

Regulation 43 compliance report framework for pub-owning businesses

Reporting year 2020/2021

Pub Owning Business: Admiral Taverns

Reporting CCO: Andrew Clifford

Date of completion 30th September 2021

Declaration of compliance

Audit Committee Statement of compliance

A declaration that the statutory requirements in Regulations 43(5), (7), (8) & (9) have been complied with.

We confirm that

- The Chair of the Audit Committee approved the report on 27th September 2021 having been provided with and reviewed the internal audit reports of 23rd September 2021 and been led through the annual Compliance Report by the Company Compliance Officer.
- A summary of the annual Compliance Report will be included in the company annual report with the full report published on the company website on or before 30th September 2021.

Section A – Data provision

Estate data

As of 31 March 2021, total number of Pubs Code Agreements	850
Total acquisitions since 31 March 2020	0
New tied tenancies since 31 March 2020 of premises that were already within the estate	16
Total disposals since 31 March 2020	24
Of which were to another Pub Owning- Business (POB)	0
Of which were sold to a person who is not a landlord of 500 or more tied pubs	11
Of which were permanently closed or directly disposed for other use	13
Pubs no longer tied (but still owned) since 31 March 2020	32
Of total Pubs Code Agreements, how many are:	
Agreements contracted into the Landlord and Tenant Act 1954	136
Agreements not contracted into the Landlord and Tenant Act 1954	338
Short agreements	376
Of those, short agreements entitling occupation by a tenant for a total period of 12 months or more	166
Pub Franchise agreements within the meaning of regulation 55	0
Qualifying Investments within the meaning of regulation 56	3
Within the reporting period	
Number of legal surrenders	8
Number of assignments	1
Number of abandonments	2
Number of forfeitures	1
Of tenancies granted since the Pubs Code came into force	0
Of tenancies that are:	
Less than 1 year	0
Between 1-2 years	0
Between 3-5 years	1
6 years or older	0

Contractual arrangements

List all types of contractual arrangements within your Pubs' estate, for each identify if it is a Pubs Code Agreement or otherwise

Type of contractual arrangement	Pubs Code Agreement or otherwise
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Admiral Tenancy At Will	Short Agreement
Admiral Operator Managed Tenancy At Will	Short Agreement
Admiral Tenant Management Agreement (6 months)	Short Agreement
Admiral Business Support Agreement (11 months 15 days)	Short Agreement
Admiral 5 Year Tenancy (5 years)	Pubs Code Agreement
Admiral Lease (10-30 years)	Pubs Code Agreement
Admiral MRO Lease (10-30 years)	Free of Tie
Legacy Tenancy (3-6 years)	Pubs Code Agreement
Legacy Lease (10-30 years)	Pubs Code Agreement
Admiral Management Services Agreement	Non-Pubs Code Agreement

Rights to Renew

Total number of regulated tenants with a contractual right to renew (as of 31 March 2021)	0
During the reporting period number of regulated tenants who exercised a contractual right to renew their tenancy	0
Of which, the number of these to which the POB consented	0
Of which, the number of these that were opposed by the POB	0
Section 25 Notices issued opposing a new tenancy LTA 1954	0
Section 25 Notices issued proposing a variation of the terms	1
Section 26 Notices opposed	0
Section 26 Notices unopposed	1
Number of instances of landlord opposing renewal in whole or in part in reliance on s.30(1)(g)	0
Number of Landlord and Tenant Act 1954 Section 25 notices served during the reporting period after MRO notice received Of which, the number served within a MRO procedure	0
Number of ongoing Landlord and Tenant Act 1954 court proceedings where the POB relied in whole or in part on an intention to take the pub back into occupation Of which, the number of objections to a new tenancy that were upheld	0
Of which, the number of objections to a new tenancy that were dismissed	0

New tenants/new agreements

Number of new tied tenants overall in this reporting period.	192
Number of premises previously under tied tenancies, leases and/or licences that have been brought into the managed estate during this reporting period.	1

Number of new tied tenancies/protected under the Landlord and Tenant Act 1954	5
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Rent proposals

