



# WORKING TOGETHER

## A SUMMARY OF OUR MANAGEMENT SERVICES AGREEMENT

In any business relationship, it's important that both sides know how things work. The way we work with you is set out in the Management Services Agreement (or MSA for short). To give you an overview, as early as possible during our relationship, we've created this summary of the MSA. Please take a few minutes to read it and ask us if you have any questions.

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## OUR PHILOSOPHY

At the Craft Union Pub Company (Craft Union), we believe in putting brilliant pubs back at the heart of local communities, because pubs play a vital role in the lives of their customers and we are committed to nurturing this.

We're looking for passionate, committed and ambitious local heroes to join Us and help transform each community one pub at a time.

We stand shoulder to shoulder with our operators, supporting them as they practice their craft of running outstanding pubs. For us, they are our local heroes.



### **About us**

We have a simple 3 step recipe for creating a great pub:

#### **Great People**

We take our time to find the right people to run our pubs, and then support and enable them to build their own great teams. Happy people make happy pubs.

#### **Great Design**

We decorate to the highest of standards, creating welcoming places you will want to spend time in. A real feeling of home from home!

#### **Great Choice and Value**

From a varied drinks range, to all the best sporting action, to pub quizzes and live music. Get involved in as little or as much as you would like.

### **How we operate**

- We (**Craft Union**) enter into the management services agreement (**MSA**) with a private limited company (**Service Provider Company**) that is owned by **You**. You must be a Director of the Service Provider Company. In the MSA You are referred to as the **Supervisor**.
- Your Company operates and manages the pub, and is paid weekly an Operating Fee which is based upon the sales in the pub. Your Company will employ, train and develop such employees as you believe are required to manage the pub. You **are not** an employee of Craft Union, You are an employee of Your Service Provider Company.
- The Craft Union team will work with You, providing assistance in operating the pub at the heart of the local community.
- You and your family may live at the pub if there is appropriate residential accommodation as long as the MSA is in force. This is a service occupancy agreement, not a secure tenancy, which is terminated when the MSA ends.



## 1. What we do for you

### *Working alongside you*

- We will appoint an Area Manager to work closely with you, to help develop the business.

### *Encouraging success*

- We provide comprehensive marketing support, including regular promotions and we provide marketing collateral to support the operating plan.
- We develop incentives to encourage outstanding performance.

### *Supplying the Pub*

- We arrange for the supply of products that we reasonably believe are necessary for the operation of the pub. We pay for all the products that we supply to the pub.
- We will pay for entertainment, door security and TV sports packages that we reasonably agree with you is required for the pub.
- We **do not** pay for products or services that you obtain without our agreement.

### *Maintaining the Pub*

- Whilst we expect you to keep the pub clean and tidy, we are responsible for the maintenance of the pub. We seek to maintain the property in an appropriate condition to support the operation of the pub.
- We will carry out regular inspections of the entire property, including residential accommodation.

### *Insurance*

- We insure the building and provide public liability insurance.
- We can also arrange employer's liability insurance for you, if you wish.

### *Tax, utilities and licences*

- We will pay all taxes, rent and rates which fall due in relation to the pub, except for Council Tax and TV licence for the residential accommodation (if applicable).
- We will pay all reasonable water, gas and electricity costs for the property.
- We will pay for all the licences you need to run the business.

### *Stock levels*

- We will always do our best to make sure you have adequate stock levels to run the business properly.

## 2. What you do for us

### *Designated Premises Supervisor*

- You, or another Director of the Service Provider Company, will be the Designated Premises Supervisor for the Pub.

### *Sales*

- You will run the pub according to our guidelines and do your best to maximise sales.



### ***Staff***

- It is your responsibility to determine what hours you and your team work. We expect You to ensure that the pub is properly staffed at all times by suitably trained people. They must be able to work in the UK.
- You will be responsible for any losses we might suffer as a result of any claim made by a member of your staff, or if a claim is made due to a member of your staff's actions.
- You must make sure all employees are treated fairly and reasonably, in line with our guidelines and UK law.
- All your members of staff must be employed by you. No-one can be self-employed.
- As their employer, you are responsible for managing their employment and keeping records, including sorting out PAYE, National Insurance, holidays and sick pay. You will probably need an accountant to support you with this.
- You will need to keep accurate records of all training undertaken by your staff.
- We recommend that every team member has a valid Food Level 2 (Safety and Hygiene for Catering) certificate.

