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OUR WRITTEN SUBMISSION CALLING FOR PUBCO REFORM

We are a and , we have been at these premises for years on a lease (Enterprise Inns). We paid a large premium for the lease after serving 26 years in the

Trade

Trade is local with some sporting connections. There are . There is a strong reliance on Sky Sports. The establishment is . Various attempts have been made during the years to increase food sales, the establishment layout mitigates against anything but limited food sales.

Within a 10 / 12 minute walk there are several other pubs, they are Mitchell & Butler or Green King managed houses and all have a very strong emphasis on food. They seem to get refurbished regularly.

Our expenditure is very carefully controlled and as a percentage of the total is well below the norm. There is no evidence of any extravagant purchases or individual items being disproportionately high.

The premises are only marginally viable. The rental element prior to our rent review was (annum) representing % of the turnover which because the gross profits are determined by the purchasing policy and competition. The rent and tied beer list prices are unrealistically high and unsustainable. We have had little income from the establishment for the past years relying on pension and working / child tax credits.

A recent commercial surveyors report assessed the rental level at per annum, (this figure included the gaming machine profits) our submission was per annum, which also took into account our ridiculously low beer discounts. The whole of the rent review was dragged out over three months leaving us no time to go to PIRRS as we believed we would have gone bankrupt during the process due to the rent due at that time. We settled on per annum with a dual discount for months on three products to improve footfall even though we maintain about brewer's barrels per annum. Footfall is not the issue; it is what we have to pay for the beer that is the problem.

Local circumstances / Disadvantages

All of the Enterprise Inns pubs that we know in the area have all closed, some several times, they are all now re-opened on new agreements paying about per annum in rent and between to barrel discount, this is compared to our now k and per barrel discount. All of the pubs in question have had money spent on them to bring them to a good presentable standard. They have had a full health & safety check etc prior to any publicans taking over. All of this has been completed by the same Divisional Director that we have to work with.

Although we constantly expressed our concerns on how stretched our finances were, we received very little, just enough in the way of traffic builder type projects which we had to pass over to our customers. Just enough to keep the doors open. Although we were paying k in rent and per annum in Insurance we still had to maintain the general upkeep of the building the majority of which I had to complete myself due to not being able to afford to pay traders. All of the pubs in the area managed, leased, tenanted have been extensively refurbished and maintained at no extra cost to the publican.

A freehold bar in the local village can purchase his beer for example gallon Carling cheaper than us, so his prices are set a lot lower. Our list price for 22 gallons of Carling is before the discount of . The majority of pubs set their prices between . pence lower than us. Over time the managed houses have absorbed a lot of the trade and tax increases, we cannot afford to do this.

Over a period of **YEARS,** Jul 2012 I can prove that from audited accounts made a taxable profit of

The following was taken or paid to Enterprise Inns during the same accounting period: All figures are net (before VAT).

- Machine income (not including the administration charged to the supplier).
- Rent
- Building Insurance
- Wet trade beer we paid after discount (we were made aware by our Div Director that they make 50% GP on our beer purchases), we believe this is a conservative estimate and due to their purchasing power they probably make a lot more..

Obviously if we are going to improve the publican's lot we should also take a good look at the level of business rates we are expected to pay, we are currently charged per annum.

Large investment or improvements to keep up with the current market are suppressed due to the large amount of money taken from this establishment. To be able to pay current market value for our tied goods would be a game changer, the Pub Co tie could still exist, purchasing from their wholesale providers at cost with their established purchasing power would still enable them to obtain a steady profit.

The current system is a Cash Cow and is pure greed.

We have read that the publican may prove to be £4000 better off after the Statutory code of practice is introduced and implemented. I'm afraid that £4000 in most cases is probably not enough. A statutory level of discount needs to be introduced so that we are all on a level playing field.

We have had the pleasure of working with five or six BDMs due to the frequent turnover, they all come to us with the same commercial attitude, and to be frank can achieve very little to help us due to being micro managed from above.

The voluntary Code of Practice does not work, during the Rent Review July 2012; we requested the possibility of changing our agreement in accordance with the code. They were not interested and did not wish to discuss it further along with all the other suggestions we made in accordance with the code to make our business more sustainable.

If you are in a position to discuss matters further we are more than happy to hand over years of audited accounts, details showing tied purchases and all of the evidence to support this written submission for Pub Co reform.