Number of rent proposals provided within the reporting period	
under regulation 15(2)-(5)	0
under regulation 15(6)	0
under regulation 15(7)	79

Rent assessment proposals

Number of rent assessment proposals provided under regulation 19(1)(a) within the reporting period	21
Number of rent assessment proposals under regulation 19(2)(a) within the reporting period that have been:	
Requested	0
Provided	0
Rejected	0
Number of rent assessment requests under regulation 19(2)(b) within the reporting period	
Requested	0
Provided	0
Rejected	0
Number of rent assessment requests under regulation 19(2)(c) within the reporting period	
Requested	0
Provided	0
Rejected	0

Market Rent Only (MRO)

Within the reporting period:	
Total number of MRO notices received	3
Of which were accepted	2
Of which were rejected	1
Of which were withdrawn	0
Number of MRO notices under regulation 24 – a significant increase in the price of a product or service	
Received	0

Accepted	0
Rejected	0

Market Rent Only (MRO) (cont.)

Number of MRO notices under regulation 25 – a trigger event	
Received	1
Accepted	0
Rejected	1
Number of MRO notices under regulation 26 – the renewal of a pub arrangement	
Received	1
Accepted	1
Rejected	0
Number of MRO notices under regulation 27 – a rent assessment or an assessment of money payable in lieu of rent	
Received	1
Accepted	1
Rejected	0
Number of full responses to accepted MRO Notices issued	2
Number of full responses to rejected MRO Notices issued	1
Where MRO Notice has been received and accepted:	
Free of tie arrangements agreed by new agreement	0
New free of tie arrangements agreed by deed of variation	0
New tied arrangement agreed by new lease	0
Other new tied arrangements agreed (rent or other terms)	0
Tied tenant departures from the pub	0
Other outcomes	0
Ongoing – yet to be concluded	2
Length of MRO tenancy offered	
Minimum period (in months)	120
Maximum period (in months)	240
Most commonly offered length of period (in months)	N/A
Length of MRO tenancy agreed	
Minimum period (in months)	N/A

Maximum period (in months)	N/A
Most commonly agreed length of period (in months)	N/A
Number of free of tie tenancies agreed with existing tied tenants outside of the Pubs Code procedures	1

Independent Assessors

Number of Independent Assessor appointments	0
Of which, were jointly agreed with the tenant	0
Of which were appointed by the PCA	0
Number of cases where rent was determined by the IA – please list for each case:	
The proposed MRO rent	0
The MRO rent set by the Independent Assessor	0

Buildings Insurance

Number of tenants requesting to price match their building insurance during the reporting period	0
Number of unsuccessful price match requests	0
What commission or rebate do you receive from insurers (percent)?	0
Number of occasions when you have purchased the tenant's alternative policy	0
Number of occasions when you have agreed in writing that any difference is not payable by the tenant under regulation 46(5).	0

Gaming machines

Number of new Pubs Code tied agreements including renewals in which:	
If the tenant elects in the tenancy or licence agreement to have a gaming machine, they are required to purchase or rent it from the POB or a nominated supplier	0
The tenant has entered into a side agreement to purchase or rent a gaming machine from the POB or a nominated supplier	54
The tenant has sourced a free of tie machine agreement with a third-party supplier	5
The tenant has chosen not to have gaming machines	25

Blank template requests

Number of requests for blank template during the reporting period.	0
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Sale of freehold or long leasehold

Number of notifications under regulation 49(2)	38
On how many occasions has the POB relied upon the exemption in regulation 49(3)?	0

Section B –Code compliance

For each of the following Code requirements please:

- a. give a detailed and accurate account of your POB's compliance;
- b. identify any and all steps taken to improve POB Code-related arrangements, in particular in the light of published PCA information, advice, guidance and regulatory activity;
- c. identify any and all steps taken to verify compliance in-year