### ***Licences***

- You will be responsible for making sure we keep all the licences needed to run the business. You must not do anything that could lead to the loss of any of these licences.

### ***Accounts***

- You will keep full accounts for the business and provide us with these accounts on request.

### ***What you can sell***

- You can only sell products at the property that are allowed by your MSA.

### ***Other business***

- You must not let any other business take place at the property unless we approve it in advance in writing.

### ***Food***

- You agree to offer food at the property if we ask you to.

### ***Stock***

- You will be responsible for managing stock levels in a way that supports the business, including observing sell-by dates.
- You will be responsible for any stock deficiencies or stock losses that are incurred.

### ***Retail audit***

- You will fully engage with our Retail Audit Team who will regularly visit the pub to undertake various reviews and complete compliance checks.

### ***Looking after the property***

- You will need to keep the property clean and well-maintained.
- You will ensure that the internal decoration of the pub (including the Residential Accommodation) is maintained to a standard approved by Craft Union.

- You must not alter or decorate the property without written permission from us.

**Gaming machines**

- We will approve all installations of gaming and amusement machines, and you will operate them in line with our guidelines.

**Missing money or fraud**

- You're responsible for any money missing from the till or any forged or fraudulent payments affecting the business.

**Reporting complaints or warnings to us**

- If you receive any complaints, warnings or visits from the Police, or Fire Brigade, or Licensing, or an environmental health officer, or any other authority, you must let us know immediately. You must also immediately give full details of all customer complaints or third party claims. Failure to report any such matters may result in the immediate termination of the MSA.

**3. Supervisor's obligations**

**What the Supervisor must do**

- The Supervisor's role is to guarantee that the Service Provider Company meets its obligations to us.
- The Supervisor must always hold 100% of the shares in the Service Provider Company.
- The Supervisor must be actively involved in

running the Service Provider Company.

**4. Financial obligations**

**Bond (deposit)**

- You will pay the agreed bond to us at the commencement of the MSA.

**Weekly revenue sheet**

- You will provide us with a weekly revenue sheet in an agreed form.

**Our payments to you**

- We will pay you what we owe you under the terms of the MSA.

**VAT registration and payment**

- You must register for VAT if you exceed the VAT registration threshold that is determined by HMRC.
- You will be responsible for filing VAT returns and paying VAT due on time to the HMRC.

