



HALL & WOODHOUSE
BUSINESS PARTNERSHIPS

HELLO & WELCOME

NOVEMBER 2019



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1. A WARM WELCOME



Hall and Woodhouse is one of the few remaining regional family brewers, brewing beer since 1777. We are passionate about running great Public Houses, which are set in some of the best locations across the South of England. We are also immensely proud of our award winning, and highly popular, Badger Beers.

We are dedicated to working in partnership with you to do all we can to support you in running a successful business. We do this through developing strong relationships, based on trust and sound commercial support. As one of our Business Partners you will have exclusivity to our beer brands in cask, as we only sell the Badger cask beer in our Managed and BP Houses.

Being family owned enables us to adopt a more personal approach than most of our competitors and allows us to make quick and flexible decisions, based on what is right for the long term. Our history and culture provide us with a set of values or guiding principles that shape the way we work. We will never knowingly do anything that compromises these values:

- **AMBITION** – always seeking to be the very best we can
- **DEDICATION** – doing things to the best of our abilities, with pride and passion
- **INTEGRITY** – doing the right thing, being honest and open and sticking to our word
- **KINDNESS** – treating people as they would like to be treated
- **TEAMWORK** – working together to achieve our goals

This approach has enabled us to develop fantastic working relationships with our Business Partners. Our 2019 annual independent Business Partners survey showed that 83% of our Business Partner respondents would renew their agreements with us.

This Hello & Welcome brochure outlines the standards we work to in establishing our business relationship with you. It also explains all of the key things you need to know about taking on and running a Business Partnership Public House with Hall and Woodhouse.

Best wishes,

A handwritten signature in blue ink that reads 'Anthony Woodhouse'.

Anthony Woodhouse
Chairman

2. WHY TAKE A HALL & WOODHOUSE PUBLIC HOUSE?

We believe our Public Houses, our support and our team make Hall and Woodhouse the ideal partner when looking to take on a Public House. Here are some of the key reasons why Hall and Woodhouse is the Pub Company of choice in the South:

OUR BUSINESS PARTNERS

- We have some of the best **Business Partners** in the industry, and without their ambition, dedication and commitment, Hall and Woodhouse would not be able to offer its guests the high level of hospitality they deserve.

OUR PUBLIC HOUSES

- Public House locations – our Public Houses are set in some of the most **beautiful and affluent locations** in the South of England.
- Public House quality – we believe that in order for us and our Business Partners to be successful, we need to **continually invest in our Public Houses**. By having the best looking and best invested Public Houses we can create an advantage over the competition.

OUR AGREEMENT

- All our Business Partnership Agreements will be fair, reasonable and comply with legal requirements.
- All our 3 year Business Partnership Agreements are **covered by the security of tenure provision in the Landlord and Tenant Act 1954** (unless we tell you otherwise before you sign up to the Agreement).
- There is **no open market rent review** on renewals. The rent you sign up to will be the rent you will pay for the duration of time you are in the Public House with the exception of annual RPI inflationary increases or decreases. (Rent may change by agreement with capital investment).
- **Industry leading tied liquor pricing** – on average our Business Partners make a 58% gross profit on their liquor sales and we have held our own cask ale prices for 7 out of the last 8 years.
- Exclusivity to the Badger Beer brand in cask – we only sell Badger Beer in cask through our own Public Houses.

OUR SUPPORT

- On-going support and training – we are committed to provide a **high level of support and training** to our Business Partners and their teams to help them make a success of their businesses.
- In house Technical Services, Telesales, Dray and Beer Quality Ambassadors – dedicated to making sure that Business Partners can serve the **best quality beer** every time.
- Brewery Loans – Hall and Woodhouse offer **competitive loans for the purchase of fixtures and fittings**, helping new Business Partners fund their initial investment.

OUR TEAM

- We are family owned – the **decisions we make are based on the long term future** of the company and not for short term profit or share price maximisation.
- Flat management structure – we don't have numerous tiers of management so **decisions can be made quickly and effectively**.
- Business Development Partners and the Brewery Support Team – are committed to making our Public Houses the best in the industry, **working to our core values to deliver a high level of support** to our Business Partners.



3. KEY RESPONSIBILITIES SUMMARY

When taking a Hall and Woodhouse Public House there are certain responsibilities both Hall and Woodhouse and you, our Business Partners, undertake in signing up to a Business Partnership Agreement. The following table is a summary of the responsibilities for both sides and gives the sections in this document where they are described in more detail.

HALL & WOODHOUSE RESPONSIBILITIES	RELEVANT SECTION(S)
We will provide you with all the relevant letting details and information to help you produce a comprehensive business plan. Providing any information reasonably requested or giving a reason why it is not available.	
We will produce a Shadow Profit & Loss demonstrating the Fair Maintainable Trade of the Business from which the marketed rent has been calculated.	
We will make sure that you have completed the Pre-Entry Awareness Training and taken suitable professional advice prior to taking a Business Partnership.	
We will provide access to third party advice and suppliers which will help to improve the level of support we provide.	
We will provide you with Security of Tenure as set out under the 1954 Landlord and Tenant Act.	
We will provide on-going support and training to you and your team.	
We will make sure our team of Business Development Partners and the Brewery Support Team continue to provide business advice and help you to be successful.	
We will continue to invest in the fabric of our buildings, carrying out our repair liabilities, on-going external decorations and capital investment programmes.	
We will insure the building on your behalf and recharge this cost, we will also bill you a service charge to make sure certain statutory certification has been completed.	
We will provide a range of products that meets your needs. As well as providing enhanced support compared to a free trade pub, including Technical Services, Telesales, Dray and Beer Quality Ambassadors.	
We will adhere to all the terms set out under the Business Partnership Agreement, the UK Pub Sector Tenanted Code of Practice (I-499 Tied Pubs) and we are committed to the operation of PIRRS and PICAS which is a pre-requisite of this code.	

BUSINESS PARTNER RESPONSIBILITIES	RELEVANT SECTION(S)
You will complete Pre-Entry Awareness Training (PEAT) and take professional advice before taking on a Business Partnership with Hall and Woodhouse.	
You will produce a comprehensive Business Plan, including cash flow, profit and loss and operational overview.	
You will provide initial investment – minimum £25,000 approximately.	
You will prove you are who you say you are – proof of identification, knowledge and certification required to run a successful Public House.	
You will complete the Hall and Woodhouse Induction course and commit to continued training and development.	
You will take on the team of the Public House you are entering, under the Transfer of Undertakings (Protection of Employment) regulations (TUPE).	
You will be required to put and keep the Public House in good condition for the duration of your agreement for those repairs that are your responsibility. (See page 35 for definition).	
You will make sure that all necessary, assessments and insurances are in place and that you comply with the terms of the premises license.	
You will buy all drinks from Hall and Woodhouse as set out in the terms of the tie and endeavour to serve these in the best possible condition to the guests.	
You will adhere to all the terms set out under the Business Partnership agreement.	

4. THE BUSINESS PARTNERSHIP AGREEMENT

The Business Partnership Agreement is a legally binding document that defines the business relationship between you and Hall and Woodhouse. The agreement will be produced following our formal offer of a pub to you and needs to be signed prior to you taking on the pub. You will not be allowed to take occupation of the pub until the Business Partnership Agreement is signed.

