



MITCHELLS & BUTLERS

SUPPLEMENTARY INFORMATION

TO THE

LEASED Code of Practice

(1-499 Tied pubs)

May 2016

<u>Table of Contents</u>	<u>Page</u>
1. Introduction to Mitchells & Butlers and the Code	3
Welcome to Mitchells & Butlers	
Introduction to the Code of Practice	
2. Pre-entry information for our Lessees	3
Information that will be provided by us	
Understanding the Property	
Restrictive Covenants	
Capital for Development	
3. The Lease	4
Our Standard Lease	
Repairs and Keeping the Pub in Good Order	
Insurance for the Pub Building	
Tie Arrangements	
Rent Review Process and Timetable	
Flow Monitoring Equipment	
4. Business Support	7
Wholesale Price List	
Terms of Trading	
Payment for Goods and Services	
Key Business Support	
Amusement Machines	
Lease Operations Managers	
5. Licensing Matters	10
Our Premises Licence	
Your Personal Licence	
6. Assignment of your Lease	10
How You May Sell your Lease on	
7. Material Changes or Exceptional Circumstances	11
Material or Exceptional Changes	
Surrender	
Dilapidations	
Buy Back of Fixtures and Fittings	
8. Complaint Resolution	12
Internal Resolution	
External Resolution – PIRRS & PICAS	
Glossary of Terms and Abbreviations	13

1. Introduction to Mitchells & Butlers and the Code

Welcome to Mitchells & Butlers

Mitchells & Butlers (MAB – The Company) is a pub company that is well known for its managed pubs and famous brands, such as Harvester, All Bar One, Toby Carvery and Vintage Inns. Our sites are found across the UK and consist of different types of pub, from local community offers to more food led destination outlets. We finished brewing more than 15 years ago and have specialised in developing high quality pubs with strong service levels, value for money offers and quality products.

Since 2002 some of our managed pubs have been transferred to a Lease arrangement. The MAB Lease website (www.mbpubleasing.com) will provide full details of our service and available opportunities.

Taking on a Lease is a major commitment. We want all our dealings with our Lessees to be open, fair and honest. It is important to set out all of the main things that you need to be aware of as a prospective Lessee. These cover legal, financial and some technical understanding, as well as the important area of business support and our working relationship with you.

We want to share with you our knowledge and ‘know how’ to give you the best opportunity of operating a successful and profitable business.

Introduction to the LEASED Code of Practice

The LEASED Code of Practice (*1-499 Tied pubs*) sets out the minimum standards and requirements that Lessees should expect from Mitchells & Butlers, regarding the letting and operation of leased tied pubs.

The information in this document provides specific information relevant to Mitchells & Butlers Leases and is supplementary to the LEASED Code of which we are a signatory.

2. Pre-Entry Information for our Lessees

Information that will be provided by us

We will provide you with the following information to help you with your application and business plan:-

- A copy of the Lease
- A copy of the price lists
- A Rent Assessment
- A copy of the Premises Licence
- The Three Year Trading History, when the pub is originally transferred from a managed house or the volume of products purchased in accordance with the tie arrangement, as appropriate.
- The inventory of fixtures and fittings
- A list of products and goods that you must purchase from us (tied products)
- A schedule of any repairs that will be carried out by MAB.
- General Information about the Pub and the surrounding area.
- A *TUPE* schedule for all existing staff currently employed at the pub.

If you require additional information, this will be provided subject to availability. If we are unable to provide this information, we will explain the reasons why. We are not at liberty to disclose confidential information.

Understanding the Property

Once you have chosen your pub and written an outline business plan it is vital that you understand the full obligation and responsibility involved with operating a *Lease* pub. At an early stage, MAB will arrange a full viewing and inspection visit of the property for you. We will also provide you with a summary of the key property terms that are in the Lease to help you understand your responsibilities.

We will provide you with a full description of the property and make sure you understand the full extent of the property, the boundaries, the entrances, fencing and any other key points (e.g. drainage, treatment plants), permitted use and any planning restrictions. We will also provide you with details of any enforcement action taken in the previous 2 years

It is important that you should take full independent, professional advice. An independent, professional surveyor should advise you about the physical state of the premises and any repairs that might be needed, prior to you signing up to a full repairing agreement.

If MAB have information about significant or material change that might affect the pub and business then we will tell you, including any details of capital investment by the Company that may impact on your pub. However you are responsible for making your own investigations into the pub and local area. You must make your own enquiries with the Local Authority, Planning and Licensing Departments.

