often involves long hours that are unsociable. It's as much a lifestyle as a career. However, if you want the freedom of working for yourself, with the opportunity to make a great living, then this may be just what you're looking for.

You will become a pillar of the community, an employer of local people and everything from a psychologist to marriage guidance counsellor!

Once you have decided that this is the right industry for you, there are a few things we ask from you as part of our business owner pre-entry requirements, which we have highlighted below:

You will need to:

- Apply for an 'Award for Personal License Holders' (APLH) Certificate and will need to apply to your local council for a Personal License – we can help you with this
- Complete the online Pre-Entry Awareness Training (PEAT) course, at least five days before your final interview/business plan and send us a copy of the certificate
- Demonstrate that you have taken professional business advice prior to taking on a tenancy and that the advice has been used to help you in preparing your business plan
- Write a business plan outlining your vision and ideas, along with a projected profit and loss account and a cash flow forecast
- Have a level of capital to invest into your business, to buy the stock and glassware, lodge a security deposit with us and use some of the money as working capital. You would also purchase the fixtures and fittings within the pub, we may be able to help financially with that so don't let it be a barrier to your new venture.



TYPES OF AGREEMENT

There are many pub operators and types of agreement in the market place including freeholds, managed houses, leaseholds and tenancies. We recommend you do some research into the advantages and disadvantages of each, to help you decide which one is right for you.

At Everards, we offer a three-year tenancy agreement which is protected by the Landlord & Tenant Act. This means that if you have kept to the conditions of your tenancy, you have the right to a new one when the existing one ends. On the rare occasion we should not grant you one then you will be entitled to compensation, unless you have breached the terms of your tenancy. Compensation would be paid at the statutory level.

The standard Everards tenancy agreement includes an agreement for you to purchase certain products only from Everards, we call this our "supply agreement". Typically, these are all draft and bottled beers and ciders and cellar gasses. We supply our own award-winning ales as well as most leading beer brands in the country.

As part of the agreement, we also share repair responsibilities for the property. Generally, Everards will be responsible for repairs and decoration to the outside of the pub while you would be responsible for repairs and decoration to the inside of the pub. For a full breakdown of repair responsibilities please see Appendix 1.



TAKING ON YOUR PUB

Once you have decided that you want to take on an Everards pub, take a look on our website at our available pubs to see if there is one that is right for you.

For help and advice, call our Attraction Team, who will be happy to talk you through how it all works, explain more about particular pubs and answer any questions you may have. Be assured there are no daft questions! It's important that you feel confident about starting the process to find your ideal pub.

As well as chatting to the team, you should visit the pub yourself, at different times of the day and week to help you gain a full understanding of the business. We will give you the opportunity to make a full inspection, including the private accommodation.

Whether you are a novice or experienced, we can also arrange some time for you with our current Business Owners to get an insight and an experience of what life could be like running a pub business. This is a great way to determine the skills you already have and any gaps where we can support you with training and indeed if the pub industry is what you thought it would be!

When you've found a pub you like, we will arrange to meet with you, so we can get to know each other better and discuss the specifics and financials regarding the pub.

Following these meetings, if we both agree that we want to move forward, we will ask you to complete a business plan.

THE BUSINESS PLAN

When writing your business plan, you should demonstrate your understanding of the pub and its customers, either existing or new customers you propose to attract, as well as your proposals for the business.

Your business plan should also include your estimations of incomes and related costs, together with projected profit and loss (P&L) calculations.

To help you prepare your business plan, Everards will provide you with the following information:

- Repairing obligations/responsibilities
- Payment terms
- Supply agreement
- Buildings insurance arrangement
- Relevant price list
- Management of cask beer, saleable pints and wastage
- Role of the Business Relationship Manager (BRM), the support and professional guidance they will provide
- An explanation of how the relationship between company and business owner will be conducted
- Details of machine supply, share and obligations
- Description of the range of support available
- Policy for dealing with requests for assistance
- Procedures for complaint
- A summary of the general terms of agreement
- A rent assessment statement
- Details of product volumes over the past three years
- A full description of the pub building including details of the premises licence and any enforcement action taken in the last two years.

Some of this information is included in this guide and some we will provide as part of a pub specific information pack.

As part of your application and business plan we will ask you to provide us with the following information:

- Your Personal Licence
- Proof of funding
- Pre-Entry Awareness Certificate (PEAT)
- Proof of identification (Passport or driving licence)
- Proof of address (Utility bill dated within last three months at your current address) This and the proof of I.D will be used to carry out credit checks and background and criminal record checks.

Once you've completed your business plan, we will meet again to discuss your proposals in more detail.



INDEPENDENT ADVICE

Taking on a pub is a financial and lifestyle commitment and whilst it has the potential to be hugely rewarding, it's not for everyone. As part of the process, you need to take independent professional advice prior to accepting a tenancy with us and that such advice has been used to prepare the business plan.

Waiver

The requirement for PEAT and independent advice (but not the Business Plan) can be waived if the applicant fulfils one of the following criteria;

- Are multiple retailers with several other pub or bar premises
- Can demonstrate at least three years recent experience of running a successful tenanted or leased pub business
- Can demonstrate at least three years relevant business management experience
- Already have an existing tenancy with Everards.

In this instance, we would ask you to sign a waiver document to confirm that you fulfil one of the above.