THE KEY TERMS OF A NORMAL BUSINESS PARTNERSHIP AGREEMENT ARE:

- An agreement of **3 years** duration.
- Protected under the terms of the Landlord & Tenant Act 1954 giving you the right to renew at the end of the term (the only exception to this would be where the Business Partnership Agreement is for a property where Hall and Woodhouse do not own the freehold).
- There will be **no open market rent review** on renewal. (However, you have the opportunity, should you dispute the rent on renewal, to be able to refer the matter to the Pub Independent Rent Review Scheme (PIRRS) for resolution).
- Rent increases or decreases by CPI on the anniversary date each year.
- The drinks tie is for all draught and packaged beers, ciders, wines, spirits, flavoured alcoholic beverages (FABs) and minerals but does not include teas, coffees and food and other dry goods.
- Gaming machine (AWPs, SWPs and pool tables) income will be shared. Normally, this will be shared **67% to you and 33% to Hall and Woodhouse**, once all costs and Games Machine Duty have been deducted. (However, there may be some circumstances where the income will be shared in different proportions. We will tell you before you sign your agreement where this is the case. In any event, the share will never be less than 50% to you). All equipment must be sourced from a nominated supplier. A small administration fee of £2.50 per machine per week is charged for this service.
- Repair of the pub is a shared responsibility between you and Hall and Woodhouse and you will be required to **put and keep** the pub property in good repair and condition for the areas for which you are responsible. Further information can be found in Section 22 P.36 – Building Repairs.

- In the first 12 months, you will be required to engage accountants and stock takers approved by Hall and Woodhouse. You will be required to pay for their services and they will provide Hall and Woodhouse with copies of the information they provide you.
- There is no break clause during the agreement. However, Hall and Woodhouse is considerate to unforeseen circumstances and will take a view on a case by case basis. If we make the decision to allow you to terminate your Business Partnership Agreement, the notice period will be 6 months.
- You will be set an annual barrelage target, which will be the same for each year of the Business Partnership Agreement (although it may change should you renew your agreement). If you exceed your annual target, you will receive £1,000 + VAT.
- We will consider discussing amendments to these standard terms.

The Business Partnership Agreement can be raised in the name of a sole trader, a partnership or a limited company. This gives you the flexibility to set up your business in a format that is most beneficial to you. If you decide to operate your business as a limited company, you will be required to act as a personal guarantor of the Business Partnership Agreement and will not be able to change the control of the limited company without the written agreement of Hall and Woodhouse.



5. SECURITY OF TENURE

Unless we tell you otherwise, the **3 year Business Partnership Agreement is protected by the Landlord and Tenant Act 1954**. This means you have the automatic right to renew your agreement when your existing agreement ends.

There are limited circumstances where we do not have to renew your agreement. These are governed by the Landlord and Tenant Act 1954. For example, if we decide to manage the pub ourselves or incorporate the site into a development scheme. You may be entitled to compensation at the statutory rate if we do not grant you a new agreement.

Please note that in those few instances where Hall and Woodhouse do not own the freehold of the pub or where we issue a one year Business Partnership Agreement, the agreement will not be protected under the Landlord and Tenant Act 1954. This means you will not have the automatic right to renew your agreement when it expires. There may be other circumstances where your agreement will not be protected under the Landlord and Tenant Act 1954 – we will tell you before you sign the Agreement if this is the case.



"As a multiple licensee I have spoken to a few pub companies trying to extend my portfolio of pubs – by far the best agreement I have come across is the Hall and Woodhouse Business Partnership Agreement – I know where I stand and I don't feel penalised for doing well"

Oscar Chacon, Business Partner (Dragon, Colgate)

6. THE RECRUITMENT PROCESS

The recruitment of talented Business Partners and matching their abilities and passion to the right pub is key to our mutual success. Our recruitment process is designed not only to assess the suitability of potential Business Partners but also to allow them to develop the plans that will make their pub 'Great'.

All applicants will be required to hold a current personal license and complete our application form either online or by hand. This allows us to collate all of the necessary information to process your application, including conducting a credit check. You will then meet with one of our dedicated Business Development Partners (BDP's), giving both parties more time to talk to you about your passions, motivations and what plans you have for running a great pub.

Once you have met with a BDP and we have both agreed that we are happy to proceed with your application, we will ensure you are matched to a pub that meets your skills and requirements in terms of location, retail offer and the level of your available investment. You will then be asked to put together a Business Plan for your chosen pub. We will also provide you with information to help you put your Business Plan together (Section 8 P.17 – the information you will be provided with about the pub).

By producing this Business Plan, you will formulate and grow the ideas that will make your pub successful; who your customers are, what you want to be known for and what your product range is. There are also financial elements to consider as well, including estimates of incomes and expenditure. You will need to produce cash flow forecasts and a profit and loss accounts for your first two years. A financial advisor should be consulted as to the effect of changes on Business Plans both positive and negative, including the impact of inflation. Running a great front of house business does not guarantee success. Only with good financial controls will you be able to operate a great business as well as a great pub.

In the production of your Business Plan we recommend you make use of industry benchmarking reports including the ALMR (The Association of Licensed Multiple Retailers) Benchmarking Survey (visit www.almr.org.uk) and the BBPA's "Running a Pub: A cost guide for lessees/tenants" (visit www.beerandpub.com). A cash flow and profit and loss template is available from our recruitment website (www.hall-woodhousepartnerships.co.uk), alternative templates are available from the ALMR, BII and FLVA (your BDP will be able to advise you on where to obtain this information).

Prospective Business Partners must seek professional legal and business advice, your BDP will be able to provide details of accountants approved by Hall and Woodhouse to help with your Business Plan. We will ask you to provide evidence of the professional advice taken prior to accepting a Hall and Woodhouse Business Partnership. The Royal Institution of Chartered Surveyors (RICS) guidance notes provide a very useful reference point for Business Partners and advisors (visit www.rics.org/uk). Once complete, you will meet again with the BDP responsible for the pub to review your Business Plan.

The final stage of the recruitment process is to meet the Head of Business Partnerships to discuss your Business Plan. During, or before, this final stage you will be asked to complete and sign a Business Partner interview checklist in respect of the Public House. This will ensure you have been given all the relevant information required to make an informed decision about signing a Business Partnership Agreement.

Following the successful conclusion of this meeting, we will write to you with a formal offer for your chosen pub (also known as the Heads of Terms). This document will confirm the main details of the agreement discussed with you on or prior to final interview. Specifically, this offer letter will include details of the:

- Length of term
- Annual Rent
- Deposit amount
- Gaming machine split
- Drinks Tie

ENCLOSED WITH THIS OFFER WILL BE:

- A full draft copy of your Business Partnership Agreement
- The Maintenance Obligations Guide
- The Beer Quality Standards
- Fair Maintainable Trade rent calculation

Only once Hall and Woodhouse have received your signed acceptance of the formal offer will a hard copy of your Business Partnership Agreement and associated documents be sent to you for signing. Approximately two weeks prior to the date on which you take occupation of your pub, we will arrange for you to meet with your BDP for a **Pre-Change Meeting**.

AT THIS MEETING, YOUR BDP WILL:

- Discuss the practicalities for the forthcoming change.
- Collect from you your signed Business Partnership Agreement.
- Collect the monies for the deposit, training fee and change of Designated Premises Supervisor fee.

From start to finish, the recruitment process will generally take between three and four months. However, these timescales are very much driven by our ability to match you to a pub where we believe you have the opportunity to succeed and also by the time it takes for you to produce your Business Plan.



7. PRE ENTRY AWARENESS TRAINING AND INDEPENDENT ADVICE

Prior to the final stage interview and being offered a Business Partnership Agreement, you must obtain accredited pre-entry training which will enable you to evaluate and understand the agreement you are seeking to enter into.