Restrictive Covenants

MAB will set out and explain the details of any restrictions, conditions or restrictive covenants over the property and business for which you have entered into a legal agreement.

MAB reserves the right, upon disposal of its assets, to create restrictive covenants preventing the use of certain properties as public houses.

Capital Development

Whilst MAB do not provide investment capital for pub improvements, refurbishment or business development as part of the standard *Lease* offer, we may provide funding for investment in exceptional circumstances where we believe it is in the interests of both parties. However, we are always prepared to discuss pub improvements and business development with you. Specialist advice about property development and alterations can be made available to you.

If you do decide to carry out your own capital development then there is a process that you will need to follow as you may need our permission. You will need to provide us with a written description of the works planned and architects drawings showing the floor plans both before and after the works. An MAB building surveyor will then visit the pub to satisfy him/her-self that the proposed works are satisfactory. If the works do not require consent you will be informed accordingly.

If you do require our consent then this will be given in the form of a Licence to Alter which must be agreed before work commences. You will be expected to pay all MAB's reasonable costs in relation to providing this consent. Any improvement formally documented by way of a Licence to Alter will be disregarded permanently for the purpose of rent review or *Lease* renewal.

3. The Lease

Our Standard Lease

The standard Lease offered by MAB is for a ten year term. Other options may be available but would be discussed with you on an individual basis and after the submission of your business plan.

The majority of MAB Leases are subject to the provisions within the Landlord and Tenant Acts (*LTA*). Where the company is the Lessee and does not own the freehold title of the premises then the lease offered to you by MAB will be contracted out of the Landlord and Tenant Act 1954. This will be specified in the letting particulars and discussed prior to completing a letting.

Repairs and Keeping the Pub in Good Order

The building will be let on what is known as a *Fully Repairing Lease*.

We encourage prospective and new Lessees to inspect the property thoroughly prior to signing an agreement with us, and we strongly advise that you should conduct your own professional survey of the property before you proceed. You should make sure you take independent professional advice about this. You must make sure that you understand the full extent of your obligations.

You are obliged under the Lease to:-

- Put and keep the property in good order (see below for an explanation of this terminology)
- Decorate to the frequency required as set out in the Lease
- Repair as necessary
- Obtain all the relevant statutory certificates
- Ensure Planned Preventative Maintenance (PPM) is carried out.

A 'put and keep' obligation means you have to take the building in its current condition and are responsible for putting it into full repair and then keeping it maintained to that level. The Company will provide information and advice about your obligations and provide a schedule of condition of the building at the start of your occupation of the premises. A schedule of condition is not a formal survey but rather an assessment, signed by both parties, of the condition of the building, drawing attention to any specific problems or features and clarifying what, if any, remedial work is required and expected during the course of the lease. An Area Building Manager (ABM) is available to discuss with you what might be needed at your pub throughout the term of your lease.

An annual inspection is carried out on behalf of MAB at our cost. This identifies the items of disrepair and works that will need to be carried out by you. This information will be discussed with you to make sure you keep up with your obligations.

Insurance for the Pub Building

Proper and adequate insurance for the pub building must be in place at all times.

MAB negotiate the best terms that it can, as we need to ensure our asset is properly protected. This cost is passed on to you and is charged to your trade account and is subject to your usual credit terms.

When you sign your *Heads of Terms* document, you will be informed of the cost, the level of cover, and the excess applicable to this insurance.

If you feel that you can get exactly the same level of insurance cover for a lower premium, we will reduce our own cost to 'price match' the quote you have provided, provided it meets our insurance requirements.

All other insurances, including business and personal contents, stock and cash (including in machines), and public and private liability, are sourced and provided by you.

Your public liability insurance should provide cover for claims up to £10,000,000.

Tie Arrangements

Assessing the correct product range to optimise your trading potential is an important part of retailing. Your business plan will identify target customer and trading opportunities. MAB will help you to match your product range to these opportunities to ensure that you are able to satisfy your customers' expectations and can provide the best possible level of customer service.

MAB is not part of any brewing company and can access a wide range of products to satisfy your range demands from an extensive list of suppliers. Our supply chain team negotiate price, contract details and volume deals. MAB operate a tie arrangement so that Lessees can take advantage of this. The guidelines are set out in two lists:

- A List – includes all products and services for which you are tied
- B List – includes additional optional services which are available to you and may vary from time to time

Full details will be set out for you at an early stage of the application process including purchase obligations and trading terms. However, MAB understands there is sometimes the need for local or specialist products to reflect unique trading opportunities; for example guest beers from small local breweries. We will always discuss the various options with you on a regular basis.