SETTING RENTS FOR OUR PUBS

To calculate the rent, we estimate what we believe to be the Fair Maintainable Trade (FMT) that can be achieved at the pub by a Reasonably Efficient Operator (REO).

FMT is the sales a pub can be expected to achieve, considering its position in the market place (e.g. is it surrounded by large amounts of housing, is it in a rural location etc), competition, demographics, facilities (e.g. does it have a catering kitchen, car park etc) as well as a number of other variables.

This means, should your pub be very successful, the rent you pay is only based on FMT and not on the trade you develop over and above that measure. In turn, if a pub is operated poorly and its sales are below what can be reasonably expected, then the rent is still based on the FMT figure.

When calculating gross profits, we use the prices charged to you as per the products you buy in line with the supply agreement between us. The products you agree to buy from us as part of your tenancy agreement, are listed within the Heads of Terms on page 20

As part of our assessment, we also consider the reasonable wastage you incur within your business on both your food and drink stocks and the "unsaleable pints" that remain in containers of cask conditioned ale.

We will discuss the rental level with you during your application and provide you with the information (in the form of a P&L showing our calculations and assumptions), to help you complete your business plan.



MOVING INTO YOUR PUB

If you are successful in your application, we will send you a letter confirming the terms of the offer, in line with what you have discussed with your BRM. If you are happy to accept the offer, we will meet you to review and confirm that you have all the information you need and fully understand the commitment you are making. As part of that commitment we will confirm the financial ingoings that you will need to pay in order to complete your agreement.

The ingoings are generally made up of;

- Security deposit - Equivalent to one months' rent and two weeks estimated trading or three-months' rent, whichever is greater
- Fixtures and fittings inventory – Agreed and valued by a licensed trade valuer, appointed by both out going and in going Business Owner
- Stock and glassware – Agreed and valued by a licensed trade stock taker and usually paid on the day between ingoing business owner and outgoing business owner
- Working capital – The capital you will need to be able to operate the business in your first few weeks.

We will then agree a date for you to move into your new pub business. Prior to this, we will arrange a day at Everards for you to meet the support team.



BUSINESS SUPPORT

THERE FOR YOU WHEN YOU NEED US



BUSINESS RELATIONSHIP PARTNERS

Your dedicated Business Relationship Partner will take the time to get to know you properly and build a trusted working relationship. They will be with you right from the start of your journey to help you find the right pub, and can also offer you support at every stage of your time with Everards, including providing a mix of on and off-site training for a range of needs from financial skills to cellar training.

BUSINESS RELATIONSHIP MANAGERS (BRM)

Our BRM's are here to help you grow and evolve your business, through regular contact and site visits.

We recognise that the industry needs to adapt to people's changing leisure time habits, with this in mind we ensure our BRM's keep up to date with the latest trends and developments in the world of hospitality and beyond. This allows them to bring new ideas and ways of thinking to you, and to help you adapt and prepare for the future in the best possible way.

Our BRM's also receive regular technical training to ensure they're providing you with the best commercial support with the ability to signpost you to other people or companies where needed.



ORDERING YOUR STOCK

Our online ordering system (myEverards) and our myEverards team make ordering and receiving your stock as easy as possible.

When you take on your pub you will be sent login details for myEverards. You can place orders from a desktop, tablet or mobile, any time of day or night.

myEverards will build up your order history, saving you time by enabling you to pick from 'your usuals', whilst allowing you to browse new products and fantastic deals.

However, if you would rather place your order by phone our myEverards team will call you on your designated order day, at an agreed time or you can phone your order through at a time that suits you.

Our myEverards team can help you with glassware, bar runners, drip mats, pump clips etc.. to make sure you have all you need to serve the perfect pint. And, if you ever get caught short ahead of your delivery day, the team will be happy to take your order and arrange a special delivery, dependent upon dray availability (this can be arranged free of charge as a one off once a quarter, after that a delivery fee will apply). Alternatively you can collect your order from Optimus Point.

DELIVERIES

When joining us, you will be advised of your weekly delivery day and details of when to place your order. These will remain the same throughout all the Bank Holidays except for Christmas and New Year where you will be advised in plenty of time regarding any changes.

Our professional team of draymen will deliver your order into your cellar/storage area, at an agreed time each week. It will be your responsibility to check and sign for all deliveries. On the rare occasion that an item from an order has been omitted, we will attempt to redeliver this item within 48 hours. Any omitted item should be identified by you, before you sign for your delivery. We will also return empty containers to our logistics centre at Optimus Point Leicestershire. If there are any problems with your deliveries, please speak to the myEverards team.

ULLAGE

Ullage are products that need to be returned to the brewery, due to unsuitable standards. However, should a problem arise, just contact the myEverards team, with full details and then the draymen will uplift the product and return it to us. There are some circumstances where we can not consider credit, such as, if the product is reported after it's 'best before date'. We pride ourselves on providing first class quality draught and packaged products,



TECHNICAL SERVICES

We offer our own technical services support for all your beer dispense equipment. Our support is available 364 days of the year, should you have any problems dispensing your draught products. The team will also service your cellar equipment on an annual basis and change or install new products, once these changes have been agreed with your BRM.

You will be required to make monthly payments to cover the cost of insurance for your cooling system. Currently the annual charge starts at £300, reviewed each January.

