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Dear Licensee,

Admiral Rent Policy – Updated 23rd October 2020

In September, we laid out the following future rent profile, to assist you with your recovery planning:

Rent invoices (Subject to an annual floor rent of £5,200)

Month	% of headline rent chargeable
September	60%
October	60%
November	70%
December	85%
January	85%
February	90%
March	95%
April and thereafter	100%

Unfortunately, the trading outlook has deteriorated since September 24th, with the Prime Minister's introduction of a 10pm curfew and other restrictions. Consequently, the English government yesterday announced a monthly grant to support businesses in Tier 2 and has also enhanced the Job Support Scheme and the Self-Employed Income Support Scheme. The Welsh and Scottish administrations have announced their own restrictions and support policies (details of all these enhanced support schemes are on the Admiral Taverns Website).

Based on the trading data for Admiral Taverns pubs and the improvements to government support available, we have taken the decision **to continue to apply rent credits and to charge (net of these rent credits) only 60% of contractual rent**. The planned increase to 70% in November has been postponed and rent will continue at 60% of contractual rent until further notice. We will continue to keep rent under review, as trading and government policy evolves.

Where Pubs are forced to close by government regulation.

Consistent with our approach earlier in the pandemic, we will charge rent based on the principle of affordability.

Where a pub is **forced to close**, the rent payable for a closure period of up to 28 days will be 10% of the contractual rent, equivalent to 'Domestic Rent' (unless there is no domestic accommodation, in which case no rent will be payable). Licensees will continue to pay for buildings insurance and the service charge which ensures building compliance, which we will continue to deliver whilst abiding by COVID Working guidelines.

Correspondence Address

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Registered in England & Wales No. 05438628

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If a closure period extends beyond 28 days, Admiral Taverns will review all grant support available to you as licensee, and work with you to determine an affordable rent in this light. We will assume that all available grant support has been accessed by licensees and our BDMs and Head Office staff will make themselves available to support you in any way we can, to help apply for and receive this funding.

You will also be aware that the UK government has introduced a new Job Support Scheme for businesses in Tier 3 and in Tier 2, and this may assist you in paying salaries and wages and retaining staff. Please note that Admiral's website contains our schedule of available UK government support, which is updated regularly. Please visit:

admiraltaverns.co.uk / 'Rising From Lockdown' / Government and Industry Support (**LIGHT BLUE BOX**)

In the meantime, we will continue to be proactive in supporting you and your business. We saw in July how energetic and motivated licensees can bounce back from adversity and re-establish great community pubs. That must be our joint ambition and we will do everything we can to help you prepare to go again once these unjustified restrictions are removed.

Non-rent charges

In September we wrote to those of you who pay some specific non-rent charges. In that letter we confirmed that from October 2020 the non-rent charges (e.g. F&F payments and deposit build-ups), which had been halted since the March 2020 lockdown, would recommence.

Considering the recent deterioration in trading across the pub sector, we have decided to stop these charges again, effective from November 1st, until we believe it is reasonable to recommence. We will of course keep you fully informed in advance of any resumption of charges.

I hope this information is helpful and timely. We will continue to work closely with you to overcome the challenges posed by this pandemic. Where you can trade, please ensure that you maintain COVID security in your pub by following your applicable national and local rules and complying fully with the need to Track & Trace staff and customers on every visit.

If you have any queries on rent and other charges, or on how to ensure your pub is COVID Secure, please do not hesitate to contact your Business Development Manager in the first instance.

Yours sincerely,

Chris Jowsey

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