You will be expected to keep your purchases of tied products within the terms of the tie arrangement. Where we suspect there has been a breach of the tie we may use any information at our disposal as part of a wider investigation.

The terms of trading and the details of ordering and supply will be explained to you, both during your application and at the time you move into your pub. If you do not adhere to the tied arrangements within your Lease and buy tied products from an alternative supplier, you will be in breach of your Lease. The Lease allows MAB to levy a compensation charge against you on every equivalent barrel purchased outside the tie. You will find the details of this in your Lease.

Rent Review Process and Timetable

The rent review process is set out in your Lease. We will advise you about the timing and the procedure that we both should follow. We will give you first notification 12 months before the date of your review. We will collect all relevant information 9 months prior and produce a Rent Assessment to you 6 months prior to the review date. Both parties should aim to complete negotiations within 3 months after the due date. As Lessee you may refer a rent review to PIRRS if negotiations are not completed within three months of the due date and no extension has been agreed. The rent will be assessed as at the date of the rent review, assuming the relevant factors at the time, not the basis of the original rent setting. You are strongly encouraged to seek professional advice when negotiating rent reviews or a renewal of the agreement.

Every effort will be made to settle and agree rent levels but it is recognised that at times all negotiations can break down. A resolution process exists to try and conclude these discussions. Information which may be used in third party determination of rent should not be unreasonably withheld and should be shared on request, subject to appropriate confidentiality agreements.

There is an in-company procedure where the Director of Property for Leased Pubs can be brought into the negotiation.

In the open market, rent reviews are normally settled by negotiation. If such an agreement is not reached then you have the option to refer the rent review to the Pubs Independent Rent Review Scheme (PIRRS) or to follow the third party determination provisions set out in the lease agreement. One of the benefits of PIRRS is that it allows the Tenant to choose the valuer at a pre-determined fixed fee. If you choose to use

the PIRRS option it is important to understand that you are then waiving your right to arbitration or independent expert referral, by way of a deed of variation.

MAB is committed to support PIRRS, details of which can be found on their website at www.pirrscheme.com. In the case of a Landlord and Tenant Act lease renewal where the only element in dispute is the rent this can also be referred to PIRRS.

It is important that independent, professional, expert advice is taken before, during and at the conclusion of your review.

Flow Monitoring Equipment

Many pubs in the UK operate equipment to measure the volume of beer that flows through the pipes from the cellar to the bar. MAB do not provide this facility but keep the business case under review. If it was deemed to be appropriate to install the equipment, then a full consultation would be undertaken with you prior to any installation.

4. Business Support

Wholesale Price List

Our Wholesale Prices are fixed for a specified period, usually for twelve months, in October. This does not include duty changes as these have to be passed on to you following Budgets and other Government action. Our pricing is easy to understand and you pay the net price as stated in the price list. This applies to all products, from the first purchase and at all times. There is no sliding scale of discounts or qualifying periods.

MAB do not decide or influence the retail price charged at your pub. This is a business decision for you, the Lessee. The latest product price lists are available from your *LOM*.

Terms of Trading

You will be given details of your delivery cycle and the ordering process at the start of your Lease. Orders and deliveries outside the standard agreed process are available but will be at an additional cost, as too will failed deliveries. Any disputes regarding these charges will be investigated and costs reimbursed if appropriate.

Any issues on ullage (i.e. missing stock, damaged goods) must be referred to our delivery agent at the earliest opportunity who will explain the process for you to follow. Relevant contact details will be also be updated on our web-site on a periodic basis.

Mitchells and Butlers are responsible for your existing beer raising equipment. Therefore all such issues must be referred to your regional Cellar Technical Services (CTS) supplier. MAB will pick up the cost of normal wear and tear maintenance of the equipment. You will be responsible for the cost of any brand changes after the initial letting. The Cellar Cooling System is excluded from this and remains the responsibility of the Lessee.

Payment for Goods and Services

The process of ordering goods and services, operating within the credit terms, and payment of goods is a very important part of your day to day business. Cash-flow and the management of your money is a challenging area for all business people, especially if you are a new operator. Pubs are still a cash business and security, safety and diligence is required at all times to avoid any loss of money. You must make all necessary banking arrangements and take proper advice on security and best practice.

MAB will provide you with invoices for all purchases and summarise these on regular statements. Payment for goods & services and rent will then be taken by Direct Debit on identified dates set out in a 12 month schedule.