We have an in-house technical service team (beer or cellar) and trade quality team who will respond to your issue and prioritise it according to the impact on your service levels - we will send one of our technicians out between 4 hours and 48 hours. In some cases, we can solve the problem with a conversation over the phone with one of our experienced team. This service is not recharged to you.

TRADE QUALITY TEAM

From your first steps into the cellar, through to pouring the perfect pint, our Trade Quality Managers have a wealth of knowledge to share. They can advise on all aspects of cellar management and beer quality. We are happy to share the best practice and most suitable products to assist you in line cleaning, glassware cleanliness and setting up the right routines, so that you're serving great beer every time. We can also assist with training, to help you and your team with the perfect pour and offer useful hints and tips around serving beer and changing casks, kegs and gas.



MARKETING SUPPORT

Our Commercial Development Manager is here to support and advise you with your pub's marketing needs. In addition to design and printed materials, merchandising items like chalkboards, picture frames, menu holders and A-Boards provide those small, but essential touches, allowing you to communicate with your customers and gain a competitive edge.

Our Experiences Manager, who is also a qualified Beer Sommelier, can help you arrange tastings along with our brewers or create bespoke events to engage your customers and attract new ones.

If you need support with PR and social media, our marketing team can offer advice and sharing best practice to help you get the most out of your marketing activities.

You will be provided with point of sale to support brands and regular promotions.



PUB PREMISES

A GREAT PUB EXPERIENCE



REPAIR RESPONSIBILITIES AND DILAPIDATIONS

When you take a Tenancy Agreement with us, it is important that you understand the repair and decorating obligations you are taking on and we strongly advise that you take proper professional advice to help you. During your agreement with us, your Property Manager will carry out annual house inspections to make sure the property is being maintained in accordance with the Agreement, provide guidance where necessary and help you to understand and fulfil your repairing obligations. Any repair for which you are responsible, will be highlighted and made clear to you.

Your BRM will also complete an annual check of the premises to include the private living accommodation to ensure it is maintained in good order. Your BRM will arrange a mutually convenient time to carry out the review.

If, at any time, you decide to give six months' written notice to leave your pub, or don't intend to renew the agreement when it expires, then your Property Manager (or a third party appointed by Everards) will make arrangements to inspect the premises in order to prepare a schedule of dilapidations, which you are responsible for. In all normal circumstances we will do our utmost to provide you with this schedule within two months from the date you notify us of your intention to leave, allowing you time to complete any works you need to.

Your Property Manager/BRM will also agree a date, typically six-weeks prior to you leaving, to ensure all works have been completed in accordance with the requirements of the Tenancy Agreement.

If works are still outstanding at the end of your Agreement, we will agree with you an amount of money to be retained from your repairs deposit, to enable us to complete those works on your behalf.



INSURANCE

It is imperative that your pub is properly and correctly insured. For our standard Tenancy Agreement, we do not recharge the annual cost of buildings insurance.

You as the business owner, would need to source public and employers' liability and contents insurance.

CYCLICAL DECORATIONS

We redecorate our pubs externally every five years or when we consider it to be necessary, depending upon location, need etc.. as part of our cyclical property scheme. This is funded by Everards and not recharged to you.

MATERIAL CHANGE/ EXCEPTIONAL CIRCUMSTANCES

Material changes or exceptional circumstances can occur at any time and examples include road closures or the closure of a local industrial estate, that may impair your business. These are changes that are outside of your control. In the event of material changes occurring that have a negative effect on the business the following procedure will be followed:

- Discuss with your BRM the changes you believe have had a negative impact on your business. You will need to provide financial and non-financial information to your BRM that demonstrates the change to the way that the business operates following the material changes.
- Your BRM will complete an assessment of the business which may include ways in which the impact of the changes could be mitigated or other ways in which sales could be improved or costs reduced.
- If both parties believe it is appropriate, then your BRM will present a proposal for a temporary or permanent reduction in rent. This proposal is then subject to approval by Everards.

COOLING OFF PERIOD

Our three-year Tenancy Agreement has an option to leave with six months' notice, which is why there is no official 'cooling off' period. This notice can be given at any time within your agreement whereas a cooling off period would only apply for a limited period after signing.

RESTRICTIVE COVENANTS

If we decide to sell a pub, a restrictive covenant is a clause which means that the new owner of that building would need to develop the property for something other than a pub use. Our policy in this matter is somewhat complex as it is subject to the circumstances of each individual pub we may wish to dispose of. If by selling a pub with a restrictive covenant this enables our other outlets in the vicinity to continue trading, then this is something we would consider. We will always be sensitive to the needs of the local community.



CAPITAL DEVELOPMENTS

At some point in the future, you or us may identify an opportunity to develop the pub. For example, this could be in the form of a refurbishment of the pub, the development of an outbuilding or an extension of the property.

The commercial benefits and opportunities will be explored between you and us to ensure the investment makes sense for both parties.

At the start of a project we will produce a project brief, sketch schemes and initial budget costs to confirm the viability of any proposals. You will be advised of the possible implication in terms of rental uplift and we will encourage you to complete a draft profit and loss account to assess viability. Your financial input into the development would be for new fixtures and fittings to complement any new design. Prior to commencing onsite we will ask you to pay a cash deposit towards the value of the new fixtures and fittings supplied as part of the works. The balance will become due at practical completion, payable within one month,

Once the basis of a development is agreed we will appoint the necessary consultants and contractors, obtain all necessary statutory approvals and seek tenders/negotiated costs in order to agree the actual rental implications and fixtures and fittings recharges with you prior to the scheme going ahead.