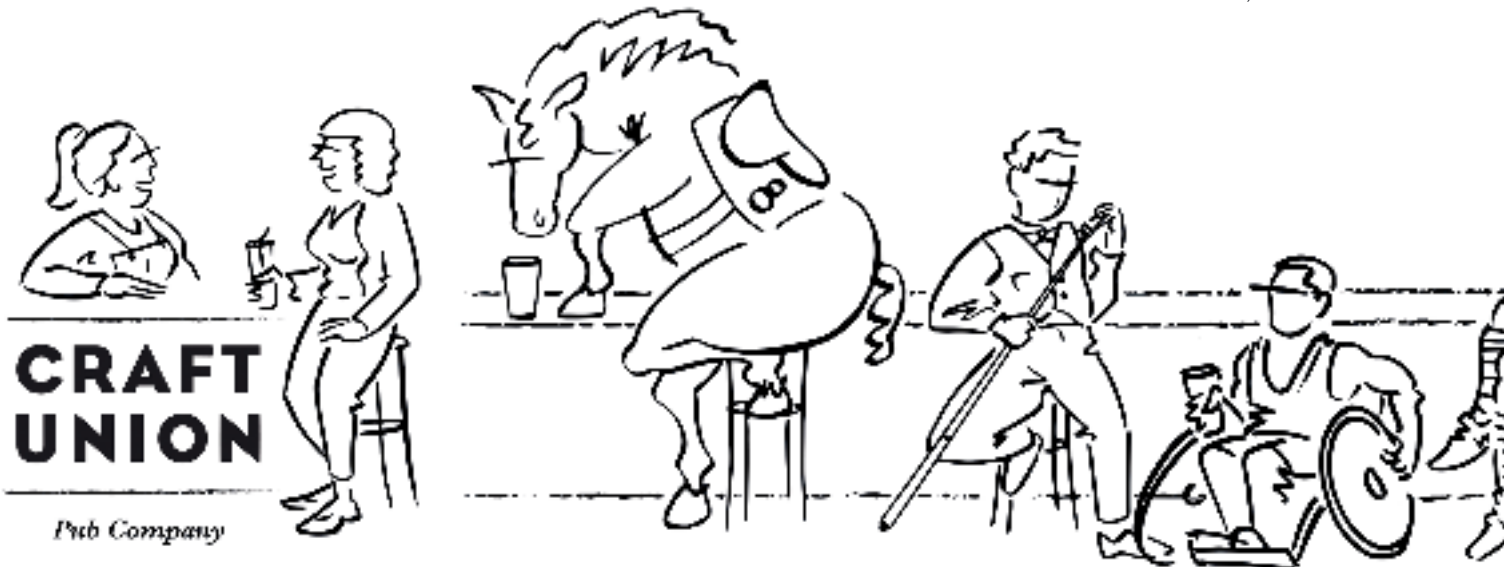
**Other income**

- You are not allowed to make income from the business other than that allowed by the MSA, without our permission.

**5. Agreements**

**Intellectual property**

- We own all the intellectual property associated with the business (including all social media and websites connected to the business).



- At the end of the MSA, you and the Supervisor will give us any necessary information or documents to make sure all intellectual property is held in our name.

**Confidentiality**

- You and the Supervisor will keep all details of running the business confidential, both during the MSA agreement and after it has expired.

**Involvement in a competitor business**

- You (or the Supervisor) are not allowed to be involved in another business which competes with the business at the property and is within 2 miles of it. This applies during the MSA and for 6 months after it ends.

**6. Accommodation and property**

**Living at the property**

- The Supervisor and their family can live at the property as long as the MSA is in force. This is a service occupancy agreement, not a secure tenancy.

**Rent, Council Tax, TV Licence**

- We manage the residential accommodation at the property. We cover the rent and bills, except for Council Tax and TV licence, which you must pay.

**Looking after the property, insurance and pets**

- The Supervisor must look after the interior of the residential accommodation, including fixtures and fittings. No changes can be made

without our permission. The Supervisor shall be responsible for insuring any personal belongings, which are in the residential accommodation.

- No pets are allowed without our permission.

**7. End of the contract (the MSA)**

**Notice to end the contract**

- To end the contract, we have to give you at least 2 weeks' notice.
- If you want to end the contract, you have to give us at least 2 weeks' notice.

**Breach of contract**

- If the Supervisor breaches a term, we can terminate the contract without any notice.

**What happens when the contract ends?**

- When the MSA comes to an end, you must return (or destroy if requested by us) anything we've provided you with to run the business.

**Vacating the accommodation**

- When the contract ends, the Supervisor (and any family) must vacate the residential accommodation within the given notice period.

**Returning your bond (deposit)**

- We will return your bond, minus any deductions for any losses or damage. We will need a reasonable amount of time to assess any liabilities that may be deducted from your bond.



## 8. General

### *Serious illness or death of the Supervisor*

- In the unfortunate event of the Supervisor becoming too ill to work (or passing away), you can appoint an alternative Supervisor. Alternatively, we may provide you with a suitable manager.

### *The MSA (Management Service Agreement)*

- You can't transfer the MSA, assign it to someone else or dispose of it without our permission.

### *Matters beyond our control*

- We won't be liable for any failure to meet our obligations caused by matters beyond our control.

## Confirmation

My Area Manager or Regional Manager has taken me through this Working Together Summary. I confirm I am aware that I should seek independent legal advice before signing the MSA.

Signature

Name (PRINT)

Pub Name

Pub Town/Postcode

Date

## Questions?

If you have any questions, or for more information, please contact:

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