If you experience payment or cash-flow difficulties then you should contact your *LOM* immediately. Your *LOM* and our Credit Control team can explain various alternatives to help you, including repayment plans, cash payments and revised credit terms.

It is important to understand how quickly the cost of goods can mount up, and you will need to rectify any failure to pay as we will take appropriate action to recover any subsequent debt. Your business is at risk if you fail to pay for goods, services and rent. Non-payment of rent can lead to the forfeiture of your Lease.

Your independent professional advisor, or qualified trade accountant, will explain to you the risks and problems that can arise should you fail to pay the monies owed to MAB, other suppliers, or statutory bodies (e.g. HM Revenue and Customs).

Key Business Support

MAB have operated managed and leased pubs for many years and are aware of the importance of having a good working relationship with our Lessees at all times. MAB are committed to ensuring we have a clear, open and transparent relationship with you. The Lease operations team can offer help and support. The details may vary depending on the type of your agreement.

Our standard Lease offer provides:-

- Advice and business set up
- Licensing
- Free ratings advice
- Introduction and liaison with key suppliers
- Building and property maintenance advice
- Safety and security compliance with statutory requirements.

Amusement Machines

MAB site amusement machines (fruit machines, quiz machines, pool tables, juke boxes, etc.) across a number of its managed branded pubs. This represents a business and profit opportunity that Lessees should review at the start of and throughout the term of their Lease.

The operation of amusement machines falls under the terms of trading that require you to only use machines provided by our nominated suppliers.

There are a wide range of possibilities and options and using our expertise we can advise you on:-

- Suppliers and available machines
- The number and type of machines
- The position and management of machines
- The management and collection of cash from your machine

The financial considerations also include:-

- Potential income
- Rental level
- Profit share calculation
- The payment of *PRS* and *PPL* licences

Please note machine income is shared between you and us and consequently is not included in the rent assessment statement, and is shown below the *Divisible Balance* calculation at rent review. Your *LOM*, in

consultation with the Electronic Leisure Manager (ELM), is available to discuss the performance, profitability and best use of all machines in your pub.

Distribution of Income

Individual lease agreements will specify the distribution of machine income between us and the prospective Lessee, but the standard agreement is on an equal share where both the Lessee and MAB take 50% of the income after statutory deductions and machine company rents. Further details are shown below in 'Payments to Suppliers' below.

Payments to Suppliers

Tenants/Lessees enjoy a benefit from the scale of our purchasing power together with management services we perform. At the time of the cash collection from a machine by a supplier any sundry payments for machine malfunction are deducted from the cash in box. Following that, from the remaining cash balance the appropriate tax is deducted (Machine Gaming Duty or VAT depending on the machine type) then the payment to a supplier (their rent or share) is deducted and the remaining balance is shared according to the Lease agreement. There are no other payments or royalties paid from or to suppliers outside of the process described above. You are responsible for registering your business for Machine Game Duty and paying the required amounts to HMRC.

It is your responsibility to obtain and pay for an appropriate Sky (or similar) package for the pub to receive audio/visual transmissions, if required.

Lease Operations Managers

Your Lease Operations Manager (*LOM*) will always be the main link between the Company and yourself, and are required to act in a professional and responsible manner in their dealings with Lessees.

In the early stages the *LOM* will assist you in the application process and will review your key documents:-

- Application Form
- Financial Status
- Legal and licensing issues
- Business Plan

The *LOM* organises the installation of the successful applicant into the pub, and has a wide range of responsibilities:-

- Help and support as your business develops
- Regular business meetings
- Ensuring the Company's property is maintained
- Managing credit and debt
- Resolving complaints and problems
- Provide advice on legal, statutory and all key issues of the day.

We are committed to ensuring that all our *LOMs* who have contact with you are properly trained. *LOMs* who take up a position with us will receive relevant training within at least 24 months of taking up their position. Where *LOMs* conduct rent reviews they will have received training before carrying out these negotiations. *LOMs* will qualify for exemption from training if in our opinion they are qualified through prior training and/or experience.

5. Licensing Matters

Our Premises Licence

The Licensing Act 2003 and the Licensing (Scotland) Act 2005 introduced Personal and Premises licences in England and Wales, and Scotland respectively. These changes to the Licensing Laws mean that the Premise Licence for every pub has a set of conditions and an operating plan that must be adhered to.

MAB hold the Premises Licence in the name of the Company, unless otherwise agreed.

The LOM and our nominated Licensing Solicitors will contact you to explain the operation of the Premises Licence and a certified copy will be provided. On initial letting, MAB will explain to you any licensing issues over the previous two years.