Any agreed uplift in rent will be applied at practical completion/handover of the project.



BUSINESS OWNER DEVELOPMENTS

If you wish to complete your own development, we would consider any application but would need full sets of drawings, detail of the competency of the contractor you are using, evidence that any and all relevant planning permissions had been applied for and granted and evidence that you have adequate funds to complete the development.

If we gave permission for you to complete your own works, we would document that permission in a licence to alter. You would be responsible for the quality of the work completed and if not completed to a sufficient standard we would reserve the right to re-charge to you any remedial works we had to complete.

In completing your own development, you are putting your own capital at risk and your returns would be based on your operation of the pub. If you decided at some point to leave, then you would not be reimbursed for the costs you incurred as part of the development.

HEALTH AND SAFETY

The safety of the public in your pub and compliance with legislation is hugely important in order to provide a safe space for your customers to eat, drink and socialise.

Within your first month, we will complete an onsite induction with you, taking you through all the relevant areas of legislation and providing advice on whom to contact and what to do to remain compliant.

As an independent business owner, you will have certain responsibilities and duties for health, safety and compliance within the pub. During the recruitment process, you will have been told about the Everards Compliance Package, and on signing your agreement you will be automatically enrolled in the scheme.

The Everards Compliance Package means you can leave it to us to do the work and ensure you and your business are legally compliant.

LICENSING

Licensing law requires that any building that is being used as a pub, bar or nightclub must have a premises license to operate legally. The sale of alcohol is overseen by an individual who is the Designated Premises Supervisor (DPS). In order to be a DPS an individual must hold a Personal Licence. A Personal Licence demonstrates that someone has a full knowledge of licensing law and is a fit and proper person to oversee the sale of alcohol.

As freehold owners of our pubs, we are the holders of the Premises Licence. You, as the Business owner must be able to hold a Personal Licence and therefore be named as the Designated Premises Supervisor. We can support you with any licensing queries or issues that you may have.



ACCOUNTANCY

OPTIMISING PROFITABILITY



We know that our success is based on your success. Therefore, understanding how to optimise profitability is key and we are here to support you. We operate on open book accounting (this is where we have access to your financial information for the business) to ensure that we both understand the business and our business assessment model can work with your figures to look through various scenarios. Your BRM will work closely with you in this area.

We use carefully selected specialised licensed trade accountants to support Business Owners, allowing you to concentrate on running your business. These accountants produce monthly management accounts, end of year final accounts, quarterly VAT, Machines Games Duty Returns and hold on site business reviews with you to provide support and advice to ensure you are maximising your business.

You will be expected to appoint and pay for an accountant from the list of accountants nominated by Everards. Quarterly P&L accounts are to be prepared and shared with us. You will be charged for this service (subject to annual review and level of service provided).

LEISURE MACHINES

Leisure machines have the potential to be a lucrative income stream for your pub and at the same time provide entertainment for your customers. Leisure machines is a term which captures a number of different types of machines as detailed below;

- Gaming machines (AWP - Amusement with prizes, often referred to as a 'fruit machine')
- Quiz machines (SWP - Skill with prizes, often referred to as a 'quiz machine')
- Multi media terminal (SWP)
- Video games with coin slot (SWP)
- Pool tables
- Juke box.

As part of your agreement with us, leisure machines would be provided by a supplier nominated by Everards and we would share in the profits generated by those machines.

Each type of leisure machine is provided on a "rental" or "share" basis. The supplier will either take a set rental amount of the total monies the machine has collected during a time period, with the remaining profit being shared between us, or they will collect an agreed percentage share of the total income with the remaining profit again being shared between us. The money left after the supplier has taken their rental or share is subject to deductions for VAT, licences and sundries, before the profit is split.

Gaming machines and some quiz machines need to hold a float. These monies will be initially supplied by the machine operator but will be reclaimed in the first few collections. As such the float will be owned jointly by you, the operator and us. If the machine is removed from the Pub or you leave the pub then your share of the float would be returned to you. Your BRM will discuss types of leisure machines available and the opportunities as you progress to taking on your pub.

AGREEMENT RENEWAL

WORKING TOGETHER



AGREEMENT RENEWAL AND RENTAL ASSESSMENT

The guidelines for rent assessment are established by an independent body, the Royal Institution of Chartered Surveyors (RICS) and applied to all tenancies.

The RICS will keep its rent assessment guidelines under review and, amongst other matters, any resulting legislative changes and court rulings.

Any resultant changes arising from such developments of the guidelines will be adopted and applied to all tenancies due for renewal as and when they are published. In the event of a dispute, referral to arbitration or an independent expert valuer, as the tenancy agreement may provide, Everards will abide by the RICS guidance. To start the rent assessment for your agreement renewal, your BRM will meet with you to explain the process of renewal and collect information about your business. Typically, this meeting will be between a year to eight months prior to the expiry of your agreement. The information your BRM will ask about will include the prices you charge your customers, and the costs you incur in running your pub. Where costs to the business are fixed and not controlled by you (e.g. Business Rates) then the actual figures will be used.

Any information you can provide, such as management or audited accounts will help ensure that the process is as accurate as possible.

In calculating rents, we will estimate what we believe to be the Fair Maintainable Trade (FMT) that can be achieved at the pub by a Reasonably Efficient Operator (REO).

