

It is vital that we, as your agent, are provided with the necessary information at the outset so that we can give you the correct advice and present your business for sale in the best possible manner. In providing advice and marketing recommendations, we initially rely on information available to us but, ideally before the marketing campaign commences, we would like to be provided with the following:

## Accounts

A summary of the last three years A bridged Trading Profit & Loss Accounts with a title page showing the name and address of your accountant. The accounts should be signed. Abridged accounts should present your business in the best light enhancing your net operating profit by excluding expenses which, are personal to you, the proprietor, and any unusual or one off expenses. Items normally excluded, are those personal to you such as mortgage interest, depreciation, private motoring, pension payments, professional fees etc. If there have been major repairs in one year then these should be highlighted.

It would also be helpful if the accounts show the split in turnover between wet sales, food sales and accommodation, if appropriate.

If you are in the middle of a financial year copies of your VAT returns will be required for the current year. A comparative breakdown of monthly turnover figures would be appreciated by prospective purchasers and lenders as this helps them understand the seasonality of your business.

It would also be useful to ask your Accountant to give early consideration to the apportionment of the sale price between the freehold/leasehold interest, the goodwill and the inventory.

## Site Plan

It would be helpful if a copy of the Land Registry Plan could be provided to us as early as possible. From this we can check the area of your property, define boundaries etc. This will also accelerate the search process when a buyer is found as we would forward a copy to the purchaser's solicitor when terms have been agreed. If the Land Registry Plan is not available we can supply an up to date copy of the Ordnance Survey Plan at a nominal charge.

## Photographs

In order to help us prepare our illustrated particulars there are occasions when we would like to have the benefit of photographs that you have taken for your commercial literature or your brochure. Bettesworths, have a very active website. Every property on which we take instructions automatically goes to our website unless you particularly do not want it to be advertised in this way. We are obtaining more and more hits and many sales have resulted from prospective purchasers viewing our website. We now have the opportunity of including a panoramic virtual tour on the website in conjunction with 3DBV and we offer this service to our clients at a very reasonable cost, plus travelling expenses if appropriate. When we are successful in selling your property, we would rebate this expense from our commission.

## Staff List

Staff are your biggest single overhead, your biggest asset and sometimes your biggest liability. Please remember that employees are protected by the Transfer of Undertakings Regulations (TUPE). The effect of this law is that the staff generally go with the business, save in certain particular circumstances where it may be possible to make other arrangements. We would, therefore, appreciate details of all employees working in the business, their names, hours of work, rates of pay, length of service, job descriptions, dates of births and any other material terms of employment. At a later date your solicitor will require a copy of this information together with copies of written contracts.

## Items on lease hire

A list of any items on lease purchase, HP or free loan should be provided. In due course you will need to provide your solicitor with copies of all relevant agreements, together with the details of payments made and whether the agreements are transferable. In many cases these agreements are non-assignable and will have to be settled by you on sale or alternatively the Buyer will have to apply to the companies concerned for novation or assignment.

## Liquor and other licences

A copy of your Restaurant or justices On Licence, any Supper Hour Certificate, together with copies of any Gaming Licences should be made available. If your business has a Public Entertainments Licence, a copy should also be supplied. In due course your solicitor will require these, together with details of any performing rights or phonographic performance licences for the playing or broadcasting of background music. Your solicitor will also require copies of recent renewal invoices if possible. If the premises have been altered in any way, a copy of the current layout plan permitting liquor sales will be required. It would also be useful to provide the address and telephone number of the Clerk to the justices in your particular area.

## Planning

Do you have the benefit of any planning permissions? If so, please may we have copies of the plans and consents. If these are likely to enhance the value of the property prospective purchasers will want to see the plans.

Your solicitor will also require details of any planning consents obtained both current and in the past, plus details of any work carried out by you or your predecessors.

Nowadays, you may also be required to produce the relevant paperwork in respect of Building Regulation Consents.

## Estate Agents Misdescriptions Act

One of the reasons for obtaining much of the above information is to ensure that the particulars are correct. Under the Estate Agents Act 1979 it is a criminal offence if our particulars are found to be misleading. We do, therefore, wish to work in tandem with you to make sure that they are correct and give a true reflection of your business. We do, have a duty to check the information given, which includes updating particulars where properties have been on the market for a length of time.

## Legal preparations

In order both to maintain the impetus of the sale, and to avoid the risk of your prospective purchasers going cold, we would ask you to instruct your solicitor at an early stage.

## Title deeds

You should either arrange for the Title Deeds to be sent to your solicitor or, alternatively, let your solicitor know who your lender is (and the account number), so that the Deeds can be requested. You should also let your solicitor know approximately how much is

currently outstanding on mortgage and whether there are any other charges secured against the property and/or the business.

## Inventory

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An inventory of the trade furnishings, fixtures and equipment will be prepared by us when a sale has been agreed. This will form part of the sale contract. Please advise us beforehand if any particular items are to be excluded. In our sales particulars, we specify that owner's personal items are excluded, but if any of these are in trade areas then we should know at the outset e.g. personal pictures, family heirlooms etc.

When a Sale has been agreed

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Under the Electricity at Work Regulations 1989 and Gas Installation & Use Regulations 1994, it is the proprietors' responsibility to properly maintain electrical and gas equipment and to make sure it is safe for all those who may use it. As a consequence more and more purchasers are asking for test certificates on electrical and gas appliances. You may have to provide these at your cost.

## Fire Certificate / Environmental Health

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If your premises require a Fire Certificate then you will need to supply a copy to your solicitor in due course. If the premises do not require a Fire Certificate, then they may well have been inspected by the Fire Officer in conjunction with any application for a justices Licence or a change to the layout of premises. Copies of all relevant paperwork and details of when the Fire Officer last inspected will have to be made available to your solicitor. If an Environmental Health Officer has inspected the premises recently, then you should provide a copy of any recommendations made by that officer following the most recent inspection.

## Stock

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The purchasers will take over wet and dry stock and in pubs bar glassware at valuation on the day of completion. It is customary to have one stocktaker acting independently between both parties and the fee is shared. However, if preferred each side can appoint their own stocktaker.

We can recommend a stock taker if necessary.

## Searches

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In order to expedite matters your solicitor can undertake Local Searches, identify any matters, rights of way etc to which reference would be made. You will have to answer extensive standard pre-contract enquiries, which all purchasers will ask. Some of the questions may seem obvious or unnecessary, but they must be answered.

In addition to the information specified above your solicitor will also require details of:

## Advanced bookings and deposits

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Arrangements should be considered for the payment over of any deposits for advanced bookings. The full information with relevant dates should be supplied to your solicitor at the earliest opportunity.

## Pre-payment for advertising

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Hotels particularly pay for seasonal advertising in advance. If you are looking to recover the cost of that advertising from your purchaser, then full details of all payments should be given to your solicitor at the outset. Similarly, trade association membership details should be provided with relevant addresses, subscription rates and benefits.

## Brochures and literature

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Most purchasers will want to take advantage of any brochures, publicity material, stationery and other paperwork used in conjunction with the business (and which does not have your name or VAT number on it). Copies of this paperwork should be passed to your solicitor.

Although the above notes are by no means exhaustive they do represent the major items that need to be considered in any hotel or pub transaction. However, we hope this information will be helpful. If you have any queries please contact us or your solicitor.

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