You will be responsible for the annual cost of renewing the Premises Licence. Any changes to the licence you might wish to make at the start or during the term of your Lease have to be discussed and agreed with us. Our Licensing Solicitors will then make an application for a licence variation to the Local Authority. You will be responsible for the cost of this, but this will be explained to you before you start the variation process.

Although MAB hold the Premises Licence it is very important that you and your staff understand the specific conditions for the premises and trade in accordance with the operating plan. Any action taken by you to risk or jeopardise the future of the Premises Licence will be referred to our legal advisors and may constitute a breach of your Lease, which could in turn risk forfeiture of the Lease.

Your Personal Licence

The Premises Licence requires a DPS or Premises Manager to be in place for whenever licensable activity takes place at the premises. You will therefore need a Personal Licence to operate the business. We will advise you of the process for gaining your licence.

In England and Wales the person in day to day control of the Premises is appointed as the Designated Premises Supervisor (the *DPS*). In Scotland it is as Premises Manager. The Premises Licence requires a *DPS* or Premises Manager to be in place for whenever licensable activity takes place at the premises.

The Designated Premises Supervisor or the Premises Manager must be approved by us.

6. Assignment of your Lease

How You May Sell Your Lease on

You may sell your Lease on, known as an assignment, but only at certain points during your Lease. This process is explained in your legal agreement. Standard forms will be provided on request to enable you to make an application to assign. If you (the assignor) wish to assign your *Lease* you must make sure that the purchaser (the assignee) has access to full financial information, trading figures and accounts for the preceding 3 years, if available.

If information is not made available to the assignee you must explain the reasons why.

The assignor must disclose and provide information as if he was the original landlord and must explain to the prospective assignee that they must:-

- Demonstrate they have completed pre-entry training

- Have met all legal and licensing requirements including holding a personal licence
- Obtained independent qualified professional advice and produced a business plan

MAB will set out the timescale once a request for assignment has been received. Details of the financial considerations, including return of deposits, will be described and a dilapidations schedule will be produced. This schedule identifies items of disrepair with estimated costs that you, as the assignor, will need to put right prior to the assignment to meet your obligations under the *Lease*.

In the case where the assignee is an existing Lessee with the Company, or can prove considerable experience, then MAB might consider waiving these pre-entry requirements. Suitable evidence must be produced by the assignee.

MAB have the right of pre-emption, which will be explained at the time.

7. Material Changes or Exceptional Circumstances

Material or Exceptional Changes

The business plan that you submit, which should include a Profit & Loss and Cash-flow forecast, will help MAB understand the way in which you intend to run the business and the target customers that you intend to attract. Your *LOM* will regularly discuss with you the trading conditions and pub performance to understand how the business is doing. MAB expect you to run your business in a proper and legal manner, adhering to the terms of trading and the obligations set out in your *Lease*.

As your business develops and evolves it may be that the competitor environment in which you trade also changes. We understand that occasionally a set of circumstances may impact your business which is totally outside your control or management. This might result in exceptional financial demands on a business, especially cash-flow, and can cause a range of problems, financial or other. If this is the case, then you should inform your *LOM* immediately of these exceptional or material changes. We would request that all of the key information be provided, especially Tax, VAT, PAYE, full details of creditors and outstanding liabilities. We would discuss with you your business plan and trading history. If it is possible to do so, an action plan will be produced and agreed with you. MAB would expect you to commit to the plan and co-operate through this period.

Surrender

As you take on a *Lease* you should understand and take advice as necessary about the way the *Lease* might end. One such situation is called a surrender of your *Lease*.

Under unusual or extreme circumstances you may wish to consider ending your *Lease* by offering the pub back to MAB. The Company is not obliged to accept or agree to this but will commit to consider all such situations on their own merits. Full trading information must be provided in this case so that an appropriate decision can be made based on the situation presented.

Dilapidations

Toward the end of your current lease agreement we will need to ascertain the extent to which any repairs, restoration and decoration, generally termed dilapidations, are required in accordance with our agreement with you. You will be given sufficient notice of the survey that we will undertake, which will occur not less than 6 months before your agreement ends.

The survey is a requirement under your agreement and will be paid for by you. In the event of any dispute between us as to the extent and nature of the dilapidations you may refer the matter in writing in the first place to the Director of Property. If you are not satisfied with the explanation/justification you

receive you can refer the matter to us through the company's complaint resolution procedure described in section 8 below. If this fails to resolve your problem you can refer the matter to PICA-Service, (again see section 8).