FMT is the sales a pub can be expected to achieve, considering its position in the market place (e.g. if it is surrounded by large amounts of housing, is in a rural location etc), competition, demographics, facilities (e.g. does it have a catering kitchen, car park etc) as well as a number of other variables.

This means that, should your pub be very successful, the rent you pay remains based on FMT and not on the trade you develop over and above that measure. In turn, if a pub is operated poorly and its sales are below what can be reasonably expected, then the rent is still based on the FMT figure.

When calculating gross profits, we use the prices charged to you as per the products you buy in line with the supply agreement between us. The products you are required to buy from us as part of your tenancy agreement are listed within the Heads of Terms.

Also, as part of our assessment we take into account the reasonable wastage you incur within your business on both your food and drink stocks and the "unsaleable pints" that remain in containers of cask-conditioned ale.

Your BRM will then create a rental assessment and will seek approval for their proposal from the senior management team. Once approved, your BRM will meet with you again to present you with their proposal. This meeting will generally be no less than six months prior to the expiry of your agreement.

You will be presented with a P&L showing our calculations and the assumptions we have made will be explained to you.

We will ensure that you are aware of the basis of the rental assessment and how we have come to that assessment.

The setting of rent will be handled fairly, with reasonable allowances made for costs and sustainable trade.

We are committed to a transparent approach and will co-operate fully should you wish to take independent professional advice.

To ensure all Everards buildings are legal and compliant businesses, as part of the renewal process you will be automatically enrolled in the Everard Compliance Package. This then gives you peace of mind to leave the responsibility for legal compliance of your business to us.

Machine income is not included as part of any rental calculation but will be shown as part of the business shadow profit and loss report.

UPWARD ONLY RENT REVIEW CLAUSES (UORR)

UORR clauses are not part of any new standard tenancy agreements and if they are part of any historical agreements, they will be phased out on expiry of an existing tenancy.



LEAVING YOUR PUB BUSINESS



ENDING YOUR AGREEMENT

During the term of your agreement there may be a point at which you decide to bring your tenure to an end and leave the pub. This may be during the term of the agreement (in which case you would give us your six months' notice as allowed in your tenancy) or it may be that you decide not to renew at the end of a three-year period.

If you want to leave either by activating your notice period or by not renewing your agreement, then you should put your intentions in writing, and we will then formally acknowledge your request, indicating a date on which you would leave the pub.

Before leaving, you should complete any repairs that you are responsible for under the terms of the agreement. These will be determined by a dilapidations survey which will be completed by your Property Manager. For more information please see the Repair Responsibilities and Dilapidations section.

When leaving your pub, Everards or the incoming Business Owner will purchase any fixtures and fittings owned by you that are necessary for the ongoing operation of the pub business. The price for these items will be determined by a licensed trade valuer and agreed between us.

Stock that is in situ on a day of change as well as glassware will be valued by a stocktaker and is usually bought from the outgoing by the new business owner.

Finally, any amounts that are owed to Everards, or in credit to you will be calculated by way of a final settlement.

We will consider all requests to terminate sooner, in exceptional circumstances or upon the merits of each case.



DISPUTE RESOLUTION

We pride ourselves on the relationships we have with our Business Owners and believe that those positive working partnerships are key to commercial success for us both.

In the rare occurrence that you are unhappy with your relationship with Everards or believe the service you have received falls below the standard you would expect, then we will always want to talk and discuss your issues.

In the first instance you can talk to your BRM who will always be happy to help. If you feel you want to escalate your concerns then the Everards Operations Director or any member of senior management will be happy to discuss and hopefully resolve your problem.

If you have not been able to reach a resolution of a problem or dispute with us after going through our own dispute resolution procedures, you may refer the problem to the Pub Independent Conciliation & Arbitration Service (PICAS).

You may make an application to PICAS where you believe that the company has not complied with the terms of the IFC or its own Code of Practice or where the behaviour of ourselves has not reflected the intentions set out in the Code.

Full details of the application process and the procedures to be followed when referring a complaint can be found at www.picaservice.com

We are committed to the professional standards enshrined in these Codes and to the operation of both Pub Independent Rent Review Scheme and PICAS.

PUB INDEPENDENT RENT REVIEW SCHEME (PIRRS)

The PIRRS is a scheme developed by the industry that can be used as an alternative to arbitration where a rent dispute is not resolved between the Business Owner and Everards. Whilst our agreements do not have a rent review provision, if, at the point of renewal, we are unable to agree a rent between us and rent is the only point of disagreement, the PIRRS process can be used to come to a resolution. This is a fair way of setting rent, avoiding the cost of court.

Upon jointly agreeing to resolve a renewal dispute via PIRRS both parties will be required to renounce any right to arbitration or referral to original final offers by signing a deed of variation. The decision of the independent valuer will be binding on both parties. More information about PIRRS can be found at the official website - www.pirrsscheme.com

MORE INFORMATION

You have now seen an overview of what we can offer and each of our roles and responsibilities. If you need clarification or would like to discuss any thing in more detail, feel free to get in touch with your Business Relationship Partner or the Business Relationship Manager for the pub you are interested in.

To talk to the Business Relationship team call 0116 201 4260.