The Pre-Entry Awareness Training (PEAT) course is supplied by the British Institute of Innkeeping (BII) and is an e-learning package. PEAT covers topics including business planning, financial matters, taxation, the different types of agreements available, the 'tied' pub model, rent calculations and the legal consequences of breaching an agreement. Upon successful completion of this course, you will receive a BIIAB certificate which will enable you to demonstrate that you have completed the pre-entry training. The BII certificate of Pre-Entry Awareness Training must be completed at least 5 days prior to the final stage interview and Heads of Terms being agreed.



In addition to the PEAT, you must take independent professional and legal advice, at your own cost, when producing the Business Plan for your pub, before entering into a Hall and Woodhouse Business Partnership Agreement and, if required, during the course of the agreement. The professionals you use for this advice must be able to demonstrate they have the necessary experience in dealing with pub clients and you will be required to demonstrate you have taken this advice.

Any financial advisors you use should ensure that you are made aware of the effects of changes to the Business Plan and should provide you with a financial health warning.

By law, you will be obligated to take on the staff of the Public House you are entering and it is important that you take advice as to your duties under the Transfer of Undertakings (Protection of Employment) Regulations (T.U.P.E) relating to the current staff of the pub. A solicitor should be able to help on this matter. It is recommended you obtain sound professional advice from experts in the licensed trade such as accountants, building surveyors, solicitors, valuers and your bank manager.

At Hall and Woodhouse's discretion, the above requirements may be waived (except for the requirement to complete a business plan) if we believe you have sufficient experience and achievement to rely on your own judgement or where you are a company of sufficient standing.

A WAIVER MAY BE APPLIED FOR IF YOU CAN PROVE:

- You are a multiple retailer with a number of other Public Houses or bars.
- You can demonstrate at least three years recent experience of running a successful tenanted or leased pub business.
- You can demonstrate at least three years' relevant business management experience.
- You are already one of our Business Partners

If a waiver is granted, this will be recorded in the pre change meeting minutes, including a statement of qualification for exemption which both parties will sign.



8. THE INFORMATION YOU WILL BE PROVIDED WITH ABOUT THE PUB

During the recruitment process for your chosen pub, Hall and Woodhouse will provide you with the following information. This information will be sufficient to help you to make informed commercial decisions about the pub and help you complete your Business Plan:

- **Complete letting details** including details of the following:
 - The pub itself and its location.
 - The type of trade including an estimate of the wet/dry split.
 - The domestic accommodation.
 - Number of letting rooms.
 - Number of covers.
 - Number of car park spaces.
 - Volume information for the previous 3 years trade broken down by beers & ciders, wines, minerals, spirits and flavoured alcoholic beverages supplied by Hall & Woodhouse where available.
 - Details of the current gaming machine 'share' at the pub and, if available, information on the gaming machine turnover in the last 3 years.
 - Rateable Value of the site.
 - Desired applicant profile.
- Whether the agreement will be afforded protection under Part II of the Landlord and Tenant Act 1954.
- If there is a superior landlord where we do not own the freehold of the Public House.
- The **shadow profit & loss** account demonstrating the Fair Maintainable Trade of the business from which the marketed rent has been calculated.
- **Energy Performance Certificate** and **asbestos survey**.
- Floor plans of the site.
- An estimate of the **value of the Fixtures & Fittings** prepared by an independent valuer.
- An estimate of the **value of the Stock, Glassware and Loose Catering Effects**.

- The **annual Buildings Insurance Premium** for the property.
- A **breakdown of all the other costs involved** in taking on the pub.
- A **copy of the Premises Licence** for the pub, including any conditions attached, as well as details of any enforcement action in relation to the Premise Licence taken in the last 2 years and any formal correspondence from the licensing authority that Hall and Woodhouse is aware of.
- **Details of any material changes in commercial conditions** within the area of the pub, including any capital developments planned at any Hall and Woodhouse pub within the area and how these changes may impact on the business opportunity.
- **Details of any restrictions** on the uses to which the premises may be put (e.g. planning constraints on types of trading and/or hours).
- A copy of the current **Business Partnership Agreement Price List** (including information about any known forthcoming changes).
- A **sample Business Partnership Agreement**.
- We will ask the outgoing Business Partner to provide recent trading figures but cannot guarantee that these will be available.
- We will ask the outgoing Business Partner to provide the required details for the members of staff that will move into your employment under the Transfer of Undertakings (Protection of Employment) Regulations. These Regulations protect employees when a pub changes from one Business partner to another (i.e. there is a transfer of the pub business).

Any reasonable request for additional information you feel will help you in your application for the pub will be supplied if available. If we are unable to provide any of the requested information, we will tell you and confirm the reason why it is not available.

9. ADDITIONAL INFORMATION THAT WE WILL ASK YOU TO PROVIDE

As well as Hall and Woodhouse providing you with information, there is a legal requirement to obtain certain information from you. In addition to completing our application form and a Business Plan for the pub, you will need to provide the following during the course of the recruitment process:

- Proof of identity (e.g. passport, driving licence or birth certificate)
- 2 proofs of current address (e.g. bank statement, utility bill, mortgage statement – both dated within the previous three months)
- Proof of amount of available funds (e.g. bank statement)
- Proof that you have independently produced the business plan and have taken advice from an expert (usually your accountant)
- Copy of your Personal Licence or Designated Premises Supervisors



10. INITIAL INVESTMENT

Every Hall and Woodhouse Business Partner will be required to make an initial investment in their pub business. The initial investment consists of the following:

DEPOSIT OF £7,500

These monies are lodged with Hall and Woodhouse, in our general account, for your duration as a Business Partner. Interest will be earned on the deposit being calculated at the Bank of England base rate and paid twice yearly in June and December. You will be issued a deposit statement every six months which will detail the amount of interest earned as well as the tax deductions we make on your behalf in relation to the interest earnings. You will also be issued with a tax voucher at the same time as the statement.

PURCHASE OF THE FIXTURES AND FITTINGS*

The ingoing Business Partner may purchase the Fixtures and Fittings (e.g. tables, chairs, carpets, pictures etc) at the pub from the outgoing Business Partner on the day of change or from Hall and Woodhouse if we own them. The value of these Fixtures and Fittings will be agreed between independent valuers who are appointed to act on each party's behalf. You must pay for the cost of the valuer you appoint. Hall and Woodhouse may consider providing a loan to a Business Partner for the balancing cost of the Fixtures and Fittings provided you have contributed at least £7,500 to the purchase price.

PURCHASE OF THE STOCK, GLASSWARE AND LOOSE CATERING EFFECTS*

The ingoing Business Partner will be required to purchase the stock, glassware and loose catering effects at the pub from the outgoing Business Partner on the day of change. The value of these items will be agreed between independent stock takers who are appointed to act on each party's behalf. You must pay for the cost of the stock taker you appoint.

WORKING CAPITAL*

A minimum of £5,000. You will require an amount of cash to support your business through the first few weeks of trading.

TRAINING FEE OF £1,000 + VAT

This fee covers the provision of:

- 2 day Hall and Woodhouse Induction Programme
- 3 day BII Award in Licenced Hospitality Operations course
- 1 day Chartered Institute of Environmental Health Level 2 Award in Food Safety in Catering
- 1 day Award for Personal Licence Holders course

CHANGE OF DESIGNATED PREMISES SUPERVISOR FEE

This fee is payable to our licensing solicitors, Laceys Solicitors, who will make the application for you to become the Designated Premises Supervisor at the pub on your behalf. Included in this cost is the fee payable to the appropriate local authority for processing the application.