Buy Back of Fixtures and Fittings

At the end of your agreement, MAB has no obligation to buy back the fixtures and fittings. However, there will be exceptions where we may agree to do this.

8. Complaint Resolution

Internal Resolution

In the event of a claim or complaint, a procedure exists for the matter to be resolved. This will be fully explained to you at the start of your Lease. Essentially any complaint will be escalated through the Company hierarchy and will be reviewed by a senior executive or a director.

Initially you should try to resolve any complaint you have with the Company with your *LOM*. In the event that you are unable to find a resolution, then you should then lodge a formal complaint with us in writing to:

The Director of Property, Mitchells & Butlers, 27 Fleet Street, Birmingham B3 1JP
(Please note a complaint via email does not constitute a written complaint)

We will send you an initial reply within 7 working days and a final response to your complaint within 14 working days. In the event that you consider our response to be unsatisfactory or where we have not complied with the timescales above you may then choose to avail yourself of the other remedies available, by referral to the Pub Independent Conciliation & Arbitration Service (*PICA-Service*) or through the courts.

External Resolution – PIRRS & PICA-Service

In addition to complaint resolution through the company you also have the ability to refer any rent dispute to the Pub Independent Rent Review Scheme (*PIRRS*) which provides an independent rent assessor who will determine what a fair rent for your pub is when either the tenancy or lease is up for renewal or at any regular rent review. The company is bound to accept the outcome of the independent rent assessment as is the Tenant/Lessee. Details of the *PIRRS* application process and procedures to be followed can be found at www.pirrscheme.com

Where you believe that the company has not complied with the terms of the LEASED Code of Practice (1-499 Tied pubs), or where our behaviour has not reflected the intentions set out in the Code, a similar service will be available through the Pub Independent Conciliation & Arbitration Service (*PICA-Service*). In the event that you have been unable to reach a resolution of a problem or complaint with us after going through our Company internal complaint resolution procedures you may refer the problem to *PICA-Service*. Both parties enter *PICA-Service* agreeing to be bound by the decision of the *PICA-Service* Panel, although this does not forfeit your right to seek further redress through the courts. Full details of the application process and the procedures to be followed when referring a complaint to *PICA-Service* can be found at www.picaservice.com

Rental issues should be referred to *PIRRS* but all other matters can be raised through *PICA-Service*. We are committed to the professional standards enshrined in the LEASED Code of Practice and to the operation of both *PIRRS* and *PICA-Service*.

Glossary of Terms and Abbreviations

BII	The British Institute of Innkeeping – the professional body for the industry, a charitable organisation providing member services and benefits as well as an accreditation awarding body for trade qualifications.
Divisible Balance	The Divisible Balance is the estimated annual net profit the business is assumed to produce, taking account the <i>FMT</i> and the assumed costs of running the business. The current level of rent is not included in the Divisible Balance as a rental bid is subsequently produced after this point, so that the Landlord and Tenant take a share of the profit.
DPS	Designated Premises Supervisor - In England and Wales the Designated Premises Supervisor (DPS) is the person designated as the responsible individual that supervises the sale of alcohol and the running of the premises. In Scotland the Premises Manager is the person responsible for ensuring the premises is run in accordance with the requirements of the licence.
FMT	Fair Maintainable Trade – key trading assessment for rent and rates calculation, based upon the level of trade a reasonably efficient operator would generate from a particular business
LOM	Lease Operations Manager – your key link with Mitchells & Butlers
Fully Repairing Lease	A fully repairing lease means that you have to take the building in its current condition, and are then responsible for putting it into full repair and keeping it maintained at that level.
Heads of Terms	A summary of the terms and key parts of the agreement between the applicant and the Company. A very important document.
LTA	Landlord and Tenant Act 1954 - This statute gives a Tenant protection throughout the term of their Lease and on expiry of the term, as their occupation can only end on certain grounds. The onus is on the landlord to prove a relevant ground; otherwise the Lease can be renewed on similar terms.
PPL	Phonographic Performance Limited is a company set up by the major record companies to licence public performance of the music they manufacture. This includes the use of sound recordings provided by records, tapes and CDs.
PRS	The Performing Rights Society is a non-profit making organisation set up by the composers and publishers of musical compositions to licence the performance of their copyright works to the public.
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006 granting certain employment rights to staff employed at the premises prior to transfer to a new employer. There are obligations on both the transferor and the transferee which must be adhered to. You should seek professional advice on this.