You can find out more about us and our pubs at everards.co.uk

PRINCIPLE HEADS OF TERMS/BUSINESS OWNER OBLIGATIONS

1. Term. Three years.

2. Security of Tenure. Protection is afforded to Business Owners under part II of the Landlord and Tenant Act 1954.

3. Rent. Payable monthly or weekly in advance by Direct Debit. The rent is adjusted in accordance with the index of retail prices at the end of each year of the Tenancy period. VAT is payable on the rent.

4. Deposits. The Business Owner is required to pay a security deposit equivalent to the value of approximately one calendar months' rent and two weeks trade. A monthly repairs deposit is also payable by direct debit. The repair deposit will be set dependent upon the size and nature of the pub but will typically be between £150 - £300 per calendar month. The Business Owner can make a request to draw from their repairs deposit in order to carry out and fund repairs, maintenance and improvements to the property at any time during the term. We pay interest to you on this deposit at 1% below Bank of England base rate, and at no point would we charge you interest on your deposit.

5. Outgoings. The Business Owner must pay all rates, taxes, charges for the supply of gas, electricity and other services and all other outgoings.

6. Repairs. To diligently carry out the actions and comply with the standards as to repair, decoration and maintenance of the property set out in the tenancy agreement and more specifically detailed in the schedule of Business Owners repairs & responsibilities. See appendix 1.

7. Internal Decoration. To keep in good repair and decorative condition the interior of the premises, and in the last six months (where required) of the tenancy period to redecorate the whole of the interior, in such style, colours and specification as the Landlord (Everards) shall approve.

8. Alterations. The Business Owner must not make any alterations or additions to the property or put up any new buildings or structures without written approval.

9. Inventory. The Business Owner must at their own expense provide and keep the inventory of trade fixtures and fittings, in good repair and condition and at the end of the tenancy period sell the inventory to the Landlord or any incoming Business Owner at a fair price set by an independent valuer.

10. Use. The Business Owner may use the property only as a public house for the sale of drinks and the provision of food other refreshments and entertainment with ancillary residential accommodation and not for any other purpose.

11. Insurance. The Business Owner will need to insure his/her inventory, stock and all cash on the premises, including machines, for loss or damage on an 'all-risks' basis including theft. This cover should extend to include money or goods in transit to and from the property. The Business Owner will also require Business Interruption Insurance together with Employers, Employees and Public Liability Insurances to indemnify him/her against legal liability to employees or third parties for illness or injury, or loss of or damage to third party property arising out of or in the course of the business. The Business Owner should also insure his/her private belongings if they reside on the premises. Everards will require periodic evidence, confirming the necessary insurances are in place.

12. Licensing. Be or nominate a Designated Premises Supervisor. Not to do anything to contravene the terms of the licence which may cause the licence to be withdrawn. Co-operate in respect of the transfer of the Licence.

14. Nominated Accountants. You will be expected to appoint accountants from the list of accountants nominated by Everards. Quarterly P&L accounts are to be prepared and shared with us. You will be charged for this service (subject to annual review and level of service provided).

15. Stock Takes. To ensure that regular stock takes are conducted, and the results of those stock takes are communicated to the accountants.

16. Supply Agreement. To purchase all drinks, except wines, spirits and soft drinks from Everards.

17. Leisure Machines. These must be sourced through the Landlord's nominated suppliers. More details on leisure machines are included on page 15

18. PRS/PPL/SKY. The Business Owner is responsible for the funding of these items.

19. Fire Risk Assessments. The Business Owner is responsible for ensuring that these are carried out within the appropriate timescales and within the legal guidelines.

20. Gas Safety (installations and Use) Regulations 1998. We will arrange for an annual gas safety check to be carried out in respect of each known gas appliance (except Business Owners own inventory items) by a Gas Safe Registered Engineer.

21. Electricity at Work Regulations 1989. We will arrange for the fixed electrical installations to be tested periodically by a competent person. This normally means once every five years. We can arrange for PAT testing to be carried out, but this is a responsibility of a tenant and would be recharged to you.

22. Property Insurance

We will source the buildings insurance. This is at no cost to you and you will not normally be recharged.

Glossary

AWP – Amusement with Prizes, often referred to as fruit machines or gamblers

SWP – Skills with Prizes, often referred to as quiz machines

FMT – Fair Maintainable Trade. FMT is the level of turnover we would expect the pub to achieve within its market and this is assessed in line with good industry practice and relevant accountancy standards.

Inventory – This is a list of items which belong to the Business Owner/Everards as part of the fixtures & fittings

Dilapidations – Repairs required during, or at the end of a tenancy or lease

PPI PRS Music License – The Music License allows you to legally play music for employees or customers in your business through the radio, TV, other digital devices and live performances.

TUPE – Transfer of Undertakings (Protection of Employment) Regulations 2006

The above regulations place responsibility on both the transferor and the transferee. At least a fortnight before a transfer of business takes place the present Employer/Business Owner must pass on certain information in writing to the New Employer/Business Owner. It is important therefore to arrange to meet and consult with all staff before taking over or leaving the premises.