Regulation:	
9 Pubs entry training	<p>We advise all tied tenants to complete pubs entry training irrespective of their experience in writing before they enter into a tied tenancy. However, for licensees with little to no experience of running a tied pub our recruitment process includes a mandatory requirement to complete pubs entry training and provide evidence of the same before entering into a tied tenancy.</p> <p>The delivery, content and effectiveness of pubs entry training is currently under review and subject to ongoing discussions between the OPCA and Code Compliance Officers. We also keep our licensee training programme under review and continually strive to improve the content and effectiveness of it. Licensee feedback is gathered routinely and used to assess the effectiveness of the training offer and ensure that the content is meeting the needs of licensees. As an example, the COVID-19 pandemic and resulting lockdown periods necessitated a change to the method of delivery and content of our licensee training offer. By delivering the training online rather than in person, more licensees were able to attend at shorter notice without the need to travel and the training was updated to cover important topics including COVID-related regulatory compliance and driving sales during the pandemic.</p> <p>Compliance in this area is audited and verified by a member of our Financial Planning & Analysis ('FP&A') team via an audit of our Pubs Code processes and systems.</p>
10 A sustainable business plan	<p>Before entering into a New Agreement with a tied tenant we ensure that the licensee has produced a sustainable business plan that fully meets the requirements of the Pubs Code and that it has been prepared following the consideration of independent business and legal advice. Once</p>

	<p>received, the sustainable business plan is then reviewed to ensure that it is fully compliant with regulation 10 of the Pubs Code. Where there is a significant variance between the sustainable business plan and FMT P&L issued as part of the Rent Proposal, the differences are discussed between the BDM and licensee to understand and ensure the accuracy of the financial projections. This is recorded separately through an exception report and fully minuted.</p> <p>Compliance in this area is audited and verified by a member of our FP&A team via an audit of our Pubs Code processes and systems.</p>
<p>11 The required information</p>	<p>We record and can evidence the signed receipt of the required information by each licensee who has entered into a New Agreement. This includes a copy of our Code of Practice, a copy of the Pubs Code, a schedule of condition, property information and a pricelist in hard copy format. This ensures that the licensee has the information to hand and readily available, and allows our BDM to personally explain the content of the information being provided.</p> <p>The delivery, content and effectiveness of the required information is currently under review and subject to ongoing discussions between the OPCA and Code Compliance Officers.</p> <p>Compliance in this area is audited and verified by a member of our FP&A team via an audit of our Pubs Code processes and systems.</p>
<p>Schedule 1</p>	
<p>12 Duty of pub-owning business where tenant intends to assign the tenancy</p>	<p>We provide all information required under regulation 12 and require signed acknowledgement of receipt from the licensee and the proposed assignee before formally consenting to an assignment. During the reporting period, there has only been 1 completed lease assignment and generally there are very few lease assignments within our estate. This therefore allows for individual management of the assignment process to ensure that when a lease assignment does take place, the process is handled consistently.</p>

	<p>Compliance in this area is audited and verified by a member of our FP&A team via an audit of our Pubs Code processes and systems.</p>
<p>13 Premises</p>	<p>All tied tenants are advised to inspect the premises and seek the advice of a qualified surveyor before they enter into a tied tenancy.</p> <p>Where works are carried out to the property the schedule of condition provided in accordance with Schedule 1 is updated post-completion by providing additional photographs of the condition of the property.</p> <p>If dilapidations have been served then, on each occasion, we have attended the site to carry out a Schedule of Dilapidations at least 6 months before the expiry of the agreement. In practice for fully repairing and insuring ('FRI') leases, we write to the licensee 14 months before the expiry of their agreement to remind them of their repairing obligations and commence the dilapidations process. On an FRI lease renewal, we will work with the lessee to agree a sensible and achievable dilapidations programme of works which, depending on the urgency and scale of the works, we will agree with the lessee an achievable timeline for completion.</p> <p>We have implemented a program of informal & supportive inspections for all FRI leases where the licensee is responsible for all repairs to ensure that the licensee is aware of the majority of the potential issues that could be identified under a Schedule of Dilapidations. Due to the COVID-19 pandemic physical inspections have not taken place during the reporting period but licensees have been written to in this respect to remind them of the importance of adhering to their repairing obligations contained in their lease.</p> <p>Where access is required to a property, reasonable notice is given to the tied tenant except in the event of an emergency in accordance with regulation 13 (9) and the occupational agreement in place at that time.</p> <p>Compliance in this area is audited and verified by a member of our FP&A team via an audit of our Pubs Code processes and systems.</p>

