

Buying a pub? Some points to bear in mind

If you have decided to buy a public house, you have taken a brave decision: running a pub is hard work physically, involving long hours, and very many pubs struggle to make ends meet financially. It is not a business for the faint-hearted! However, you can help yourself get off to a good start by ensuring that you buy the pub in good order – or that the price reflects the actual conditions involved

- 1 The price you are paying should reflect the **condition of the buildings**. I *strongly* recommend that you have a full survey carried out – whether the pub is freehold or leasehold – and that you adjust the price to reflect any problems found. In the case of a leasehold pub, the freeholder will often inspect the property and prepare a “schedule of dilapidations” – a list of repairs that the freeholder wants carried out (by the seller before the sale is completed, or by you within a limited period after you buy; however, this list is not necessarily a full list of all defects, and is no substitute for your own survey)
- 2 Similarly, you should check the **condition of all equipment** (refrigerators, freezers, washing machines, dishwashers, boilers, etc) that are included in the sale; often, it is appropriate to arrange for suitable specialists to check these items on your behalf. I will ask the seller’s solicitors to provide relevant documentation – recent certificates relating to the electrical wiring, emergency lighting, gas appliances, portable electrical equipment, etc; I will copy these to you as I receive them, but I am not qualified to interpret them
- 3 As a business owner, you will be responsible for complying with all relevant **legislation**: disability discrimination legislation, asbestos at work regulations, fire safety assessment requirements, etc. Again, I will ask the seller’s solicitors for the seller’s relevant paperwork, which (to the extent that it is available) you can use as the basis for your own compliance, but the responsibility for compliance will be yours once you buy, even if the seller has not complied
- 4 All **employees** of the business – including part-time employees - have protected employment rights: you must take them over on no worse terms of employment than they currently have. If you plan to dismiss anyone or make any changes to their terms of employment, please tell me as soon as you can, so that I can advise on the best way to manage this
- 5 In making your decision to buy, you are probably relying on the seller’s **accounts** being accurate, so that they give a clear picture of the financial position of the business. I will try to include in the contract a warranty by the seller as to the accuracy of the accounts – and if this is resisted, that is a warning sign. However, you will not find out any problems until after you have paid for the pub and, normally, the seller has disappeared. You and your accountant should therefore do what you can to check the accuracy of the accounts to the extent that you are, in fact, relying on their accuracy
- 6 On completion of your purchase, the **premises licence** must be transferred into your name. I can deal with this if you want – or if your mortgage lender insists – but it is normally a simple matter of completing the relevant forms and delivering them to the local council and the police, which you can easily do yourself and save paying my fees for this. I will, however, get the seller’s written consent to the transfer and pass this on to you
- 7 If you have any **questions** or doubts at all, please speak to me – I may not be able to help directly, but should be able to put you in touch with someone who can

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