APPENDIX 1

BUSINESS OWNER REPAIR RESPONSIBILITIES

Electrical / Lighting / Ventilation		Standard three year tenancy
1	Electrical inspection and testing. Electricity at Work Regs 1989	L
2	Installation/upgrade of electrical supply	L
3	Electrical installations (new)	L
4	Electrical rewiring works	L
5	Emergency lighting installations (wiring)	L
6	Emergency lighting (fittings and battery packs)	L
7	Emergency lighting (re: lamping)	R
8	Intruder alarm installations	B/R
9	Intruder alarms maintenance and Redcare	R
10	Fire alarm installations	L
11	Fire alarm (fittings)	L
12	Fire alarm testing and maintenance	B
13	Electrical max demand equipment	L
14	Secondary elec. supply check meters	B
15	Internal and external lamp replacement	B/R
16	Replace fuses	B
17	Replacement breakers	L
18	Light fitting repairs (internal)	B/R
19	Provide and fix light fittings (internal)	B/R
20	Electrical overload problems	L
21	Fitting additional electrical points	L
22	Extractor fan replacement and repair	L
23	Extractor fan cleaning	B/R
24	Extractor fan - provision of speed controllers	L
25	Immersion heater replacement/supply	L
26	Sump pump repairs/replacement	L
27	CCTV installation/maintenance	B/R
28	Portable appliance testing	B/R
29	Portable appliance testing (co-owned inventories)	R
30	Walk in fridges and freezers	B
31	Electrical repairs resulting from defective tenant equipment	R
32	Air cleaners, repair, service and maintenance	B
33	Attending to damaged electrical points	L
34	Forming meter cupboard internal	L
35	Repair, maintain and replace electric showers, pumps, fittings and make good any damage	B
36	Maintain, repair and replace individual electrical heaters and free-standing ventilation devices	B
37	Dimmer switches/packs repair/replacement of existing	L
38	Dimmer switches/packs new installations	B
39	TV aerials/points	B
40	Music/sound/speaker wiring	B

KEY

B - Business Owners

L - Landlord

R - Recharge

* Service charge

Mechanical / Heating / Hot Water		Standard three year tenancy
1	Annual gas safety check - Gas Safety (Installation and Use) Regs 1998	R
2	Central heating pump replacement	L
3	Plumbing and gas installations	L
4	Installation/upgrade of gas supply	L
5	Central heating and hot water installations	L
6	Gas fired hot water (installations and repair)	L
7	Builders attendance works	L
8	Adapting buildings to create boiler house	L
9	Building meter cupboard	L
10	Renewing existing boilers	L
11	Improvements to central heating systems	L
12	Thermostat replacement	L
13	Boiler repairs	L
14	Instructions on how to use boiler (L on tenancy change)	L/R
15	Resetting boiler controls	L/R
16	Boiler servicing	R
17	Repair, replace, renew gas fires	L

KEY
 B - Business Owners
 L - Landlord
 R - Recharge
 * Service charge

Water Services / Drainage / Sanitary Fittings		Standard three year tenancy
1	Repair and maintain all water taps, cisterns, valves and stopcocks	B
2	Replacement water taps, cisterns, valves and stop cocks	L
3	Repair and maintain all above ground drainage, waste pipes, traps, etc	B
4	Copper water supply pipework, repair and replacement	L
5	Clearing blocked drains up to junction with Local Authority sewers (excluding repair of underground broken pipes)	B
6	Cistern misers, water control, conservation devices	B
7	Repair and maintain sanitary fittings, joints, fixing to walls/floors	B
8	Sanitary fitting replacement	L
9	Toilet seat replacement	B
10	Rewashing taps, adjusting ball valves	B
11	Toilet roll holders, toilet machines	B
12	WC compartment door bolt replacement	B
13	Clearing blocked gutters/downpipes	B/R
14	Plumbing for auto washers - domestic	L
15	Plumbing for glass wash machines	L
16	Grease traps installation	L
17	Grease traps maintenance and emptying	B

Catering Kitchens		Standard three year tenancy
1	Forming / building new catering kitchen	L
2	Forming kitchen within existing structure	L
3	Installation of kitchen extract canopies, input and extract duct work	L
4	Canopy fans - installation/replacement	L
5	Canopy grease filters - replacements	L
6	Canopy grease filters - cleaning and maintenance	B
7	Canopy lighting	L
8	Gas cut off valves (where fitted)	L
9	Fire suppression systems	B
10	Electrical/Mechanical and drainage provision/connections	L
11	Associated plumbing, taps, etc	L
12	Catering kitchen stainless cladding	L
13	Catering kitchen fittings, shelves, cupboards, equipment (except sinks)	B/R
14	Canopy duct work cleaning and maintenance	B/R
15	Carbon filter cleaning and maintenance	B/R

KEY
 B - Business Owners
 L - Landlord
 R - Recharge
 * Service charge

Signage / Lighting		Standard three year tenancy
1	Corporate external signs/pictorials	L
2	Non-standard external signs (A boards, etc)	R
3	Neon sign repairs	L
4	External sign illumination - wiring	L
5	External sign illumination - fittings	L
6	Lamp replacement (see electrical)	B
7	Internal signs, chalkboards, amenities	B/R
8	Disclaimer boards/notices (general)	L
9	Playground disclaimer notices	R