SUMMARY OF INITIAL INVESTMENT:

ITEM	COST	COMMENTS
Deposit	£7,500	
Fixture & Fittings*	Minimum £7,500	Potential for balance to be funded via a loan from Hall and Woodhouse
Stock, Glassware, Loose Catering Effects*	£2,500-£5,000	Depending on size of pub and style of operation.
Working Capital	Minimum £5,000	
Training Fee	£1,000	Excluding VAT
Change of DPS Fee	£200	Inclusive of VAT
Total	Minimum £23,700-£26,500	

* The amount required for the purchase of the Fixtures and Fittings and stock and glassware, as well as the working capital will depend on the size of the pub. The Business Development Partner will be able to approximate these figures for you when you have agreed on the pub you wish to apply for. The exact costs will be determined on the day you take on the pub by independent valuers and stock takers.

11. RENT

Rent assessments are used by Hall and Woodhouse in the preparation of our rent negotiations. The rent for your property will be based on the Fair Maintainable Trade of the business. This is the level of profit we believe the business is capable of delivering if operated correctly and in a proper manner by a reasonably efficient operator. It is from this profit that the rent of the business will be calculated.

The guidelines for rent assessment are established by the Royal Institution of Chartered Surveyors (RICS) and applied to all Business Partnership Agreements. Hall and Woodhouse will keep its rent assessment guidelines under review and will take into account any future changes made by RICS and will comply with any future guidance made on rent calculations.

To calculate the Fair Maintainable Trade, a competent person (normally the Business Development Partner for the pub and then approved by either of the Business Partnerships Director or the Commercial Manager), will produce a written shadow profit & loss account for the business that will include and provide estimates of:

- Sales broken down into wet, dry, accommodation and sundry income.
- Gross profit % in relation to wet (based on the current Business Partnership Agreement Price List) and dry turnover.
- Operating costs broken down into a minimum of employee, actual rates payable, repairs, premises costs, heat and light, insurance recharged by Hall and Woodhouse and general expenses.

In all cases the person completing the shadow profit and loss account will have visited the Public House within the last three months to collect any relevant information detailed in the letting particulars. No person will carry out rent negotiations on behalf of Hall and Woodhouse without having first undergone appropriate training.

Please note that as the Business Partnership Agreement does not feature a formal Open Market Rent review upon renewal, it is important the initial rent for your property is set correctly.

The information provided in this shadow profit and loss account will allow you to take proper professional advice upon the terms, conditions and effects of the Business Partnership Agreement being offered, including the rent proposal. The shadow profit and loss account is not suitable for business planning, nor is it intended as a projection of profits.

Any information which may be used in third party determination of rent will not be unreasonably withheld and will be shared on request, subject to appropriate confidentiality agreements.

For clarity, gaming machine income is not used in the calculation of a business' Fair Maintainable Trade and therefore is not used in the calculation of rent for that business.

On the first and second anniversary of the commencement of the agreement, the rent will increase or decrease by the prevailing rate of the Consumer Price Index (CPI). Two months prior to the anniversary date, you will be advised in writing of your new annual rent in the month preceding the anniversary date of the agreement. We recommend all prospective Business Partners seek independent financial advice on the effect of indexation on the business plan and their income over the rental period.

If at any time you feel that the rent being charged is not reflective of the Fair Maintainable Trade of the business due to material changes in the trading environment, you may ask for it to be reviewed. Such major changes could be closure of local businesses or the construction of a bypass around the location of your pub. Your request will be considered by, at their absolute discretion, the Hall and Woodhouse Rent Panel who will ask you to provide financial and business information to support your request, including accounts, VAT and stock taking reports. In the first instance, requests for assistance must be made in writing to your Area Manager, we will respond to all requests within a maximum of thirty five calendar days.



12. TRADING REVIEW NOTICE

If the government introduces legislation in relation to the Drinks Tie, Hall and Woodhouse may, at its own discretion, issue you with a Trading Review Notice. This will trigger an open market rent review. This would allow for a revised shadow profit & loss account to be produced from the Fair Maintainable Trade of the business reflecting any changes to the Drinks Tie. From this shadow profit & loss account, a revised rent will be set.

For the purpose of clarity, any open market rent review will follow RICS guidance on 'goodwill disregard'. Specifically where there is any goodwill attached to the premises attributable to the Business Partner having achieved a greater level of business than a reasonably efficient operator. The effects of any capital improvements made by the Business Partner where agreement has been given by Hall and Woodhouse (not including repairs and decorations) will also be disregarded in the assessment of the Fair Maintainable Trade of the business.

If the open market rent review cannot be agreed by the rent review date, the annual rent payable prior to the rent review date will be charged until such time as the review is agreed:

- If the agreed rent is in excess of the current rent, you shall pay Hall and Woodhouse the difference between the two, plus interest at the Bank of England Base rate.
- If the agreed rent is lower than the current rent, Hall and Woodhouse will pay you the difference between the two plus interest at the Bank of England Base rate even if your Business Partnership Agreement does not make reference to this.

13. ARBITRATION AND THE PUB INDEPENDENT RENT REVIEW SCHEME

We would hope to be able to agree a revised rent with you following an open market rent review (or setting the rent upon the intended grant of a new contracted out Business Partner Agreement to an existing Business Partner). If an open market rent review cannot be agreed, either you or us may refer the matter to an independent arbitrator or to the Pub Independent Rent Review Scheme (PIRRS). PIRRS offers an accessible, independent, low cost rent review resolution service. Capped fees enable resolution of disputes in a fair and timely manner.

Upon agreeing to resolve a rent review dispute via PIRRS, Hall and Woodhouse and you, must both agree to be bound by the decision reached by PIRRS. You or Hall and Woodhouse must then contact the PIRRS administration team to request the PIRRS information pack and application form. You will be asked to begin proceedings by completing their PIRRS application form and selecting their preferred independent valuer from those nominated by the PIRRS Board. By agreeing to refer such matter to PIRRS you will waive the right to arbitration.

The decision of the arbitrator or PIRRS will be deemed as final. Hall and Woodhouse and you will share costs of the arbitration or the determination by PIRRS equally, or in such other proportions as the arbitrator or PIRRS may direct. Any other legal fees incurred by either party will be their own responsibility to pay.

Full details of the PIRRS can be found on their website: www.pirrscheme.com.



14. FIRST YEAR BUSINESS PARTNER SUPPORT

During the first 12 months of your Business Partnership Agreement, you will receive a level of support that will provide you with the foundations from which to build a 'Great' business.

- Your BDP will:
 - Conduct business review meetings with you at the end of months one, three, six, nine and twelve. These meetings will be minuted and you will receive a copy of these minutes detailing agreed discussion points and actions.
 - See you a minimum of six times during your first six months and at least once every eight weeks during the second six months (including the business review meetings specified above).
- Open Book accounting and stock taking. You will be required, at your own expense, to use accounting and stock taking services during the first 12 months. We strongly believe these disciplines underpin the financial stability of your business. The accounts and stock taking figures will be shared with Hall and Woodhouse. This means when you are spending time with your BDP, they can focus on helping you to drive your business rather than fact finding about your financial results. We have a list of approved accountants and stock takers but if you want to use your own accountant or stock taker, you can.
- First year BII (British Institute of Innkeeping) membership, giving access to business advice, support, buying groups and discounted rates on many of the essential services required to operate a Public House.
- A complimentary mystery customer visit will be carried during the first six months. Designed to provide advice and guidance on how your customers view your business, this can be an invaluable tool for you and your staff.
- Your Property Surveyor will visit within your first eight weeks at the pub to complete your first Annual Property Inspection. During this visit they will discuss with you, yours and Hall and Woodhouse's maintenance responsibilities, carry out a site inspection and condition survey.

