
From: .
Sent: 13 June 2013 11:38
To: Enquiry Enquiry (Other Government Departments)
Cc:
Subject: Licensed Trade

Dear Sirs

My experience of working in the licensed trade

I took a ten year lease with Punch Taverns 7 years ago. Back then the experience was not good as there were significant problems with the electrics and gas in the building. We had to spend a considerable amount of time and money getting the building up to scratch and it was two years before we started to show any return.

More recently I have had a couple of much improved experiences with Punch Taverns. In two sites I have taken on 5 year tenancy agreements, Punch has invested heavily in the buildings ensuring they are statutory compliant and completely refurbished and decorated.

The rent deals on the latest sites I have taken on have allowed me to make a return which I have then been able to reinvest in Fixtures and Fittings.

However the price of beer purchases remains a bone of contention, but this is not all down to the Pub Company. The price charged by the brewers has increased considerably over the last 5 years. This, combined with the alcohol duty escalator and increases in VAT, has pushed the price of alcohol sold in pubs upto a premium level.

By my calculation, the price of a £3 pint is broken down approximately as follows

VAT	0.50
Alcohol duty	0.33
Pub Co costs & profit	0.65
Publican overheads	0.92
Publican profit	0.20
Brewer cost + profit	0.40
 Total	 3.00

The publican is left with the smallest share of cake in terms of profit as the Government, Pub Co and site overheads take the majority of the share of the total price of a pint.

Regards