

Dear Licensee

21st December 2020

Admiral Taverns Rent Policy, January 2021 – England Tied

Following on from our December 1st rent policy notification, the Covid situation and the government's handling of it (depending on your point of view) have deteriorated. We currently have 4 'Tiers' in effect around England and all pub businesses have been harmed.

Although wholly inadequate, the government has at least confirmed several grants and support mechanisms for licensees during lockdown, namely:

- Cash grants of between £1,334 and £3,000 per month, depending on Rateable Value.
- Additional Restrictions Grants (ARG).
- £1,000 Christmas Support Payments for wet-led pubs.
- Backdated grants for those in Tier 2 or 3 from 1st August to 5th November.
- The continuation of the Coronavirus Job Retention Scheme (CJRS) until April.
- The Self Employment Income Support Scheme (SEISS) boosted to 80% of trading profit.
- The Bounce Back Loan Scheme has been amended to allow businesses to top up their loan to the lower of £50,000 or 25% of their annual turnover.

As the government stated on 5th November, the intention of the cash grants is that "90% of small businesses in the closed Retail, Hospitality and Leisure sectors should broadly have their monthly rent covered by these grants."

However, we have reviewed our rent policy with considerable care and with due regard to the affordability of rent considering the likely ongoing costs of licensees, most of whom also live on site. As before, we want licensees not to be overburdened by debt, but be highly motivated to reopen as soon as permitted. We also want to provide you with clarity and transparency from Admiral Taverns, so that you can plan with as much certainty as possible amidst the pandemic.

For January 2021, we are proposing no change to our rent policy of December 2020.

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Therefore,

- If forced to remain closed and;
 - If your Rateable Value is £15,000 or less, you will receive a rent credit as appropriate to ensure your combined charge for rent, insurance & service charge is **capped at £500 per month** (ex VAT).
 - If your Rateable Value is more than £15,000, you will receive a rent credit as appropriate to ensure your combined charge for rent, insurance & service charge is **capped at £1,000 per month** (ex VAT).
- If you are in Tier 2 and elect to trade by providing a 'substantial meal' with the sale of alcohol, you will continue to benefit from the capped combined charge above (either £500 or £1,000 per month depending on Rateable Value).
- Once able to trade again in Tier 1, you will receive a rent credit of 40% per month. *(Reductions in rent payable from headline agreement rent will be subject to a 'floor' or minimum rent payable of £5,200 p.a.).*
- Each of these credits will be reviewed on an ongoing basis as Government policy evolves, and we will inform you as soon as possible of any future changes.

As stated above, 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. However, all other non-rent charges (e.g. F&F rental & deposit build up) will remain on hold and will not be charged until an appropriate time in 2021.

I believe this is a fair and proportionate approach to take and hope that you recognise that Admiral Taverns is supporting all our licensees to the best of our ability. Like you, our resources are finite but by operating in this way, we believe we are working with you and remain committed to reopening great local pubs that serve their community.

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T A V E R N S

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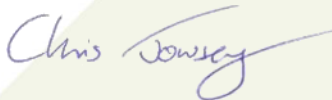
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Given the rent policy outlined above, Admiral Taverns income will be dramatically reduced. We have placed many of our employees including your Business Development Manager (BDM) on full time furlough but will continue to provide a service to licensees whilst pubs are closed, and we will bring our staff back to work as pubs open. Please contact us as soon as possible if you have any queries on rent policy or phone 01244 321 171 (Option 5) or email enquiries@admiraltaverns.co.uk.

In the meantime, we are lobbying the government and MPs to remove the unjustified and counterproductive restrictions on pubs and to increase the financial compensation available to licensees. I hope also that the vaccines can be rolled out quickly, starting with those most in need of protection, so that your pub can soon return to unrestricted trading. Please continue to support your communities as I know so many of you do. Besides being the right thing to do, it clearly generates great goodwill and a desire to support your business locally.

Notwithstanding these hard times, on behalf of all of us at Admiral we wish you and your families a happy Christmas and of course we all look forward to a significantly better New Year.

Yours sincerely



Chris Jowsey
Chief Executive Officer