15. ONGOING BUSINESS PARTNER SUPPORT

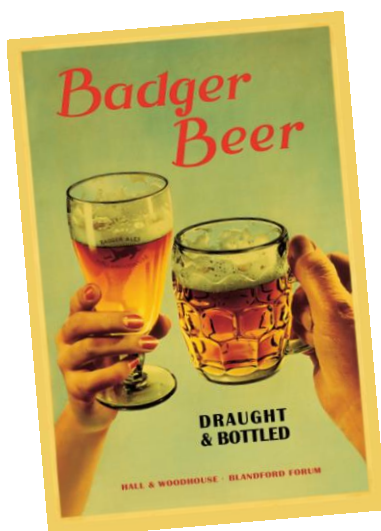
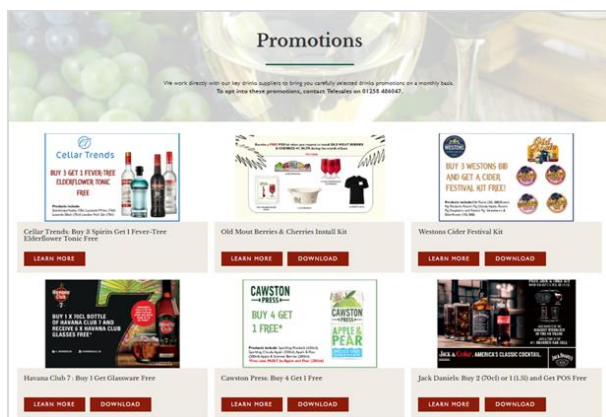
At the end of your first 12 months, your BDP will agree with you the frequency of their future visits to conduct business reviews with you. If you feel you require further or less support as your agreement progresses, your BDP will happily increase or decrease the frequency of these visits. However, they will conduct a business review with you not less than twice a year and visit no less than once every three months.

Ongoing support and advice is also available in the following areas:

- **MARKETING:** Bespoke house promotions, brand promotions, POS and merchandise.
- **BP SUPPORT WEBSITE:** A hub of useful documents, tools and information, including a GP calculator, stock count aids, finance pages, supplier information, drinks promotions and news and events.
- **PROPERTY EXPERTISE:** Our surveyor will conduct an Annual Property Inspection with you. This will include an inspection and condition survey of the pub, inspection of all statutory certification and required compliance. We will also manage any planned maintenance that occurs in your pub.
- **MAINTENANCE:** We provide a 24 hour, 7 day a week Maintenance Help Desk through which all maintenance issues are logged.
- **TELESALES & DISTRIBUTION:** We provide Business Partners with an update on product information and their weekly trade delivery.
- **TECHNICAL SERVICES:** We carry out planned preventative maintenance visits at least twice a year to inspect/service the beer dispense equipment and provide a responsive repair service.
- **BADGER BEERS:** The provision of award winning cask and bottle beers. Badger cask beers are only supplied to Hall and Woodhouse pubs.
- **BEER QUALITY ADVICE:** Our Beer Quality Ambassadors provide beer quality advice during their visits which take place at least twice a year.

Hall and Woodhouse also retain the services of a number of third party specialists whose expertise is available to Business Partners at no additional charge. Their services include:

- Access to competitive buying via Leisure Supply Group (or Pelican through the BII membership in the first year).
- Advice on business rates from G.L. Hearn.
- Advice on gaming machines via Leisure Machines Solutions.
- Advice on utility providers and tariffs by Nationwide Energy Consultants.
- As part of the statutory maintenance charge, provide and carry out services and inspections that we believe are necessary, including:
 - Portable Appliance testing
 - Periodic Inspection testing (Electrical inspection and certification)
 - Fire Alarm testing
 - Fire Fighting Equipment service
 - Emergency Light testing
 - Landlord Gas Safety Certificate and Boiler service



16. BUSINESS DEVELOPMENT PARTNERS

Your BDP will be your main point of contact with Hall and Woodhouse and will work closely with you to develop your business for the benefit of you and Hall and Woodhouse. Your BDP will always act in a professional and responsible manner in all dealings. They will also provide guidance on the content and application of this UK Pub Sector Tenanted Code of Practice (I-499 Tied Pubs) and associated self-regulatory mechanisms.

As your BDP will be working with you to develop your business, it is important that they have the correct experience and expertise to provide the required level of support. All of our BDPs will have a minimum of 5 years' experience in the licensed trade industry or have been educated to degree level and through their recruitment process, will have been assessed as having the correct skills to effectively support your business. Within the first 24 months of a BDP being appointed in their role they will be required to undertake appropriate training including; application of the UK Pub Sector Tenanted Code (I-499 Tied Pubs), Procedures for rent reviews and Production of Fair Maintainable Rent assessments.

To ensure their skills and knowledge remain up to date, they will from time to time undertake appropriate training courses to ensure that they are always best placed to provide you with the support you require.

17. TRAINING

We expect all of our Business Partners to complete the Hall and Woodhouse Induction Programme within the first 6 months of the start of your Business Partner Agreement.

The programme includes:

- Attendance at a half day induction at the Brewery to include an induction presentation, a 'meet the team' session and a Brewery Tour
- Attendance at the Chairman's Dinner at the Crown Hotel in Blandford
- Completion of the one day BII - Approved Cellar Training course
- Completion of the one day CIEH Level 2 Food Safety and Hygiene for Catering course
- Completion of the three day Award for Licensed Hospitality Operations (optional)

This programme is crucial to ensuring you have the necessary knowledge to continue with your Business Partner Agreement, and is therefore, mandatory. If you successfully complete the Induction Programme within the first three months of taking on your pub you will receive two complimentary 9 gallon casks of Badger Best, worth in excess of £140. If you fail to complete your induction training you will be charged £1,500 plus VAT. This charge will be in addition to your standard training fee of £1,000 plus VAT. The cost of providing the training is high and we try to ensure we are not wasting resources with drop outs and no-shows. The cost of these is not just financial, it also deprives other Business Partners, and their teams, of a valuable training resource. We want you to properly engage with the Induction (and other) training as we believe it will help you run your business more effectively and safely.

The on-going training programme available to you comprises three one day courses that you, and your essential staff, can attend:

- BII - Approved Cellar Training course
- CIEH Level 2 Food Safety and Hygiene for Catering course
- Award for Personal Licence Holders
- Appointed Person First Aid course (half day)

This is complemented with an on-line, pay as you go training facility provided by FLOW Training.

18. DRINKS

You will be required to purchase all of your draught and packaged beers, ciders, wines, spirits, FABs and minerals from Hall and Woodhouse. A full list of the products available to you and their current prices will be provided in the Business Partnership Agreement Price List. No specific discounts are available from the Business Partnership Price List.

As an independent family brewer, the Drinks Tie is fundamental to our business and it allows us to provide the enhanced level of support that Hall and Woodhouse Business Partners receive compared to a free trade pub. The Drinks Tie also allows us to invest in the pub estate and further develop our product range for our mutual benefit. We believe passionately in the quality of our cask ales and uniquely within the industry, we only sell them in our own pub estate. We believe this gives our pubs a point of difference and consequently, we do not allow guest beers to be purchased from third party suppliers.

The Drinks Tie does not include tea, coffee or food. In general there are no exceptions to the tie agreement, although consideration will be given to requests where a potential Business Partner would like to stock specific items that Hall and Woodhouse cannot provide and will significantly enhance the offer set out within the Business Plan. Any such consideration will be taken into account during rent negotiations.

Cask conditioned beer contains sediment left over from the brewing process which results in an element of every cask conditioned beer being unable to be served to the guest. This has been assessed and agreed by Her Majesty's Customs and Excise as 4%. For example, based on a 9 gallon Cask which should contain 72 pints approximately. 69 pints can be served to a guest. As a result, an allowance of 4% is included as an adjustment to the Gross Profit line within the Shadow Fair Maintainable Trade Profit and Loss Account.