Cellars / Bars / Backfittings		Standard three year tenancy
1	Cellar cooling installations	L*
2	Repairs to cellar cooling	L*
3	Insulation works associated with cellar cooling installations	L
4	Builders attendance on cellar cooling	L
5	Installing beer ducts and associated works	L
6	Providing additional/larger beer pipe ducts	L
7	Forming sumps (for sump pumps see electrical)	L
8	Provision of new or replacement thrawlts	L
9	Removal of thrawlts	L
10	Cellar racking systems/self tilters	L
11	Timber construction counters & back fittings	L
12	Repairs to bars and backfittings	L
13	Polishing / lacquering bars / backfittings	B
14	Masonry counter fronts	L
15	Canopies and false ceilings	L
16	Suspended glass shelves or features over counters	B
17	Servery shelving repairs, upgrading works/alterations	L
18	Sinks, wash hand basins	L
19	Vinyl, Altro and safety flooring	B/R
20	Installing cellar hoists	L
21	Inspections and repairs to cellar hoists	L
22	Cellar flaps/drayman's reports	L
23	Plumbing for post mix, etc	L
24	Cellar strip curtains	L
25	Cellar tanking works	L

General		Standard three year tenancy
1	Insulation of roof voids	L
2	Cavity wall insulation	L
3	Draught stripping	B
4	Pipe lagging	B
5	Installing lifts and hoists	L
6	Repairs to lifts and hoists	L
7	Hoist/lift inspections	R
8	Fire escapes	L
9	Fire door and partitions	L
10	Fire proofing existing doors, ceilings	L
11	Self-closing devices	B/R
12	Portable firefighting equipment	B
13	Internal decorations	B
14	Kitchen and WC tiling	L
15	External decorations	L
16	External pre-paint repairs	L
17	Ventilation ducts and forming fan openings	L
18	Insertion of damp proof courses	L
19	Demolishing buildings	L
20	Replacing slipped tiles/slates/gutter repairs, etc	L
21	Roof repairs (main timbers)	L
22	Demolishing defective chimney stacks and roofing over	L
23	Repairs to chimney flashings, pointing, chimney pots	L
24	Chimney fans - fitting and repair/replace	R
25	Sweep all chimneys	B
26	Spark arresters installation	L
27	Spark arresters repair and maintenance	R
28	Sweep chimneys - Thatched properties	R
29	Flue lining	L
30	Log burners (installation)	R
31	Maintain repair and replace fire grates and dogs	B
32	Glazing repairs, plate glass, leaded lights, shelves, screens, mirrors compliant with current legislation and appearance to match existing	B/R
33	Double glazing	L
34	Secondary double glazing	L
35	Replacement windows	L
36	Replacement doors, frames	L
37	Easing doors and windows	R
38	Door locks (if excessive/lost keys)	B
39	Provision of padlocks	R
40	Internal window locks	B
41	Kitchen units / fittings in domestic kitchens	B
42	Private bathroom fittings/suites	L
43	Fitted bedroom furniture	B

KEY

B - Business Owners
L - Landlord
R - Recharge
* Service charge

General (continued)		Standard three year tenancy
44	Works following break-in (structure)	L
45	Boarding up, fixing security ironwork	B
46	Boarding up - closure	L
47	Paving repairs	L
48	Car park surfaces	L
49	Floor finish repairs - carpets	B/R
50	Floor finish repairs - hard finishes (exc vinyl, etc)	B
51	Vinyl/safety flooring to kitchens, serveries, etc	B
52	Hard floor finishes - installations	L
53	Tree surgery (large)	L
54	General gardening/maintenance and pruning	B
55	Environmental health requests	L/B
56	Abortive visits	R
57	Repair and maintain all fencing	B
58	Replace fencing, masonry boundary walls	L
59	Asbestos surveys, removal etc	L
60	Repairs to inventory items	B/R
61	Play equipment installation	B
62	Play equipment maintenance, repair and inspection	B
63	Pest control	B
64	Stages - portable	B
65	Stages - fixed	L
66	Reasonable physical adjustments to comply with the Disability Discrimination Act 1995	B
67	Structural works to comply with the Disability Discrimination Act 1995	L
68	Removal of rubbish/provision of skips	B/R

KEY

B - Business Owners

L - Landlord

R - Recharge

* Service charge

Business Owners rechargeable items	
1	Light fittings (internal)
2	Re-bulbing of internal and external light fittings
3	Repairs to external light fittings (unless Company owned)
4	Emergency lighting bulbs only
5	PAT (portable appliance testing)
6	Installation and maintenance of intruder alarms and CCTV systems
7	Fire alarm maintenance and testing
8	Drain clearance including waste pipes
9	Glazing
10	Boiler servicing carried out by Company approved contractor and other maintenance contracts
11	General pruning/gardening
12	Door closers
13	Door locks/hinges (lost keys or abuse, or lock outs), etc
14	Extract fan maintenance and cleaning
15	Extract canopy grease filters (cleaning only)
16	Fixed seating
17	Inventory items and fixtures and fittings
18	Carpets
19	Private kitchen units
20	Decorating (internal)
21	Bottle cabinets
22	Tills
23	Fire extinguishers and portable firefighting equipment
24	Cistern misers and water control units
25	Vinyl, altro and safety flooring
26	Installation of play equipment and maintenance

APPENDIX 2

Product life parameters	
Product type	Minimum shelf life (unless agreed otherwise through myEverards team)
All Everards Cask	14 Days
All Everards Keg	14 Days
Foreign Cask Supplier	14 Days
Foreign Keg Supplier	14 Days
Foreign Cider Bag In Box	28 Days
Packaged Beer	3 Months
Packaged Soft Drinks	3 Months
Bag In Box Soft Drinks	4 Weeks

ESTD



1849

Everards

of LEICESTERSHIRE