

Dear Licensee

21st December 2020

Admiral Taverns Rent Policy, January 2021 – Scotland Tied

Following on from our December 3rd rent policy notification, the Covid situation and the Scottish government's handling of it (depending on your point of view) have deteriorated.

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

- Temporary Closure Grant or Business Restrictions Grant.
- The continuation of the Coronavirus Job Retention Scheme (CJRS) until March.
- 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.

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. 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.

Therefore,

- If you are **forced to remain closed** (*being in, or from when you move into, Level 3 or 4*) 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 you are in a position to elect to trade by providing food and/or non-alcoholic drinks, (*being in, or from when you move into, Level 2*) **you will continue to benefit from the capped combined charge above at £500 per month** (ex VAT).

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- If you are able to trade again and sell alcohol (*being in, or from when you move into, Level 0 or 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 Scottish 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, 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.

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 (David Balmanno) 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 Scottish government and MSP's 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.

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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