The products you order from Hall and Woodhouse will be delivered free of charge on a set day each week with the order day being two working days prior to that. If you require an additional delivery in any given week, this can be arranged but at your own cost. The cost for a special delivery would not normally be in excess of £150 + VAT and would usually be significantly less.

The payment terms for Rent and Trade are as follows:

- The agreed annual rent will be invoiced weekly in advance.
- You will receive 7 days credit on your drink purchases from Hall and Woodhouse.

All invoiced amounts will be collected by Direct Debit from your nominated bank account on the Friday following the date they fall due. You will be charged an administration fee of £25 for any Direct Debit requests that are returned unpaid. At the discretion of Hall and Woodhouse, the number of day's credit offered may be reduced from the stated 7 days if an account has fallen into arrears.

You will be set an annual barrelage target (multiples of 36 gallon units of products covered by the Drinks Tie) for the three years of your agreement for the purchase of draught and packaged beers, ciders, wines, spirits and minerals. In each year you exceed this target, and are not in breach of your Business Partnership Agreement at the time you exceed your annual barrelage target, we will credit your trading account with £1,000 + VAT.



As an alcohol wholesaler, Hall and Woodhouse is required to be approved by HMRC under the Alcohol Wholesaler Registration Scheme. For your records Hall & Woodhouse Limited have been approved and our AWRS Number is: XRAW00000101158.

19. BEER QUALITY

Hall and Woodhouse are passionate about beer quality and are dedicated to ensuring the perfect pint is served every time.

Hall and Woodhouse Beer Quality Ambassadors will make appointments (giving a minimum of three days' notice) to visit your pub at least twice a year. During these visits, they will score your pub against the Beer Quality Standards that form a part of the Business Partnership Agreement. By offering advice and guidance, they will help you to maintain an outstanding standard of beer quality which will be of benefit to your customers and, in turn, both of our businesses. In the unlikely event that your business does not meet the required Beer Quality Standards, a Beer Quality Ambassador will return within four weeks to undertake an unannounced audit.

Maintaining the cellar at the correct temperature is an integral component of ensuring the beer is served in the best possible condition. All of the beer raising equipment, including the remote cooler, is owned and will be maintained by Hall and Woodhouse. However, the cellar cooler will form a part of the Fixtures and Fittings of the pub and will be owned and need to be maintained by you.



20. BREACHES OF THE DRINKS TIE/FLOW METERING

If Hall and Woodhouse can reasonably demonstrate (e.g. photographic evidence, witness statement, flow metering information or through interrogation of financial and non-financial information) that products covered by the Drinks Tie have been purchased by you from a supplier other than Hall and Woodhouse, we consider this to be a serious breach of your agreement and we reserve our right to take appropriate action as a result of the breach. This may include seeking to forfeit your Business Partnership Agreement. In addition, and without affecting any other rights we may have, we may invoice you for the total volume of product purchased outside of the Drinks Tie at a rate of £150 + VAT per composite barrel.

In instances where you are suspected of buying products covered by the Drinks Tie from suppliers other than Hall and Woodhouse, or where a Business Partner has failed two or more Beer Quality Audits, Hall and Woodhouse reserves the right to install flow metering equipment at the pub.

The Business Partner will:

- Be able to view all dispense and line cleaning information relating to their pub at any time via an on-line account.
- Keep the flow metering equipment switched on at all times.
- In no way tamper with the flow metering equipment.
- Not receive any allowance for any product or electricity used in the installation, ongoing calibration and operation of the system.
- Allow access to the flow metering equipment to any Hall and Woodhouse approved contractor given 24 hours' notice.

Hall and Woodhouse will not impose any penalty for loss of profit from products monitored by flow metering equipment, unless a variation between dispensed and delivered volume is confirmed by the provider of the flow metering equipment as having been caused by product being purchased from outside of the Drinks Tie.

21. GAMING MACHINES

Hall and Woodhouse Business Partners are required to source all of their gaming machines (AWPs), quiz machines (SWPs) as well as pool tables from a list of nominated suppliers. The number and positioning of which should be in keeping with the pub in general and as such to maximise their benefit to the business. No machine income will form part of the rental calculation.

You will pay a weekly rent to the suppliers for these machines from which Hall and Woodhouse will receive a fixed administration fee (£2.50 per machine per week). This fee covers the cost of software to monitor the performance of machines allowing your Area Manager to always be aware which machines are performing well and which need to be changed. This fee also allows you access to third party professional machine advice.

Once the monies owed to the supplier of the machine (e.g. rent and duty) have been paid, the remaining income from the machine will be shared with Hall and Woodhouse. Normally, **you will receive 67% of this income with Hall and Woodhouse receiving 33%**. However, there may be circumstances where the income will be shared in different proportions. We will tell you before you sign your Agreement where this is the case. In any event, the share will never be less than 50% to you. If there are insufficient funds in the machine to cover the monies owed to the supplier, then the shortfall will be payable by the Business Partner and Hall and Woodhouse, split as per the income share for that machine.

A representative from your chosen nominated supplier will visit periodically to collect the cash from your machines. Once the monies owed to the supplier have been deducted from this cash, they will give you 67% of the remaining amount and remove from site the balancing 33% which they will pay to Hall and Woodhouse.

All required Gaming Licences and Permits will be applied for and paid by your chosen nominated supplier of gaming machines.

Hall and Woodhouse retain the services of Leisure Machine Solutions, as consultants, to provide you with advice on how to maximise the benefits of gaming machines in your business.

22. BUILDING REPAIRS

Hall and Woodhouse and their Business Partners share the responsibility for the maintenance of the pub. Broadly speaking, the division of responsibility is such that Hall and Woodhouse are responsible for structural repairs and the exterior of the building with you responsible for minor and internal repairs. You will be required to **put and keep** the premises in good and substantial condition, for those repairs that are your responsibility, for the duration of the agreement. This means when you take on the pub, you will be required to put items into repair if they are in disrepair and then you must keep them in repair for the duration of your time at the pub.

A full breakdown of the repairing responsibilities is available on request and will also be provided to you in the Business Partner's Handbook which you will receive when your Business Partnership Agreement is sent to you. We may amend this Handbook from time to time. We would recommend you inspect the pub property prior to accepting the offer for the pub.

Hall and Woodhouse operate a 24 hour, 7 day a week Maintenance Help Desk through which all maintenance issues are logged. This ensures that each call is tracked from start to completion and that each Business Partner receives an efficient and timely maintenance service.

Every 12 months, Hall and Woodhouse will conduct an Annual Property Inspection with you. This will include an inspection and condition survey of the pub, inspection of all statutory certification and required compliance in areas such as gas, electrics and fire risk assessments, all of which are your responsibility. This inspection will highlight any remedial works you are required to complete in order to meet the repairing obligations of your Business Partner Agreement.



23. CAPITAL INVESTMENT

Hall and Woodhouse is committed to improving the quality of its pubs through a programme of capital investment. Any proposed alterations to your pub would be quantified in terms of the benefit to you and Hall and Woodhouse and agreed by both parties before any commitment is made to undertake the works. For clarity, these works are separate to those that Hall and Woodhouse must undertake to meet its repairing obligations under the terms of the Business Partnership Agreement.

Hall and Woodhouse will pay for and manage any investment works from conception through to completion, including obtaining any required planning and licensing approvals. Hall and Woodhouse will also pay for all works in the first instance.