<p>14 Short agreements</p>	<p>We record and can evidence that all required information under regulation 14 is provided to the prospective tenant in advance of them entering into their agreement.</p> <p>We advise all tied tenants to complete pubs entry training irrespective of their experience in writing before they enter into a tied tenancy. However, for licensees with little to no experience of running a tied pub our recruitment process includes a mandatory requirement to complete pubs entry training and provide evidence of the same before entering into a tied tenancy.</p> <p>Compliance in this area is audited and verified by a member of our FP&A team via an audit of our Pubs Code processes and systems.</p>
<p>15 Duty to provide a rent proposal</p>	<p>During the reporting period we have not received any requests for a Rent Proposal under regulations 15 (2) – (6). Where a Rent Proposal has been provided under regulation 15 (7) we have ensured that it has been issued before the licensee considers the advice set out in regulation 10 (2) (a).</p> <p>Compliance in this area is audited and verified by a member of our FP&A team via an audit of our Pubs Code processes and systems.</p>
<p>16 Contents of the rent proposal</p>	<p>For each rent proposal we provide a compliant version of the Schedule 2 information along with the information required by Schedule 1. This ensures that the tied tenant has all of the required information readily available to assist them in making an informed decision. This can be evidenced on each occasion.</p> <p>All rent proposals include confirmation that the proposal has been prepared in accordance with RICS guidance and are certified by our Estates Managers, themselves members of RICS.</p> <p>Compliance in this area is audited and verified by a member of our FP&A team via an audit of our Pubs Code processes and systems.</p>
<p>17 When the rent proposal must be provided</p>	<p>During the reporting period, all rent proposals provided pursuant to regulation 15 (7) have been done so in advance of the tied tenant considering the advice set out in regulation 10 (2) (a). We</p>

	<p>have not provided any rent proposals pursuant to regulation 15 (2) – (6) during the reporting period.</p> <p>Compliance in this area is audited and verified by a member of our FP&A team via an audit of our Pubs Code processes and systems.</p>
18 Further information and advice in relation to the rent proposal	<p>Where requested, we will readily engage with a tied tenant to provide further information in connection with a rent proposal. However, due to the extent of information required to be provided under the Pubs Code we receive very few requests in this area. In addition, all of our BDMS are involved in the preparation of the rent proposal and are on hand to address any informal queries raised by tied tenants as and when they arise.</p> <p>All tied tenants are advised in writing when the rent proposal is provided to obtain their own independent professional advice before agreeing to the proposed rent.</p>
65 Rent proposals	<p>This regulation relates to transitional provisions and this therefore does not apply to the reporting period.</p>
Schedule 2	
19 Duty to conduct a rent assessment or an assessment of money payable in lieu of rent	<p>During the reporting period, all Rent Assessment Proposals pursuant to regulation 19 (1) (a) have been issued no less than 6 months before the relevant contractual rent review date save for those covered by the first PCA COVID-19 Declaration which ran from 16th March 2020 to 30th June 2020. As notified to the PCA, all Rent Assessment Proposals falling due within the Emergency Period set out in the Declaration were served within 2 weeks of the Emergency Period being lifted. The licensees affected had their Pubs Code rights highlighted and preserved by virtue of the Declaration. All other Rent Assessment Proposals that fell due for service during Emergency Periods set out in the 2nd and 3rd PCA COVID-19 Declarations were served normally.</p> <p>Compliance in this area is audited and verified by a member of our FP&A team via an audit of our Pubs Code processes and systems.</p>
20 The rent assessment proposal	<p>During the reporting period, all Rent Assessment Proposals have been issued no less than 6 months before the relevant contractual rent</p>