You will be required to:

- Agree a revised Fair Maintainable Profit & Loss to reflect the investment works and the anticipated benefit to your business.
- Agree that re-assessment of the rent will take place which will reflect the revised Fair Maintainable Trade of the business following the completion of the capital investment works. The works will not commence until the revised rent has been agreed between you and Hall and Woodhouse.
- Purchase from Hall and Woodhouse any additional Fixtures and Fittings that form a part of the investment works within an agreed timeframe.

Capital investment made by a Business Partner that would normally be the responsibility of Hall and Woodhouse must be agreed in writing before work may commence (via a Licence to Alter). Any such works will not trigger a re-assessment of rent for the duration that the Business Partner remains at the Public House other than the annual inflationary increase or decrease as set out in in this guide.

24. INSURANCE

Hall and Woodhouse arrange buildings insurance for each of their pubs to provide cover against damage by certain insured risks. Each Business Partner is recharged an annual premium for the buildings insurance based on the rateable value of the business and will be advised the current annual premium for the property during the recruitment process and each subsequent year.

We are confident this premium is lower than that which could be obtained by you if you insured the building yourself. If however, you are able to obtain a like for like buildings insurance quote from a reputable insurer where the premium is lower than that which you are being charged, Hall and Woodhouse will 'price match' this quote. A summary of cover can be provided on request.

The policy covers all risks of physical loss or damage to the building as a result of fire, lightning, explosion, earthquake, landslip, subsidence, heave, riot, civil commotion, aircraft, flying objects, storm, flood, water, theft, collision by vehicles, damage by malicious people/vandals but excluding terrorism.

There is an excess of £1,500 plus VAT for each and every claim made under the buildings insurance policy. You are liable to pay excess in all cases where an insurance claim is made (whether by Hall and Woodhouse or by you). The buildings insurance does not cover loss of profit or business interruption suffered by a business partner. You are required to obtain the below insurances at your own expense from a reputable insurer:

- Contents - which should provide cover for all contents at the pub including items of Fixture and Fittings (including those which Hall and Woodhouse retain ownership of) and personal effects in the commercial and domestic areas of the premises.
- Stock, glass and cash in gaming machines at the premises.
- Third party public and employer's liability insurance.
- Business interruption/suspension insurance.
- Theft of money in the safe.
- Personal assault – injury, theft and loss of earnings.
- Fidelity – cover against theft by employees.
- Loss of licence – will not cover if caused by neglect.
- Personal Accident

You will also need to demonstrate on an annual basis that the above insurance covers are in place.

25. LICENSING

Hall and Woodhouse hold the Premises Licence for each of their pubs (a certified copy of which will be provided to you). The annual Premises Licence renewal fee will be paid by Hall and Woodhouse and will be recharged in full to you for the pub along with an administration fee for managing the payment process.

You will be required to nominate a personal licence holder as the Designated Premises Supervisor for their pub. We or our nominated licensing specialist (currently Laceys Solicitors) will facilitate the process of registering the nominated individual as the DPS for the site. The Business Partner will be responsible for paying the fees for this service.

As a Business Partner, you must run your pub in accordance with the Licensing Act 2003 and in line with any conditions of the current Premises Licence.

If you wish to make an application to vary the Premises Licence you must first discuss it with your Business Development Partner. If your BDP is happy for the variation to be applied for, the application will be made by us or our nominated licensing specialist (currently Laceys Solicitors) and all costs associated with the variation of the licence, including those costs charged by us or our licensing specialist, are to be paid for by you.



26. RENEWAL OR TERMINATION OF THE BUSINESS PARTNERSHIP AGREEMENT

We hope you will spend many years running a profitable business with Hall and Woodhouse but there will be times when Business Partners decide to move onto the next stage of their careers.

As you enter the last year of your 3 year Business Partnership Agreement, Hall and Woodhouse will send you a written notice advising you whether it intends to offer you a new Business Partnership Agreement. As the Business Partnership Agreement is normally protected by the Landlord and Tenant Act 1954, only in certain circumstances will you not be offered a new agreement. These circumstances are detailed in Section 6 – Security of Tenure. Section 6 also details when an Agreement will not benefit from protection under the 1954 Act.

We will notify you in writing 12 months prior to the expiry of your Business Partnership Agreement whether we are willing to offer you a new agreement. Where we are willing to offer you a new agreement, we will ask you to inform us in writing whether you want to renew your agreement or not. This should be no later than 6 months prior to the expiry of your current Business Partnership Agreement. All Business Partners should seek professional advice when looking to renew their Business Partnership Agreement.

If you inform us that it is your intention to renew your agreement, we will **not** trigger an **open market rent review unless** this is something that we agreed with you before you signed up to your Agreement (Note: this does not affect a Business Partners right to dispute the renewal rent or indeed to request an open market rent review). A new 3 year Business Partnership Agreement will be issued to you where the rent for the first year of the new agreement will be set at the year 3 rent of your previous agreement, increased or decreased by the prevailing rate of the Retail Price Index. The RPI figure used will be the figure two months prior to the expiry date of the agreement. You will be advised in writing of your new annual rent in the month preceding the renewal date of the agreement.

Regardless of whether you intend to renew your Business Partnership agreement or not, Hall and Woodhouse will provide you with a dilapidations schedule indicating where remedial works need to be completed in order to meet the repairing obligations of your Business Partnership Agreement. The works will only be enforced if you decide not to renew your Business Partnership agreement. Otherwise, the schedule will simply act as a reminder of your liability under the terms of the Business Partnership agreement.

If your agreement is not protected under the Landlord and Tenant Act 1954 we will advise you no less than six months prior to expiry whether we will be offering you a new agreement. If both parties agree to take forward a new agreement, which is not protected under the Landlord and Tenant Act, you will have the right (where agreement on rent cannot be reached) to make an application to PIRRS for independent assessment of the rent reflecting the terms of the agreement, subject to the following conditions:

- An application to PIRRS to determine the rent for an agreement not protected under the Landlord and Tenant Act for an existing Business Partner in the premises will only be permitted if the referral is made no more than six months and not less than three months prior to the expiry of the agreement and where there have been no breaches of the existing agreement and all other terms of the new agreement have been agreed.

If you state your intention is not to renew your agreement, or if you do not state it is your intention to renew your agreement, by six months prior to the expiry of the current agreement (although you may still inform us of your intention to renew after this date), the following will happen:

- A dilapidations schedule indicating where remedial works need to be completed in order to meet the repairing obligations of your Business Partnership Agreement will be produced. Hall and Woodhouse will charge you for the cost associated with the production of this schedule and will give you the dilapidations schedule six months before your agreement expires in order to give you enough time to complete any works. If you believe that the dilapidations schedule you receive is not reflective of the works that need to be completed to meet your repair obligations at the pub then you should contact your Area Surveyor in the first instance. If you are not satisfied with the outcome of that discussion, you may refer the matter to your Area Manager as per the dispute resolution process, (see section 28 P.44 – Disputes). If any works remain outstanding on the day you leave the pub, we will complete these outstanding works and charge you for the cost of doing so.
- The recruitment process for a new Business Partner will be started and the pub will be advertised accordingly.

And you will be required, as a minimum, to:

- Grant access to the property for potential Business Partners, given suitable notice.
- Provide the previous three years trading information to assist potential Business Partners in producing their Business Plan for the pub.

- If requested, on the day you leave the pub, sell the stock, glassware and loose catering effects as well as all Fixtures and Fittings that you own to the next Business Partner at the pub. If the pub is to remain empty after your departure, Hall and Woodhouse is not obliged to purchase these items from you but may at its own discretion decide to do so.
- Transfer free of charge to Hall and Woodhouse any interest or rights that you have in any website or email address relating to the pub.
- Provide Hall and Woodhouse with a forwarding address for you.

All monies owed to you, less those owed by you to Hall and Woodhouse will be paid to you no later than 28 days after you have left the pub. Although the interest you earn on your deposit is calculated every 6 months, when you leave the pub, it will be calculated up to the day that you leave and will be included in the above payment to you.

There is no formal break clause in the 3 year Business Partnership Agreement but Hall and Woodhouse is considerate to unforeseen circumstances and will take a view on a case by case basis. However, we will be under no obligation to accept an early surrender. If you wish to terminate your agreement prior to its expiry date, you must submit your request in writing to the Head of Business Partnerships. If we make the decision to allow you to terminate your Business Partnership Agreement, the notice period will normally be 6 months and a dilapidations schedule will be issued within 2 months of acceptance of your notice.

If you are operating under a 1 year Business Partnership Agreement there is the ability for either party to give written notice as specified in the agreement.



The Upton Inn, Bitton - uptoninn.com

27. CODE OF PRACTICE

WE ARE PASSIONATE ABOUT THE IMPORTANCE OF BEING OPEN AND TRANSPARENT WITH OUR BUSINESS PARTNERS

We have therefore signed up to being governed by the Pub Sector – England & Wales Tenanted Code of Practice (I-499 Tied Pubs). We will adhere to this Code and associated self-regulatory structures. The Code clearly outlines the key details of the relationship between us, as a Pub owning company and you, as one of our Business Partners.

The Code of Practice describes the minimum requirements governing the operation of tied public houses by companies with less than 500 tied premises. The Code is supervised by the Pub Governing Body (www.the.pubgoverningbody.co.uk)

The Code covers the following areas:

- Letting of Premises
- Rent Reviews
- Agreement Renewal
- Interaction with Landlord
- Operation of Amusements with Prize's (AWP's)
- Use of Flow Monitoring Equipment
- Complaints Procedure
- Surrender of Tenancy

A copy of the Code of Practice can be found on our recruitment website.

Business Partners may rely on the provisions and benefits of the Code of Practice if initiating a complaint through the Pub Independent Conciliation and Arbitration Service (PICAS) or referral to the Pub Independent Rent Review Service (PIRRS).

If you become a Hall and Woodhouse Business Partner, Hall and Woodhouse will be bound by the contents of the Code of Practice for the duration of the business relationship we have with you.

28. DISPUTES AND COMPLAINT RESOLUTION

If you believe we have breached our Business Partnership Agreement, or the Pub Sector Code, you should write formally bringing this to the attention of your BDP who will seek to respond to your comments within 14 days.

If you feel that we still have not made an adequate response, or taken corrective action, you may then escalate this matter to the Head of Business Partnerships and then subsequently to the Managing Director. This next stage must be carried out within a further 21 days and applies to both parties.

If you still believe that Hall and Woodhouse has not adhered to the terms of the Business Partnership agreement or to code in its dealings with you and, having failed to obtain resolution via the process above, you may take your case to the Pub Independent Conciliation and Arbitration Service (PICAS), to adjudicate on the dispute. Alternatively, you may use other forms of arbitration or through due legal process in the courts.

Where the timescales set out above are not complied with, you have the automatic right to refer the dispute to PICAS.

PICAS, as with PIRRS, requires both parties to sign the terms and conditions and agree to be bound by the decision of the PICAS Panel. However, this does not affect your rights to seek further redress through the law courts.

You can apply to PICAS where you believe that Hall and Woodhouse have not complied with the terms of the Pub Sector – England & Wales Tenanted Code of Practice (1-499 Tied Pubs), or where the behaviour of the company has not reflected the intentions set out in the Code.

Full details of the application process and the procedures to follow when referring a complaint to PICAS are available from www.picaservice.com.

At Hall and Woodhouse we are committed to the professional standards enshrined in the Code and to the operation of PIRRS and PICAS which is a pre-requisite of our Code.

29. GLOSSARY OF TERMS

REASONABLY EFFICIENT OPERATOR	A person who is capable of operating a pub in such a way that enables the business to deliver the level of profit anticipated in the Fair Maintainable Trade.
AWP	Amusements With Prizes – fruit machines giving customers the opportunity to win prizes through games of chance.
BDP	Business Development Partner
BII	British Institute of Innkeeping. (www.bii.org)
BIIBAS	British Institute of Innkeepers Benchmarking and Accreditation Services – the subsidiary of the BII that accredits this Code of Practice. (www.biibas.com)
COMPOSITE BARREL	<p>1 Barrel = 36 gallons of beer, lager, stout, cider</p> <p>1 Barrel = 108 litres of minerals including postmix concentrate</p> <p>1 Barrel = 23.8 gallons of spirits</p> <p>1 Barrel = 66 litres of wine</p>
DPS	Designated Premises Supervisor – nominated on the Premise License (Business Partner), a Personal License holder who is in day to day control of the premises.
ENERGY PERFORMANCE CERTIFICATE	An independently produced report that rates the energy efficiency of the property.
FIXTURES AND FITTINGS	Items at the pub such as tables, chairs, carpets, bric-a-brac, cookers, fridges, microwaves, fryers etc.
FMT	Fair Maintainable Trade – the anticipated profit that a pub business will generate if operated by a reasonably efficient operator. It is from this profit that the rent for the pub will be set. This method of assessment does not penalise successful operators nor financially support poor operators.
LOOSE CATERING EFFECTS	Items at the pub such as cutlery, crockery and cooking utensils.
PERSONAL LICENCE	Issued by a local authority, it allows the holder to sell or authorise the sale of alcohol in accordance with the terms of the Premises Licence of the premises at which the sale is taking place.
PICA-SERVICE	Pubs Independent Conciliation and Arbitration Service. (www.picaservice.com)

PIRRS	Pubs Independent Rent Review Scheme. (www.pirrscheme.com)
POS	Point Of Sale – media used to support or promote products such as drip mats, bar towels or tent cards.
PREMISES LICENCE	Issued by a local authority, it authorises the premises to be used for one or more licensable activities such as the sale of alcohol by retail or the provision of regulated entertainment.
RACK BRIGHT	Cask conditioned beer that has been dropped bright at the Brewery before being racked into casks.
RICS	Royal Institution of Chartered Surveyors. (www.rics.org)
SHADOW PROFIT & LOSS ACCOUNT	A financial statement that provides estimates of the sale, gross profit, operating costs and net profit of a business. It will be produced by a competent person and will be the basis of the FMT of the business. It is for illustrative purposes only and is not a guarantee of future incomes for the operator of the business.
SWP	Skills With Prizes – quiz machines giving customers the opportunity to win prizes through games of skill. The more skilled the customer, the greater chance of success.
ULLAGE	Beer which does meet the required specification and is not fit for sale.

30. USEFUL WEBSITES

ORGANISATION	WEB ADDRESS
Hall & Woodhouse corporate website	www.hall-woodhouse.co.uk
Hall & Woodhouse Business Partner Recruitment Website	www.hall-woodhousepartnerships.co.uk
Hall & Woodhouse Business Partner Support Website	www.hall-woodhousepartnershipssupport.co.uk
British Beer and Pub Association (BBPA)	www.beerandpub.com
British Institute of Innkeeping (BII)	www.bii.org
Association of Licensed and Multiple Retailers (ALMR)	www.almr.org
Federation of Licensed Victuallers Association (FLVA)	www.flva.co.uk
Royal Institution of Chartered Surveyors	www.rics.org/uk
Pub Independent Conciliation and Arbitration Service (PICAS)	www.picaservice.com
Pub Independent Rent Review Scheme (PIRRS)	www.pirrsheme.com