	<p>review date save for those covered by the first PCA COVID-19 Declaration which ran from 16th March 2020 to 30th June 2020. As notified to the PCA, all Rent Assessment Proposals falling due within the Emergency Period set out in the Declaration were served within 2 weeks of the Emergency Period being lifted. The licensees affected had their Pubs Code rights highlighted and preserved by virtue of the Declaration. All other Rent Assessment Proposals that fell due for service during Emergency Periods set out in the 2nd and 3rd PCA COVID-19 Declarations were served normally.</p> <p>All information under Schedule 2 is provided in the form of a profit and loss statement together with supporting ancillary documents. This includes information required following the PCA Sediment and Wastage Consultation and we have adopted all recommendations issued in April 2019 under the 'Pubs Code Adjudicator Guidance – Beer Waste and Duty'. This includes providing the percentage of dutiable volume over the previous three years, number and length of beer lines and the pints of beer lost per line based on a weekly line clean.</p> <p>Information required under Schedule 1 is also provided pursuant to regulation 11 of Schedule 2, ensuring that the tied tenant has all of the required information readily available to assist them in making an informed decision. We record and can evidence the signed receipt of Schedule 1 and Schedule 2 information by each licensee who has received it.</p> <p>All rent proposals include confirmation that the proposal has been prepared in accordance with RICS guidance and are certified by our Estates Managers, themselves members of RICS.</p> <p>Compliance in this area is audited and verified by a member of our FP&A team via an audit of our Pubs Code processes and systems.</p>
<p>21 Conduct of the rent assessment or the assessment of money payable in lieu of rent</p>	<p>We can confirm that all Rent Assessment Proposals are prepared in accordance and are carried out in accordance with RICS guidance.</p> <p>Where reasonably requested by a tied tenant, we will provide further information that is relevant for the negotiation of the proposed rent. However,</p>

	<p>due to the extent of information required to be provided under the Pubs Code we receive very few requests in this area.</p> <p>We ensure that a person involved in the preparation of the Rent Assessment Proposal visits the tied pub in accordance with regulation 21 (4) with the date of that visit recorded.</p> <p>All Rent Assessment Proposals issued include a recommendation for the tied tenant to take their own independent professional advice before agreeing a proposed rent. Where there is a resulting credit due to the tied tenant or where there is a debt due to the landlord following the conclusion of a rent assessment, the arrangements for repayment are discussed with the tied tenant and agreed in writing.</p> <p>Compliance in this area is audited and verified by a member of our FP&A team via an audit of our Pubs Code processes and systems.</p>
22 Effect of the rent assessment or the assessment of money payable in lieu of rent	Not applicable – this regulation is explanatory in nature.
66 Rent assessments	This regulation relates to transitional provisions and this therefore does not apply to the reporting period.
Schedule 2	
23 The MRO notice	<p>As this regulation relates to the contents of the MRO notice served by a tied tenant, there are no obligations imposed on us to comply with.</p> <p>However, where an MRO notice is served by a tied tenant that does not meet the requirements of regulation 23, we will engage with the licensee promptly and seek to assist them with perfecting their notice to ensure that it is compliant. We do not believe that any tied tenant who wanted to serve an MRO notice has missed the opportunity due to failing to provide an MRO notice that meets the requirements of regulation 23.</p>
24 A significant increase in the price of a product or service	As this regulation relates to when a tied tenant may serve an MRO notice, there are no obligations imposed on us to comply with and no MRO notices were received under this regulation during the reporting period.

	<p>It should be noted that as a result of the COVID-19 pandemic drinks prices were not increased in 2020 at all with a price increase for services being applied in January 2021 and a price increase for drinks being applied in February 2021. Both increases were implemented in compliance with the requirements of regulations 3, 4 and 5.</p>
<p>24 A significant increase in the price of a product or service</p>	<p>As this regulation relates to when a tied tenant may serve an MRO notice, there are no obligations imposed on us to comply with and no MRO notices were received under this regulation during the reporting period.</p> <p>It should be noted that as a result of the COVID-19 pandemic drinks prices were not increased for in 2020 at all with a price increase for services being applied in January 2021 and a price increase for drinks being applied in February 2021. Both increases were implemented in compliance with the requirements of regulations 3, 4 and 5.</p>
<p>25 A trigger event</p>	<p>As this regulation relates to when a tied tenant may serve an MRO notice, there are no obligations imposed on us to comply with.</p> <p>During the reporting period we received one MRO notice under regulation 25 claiming that COVID-19 was a trigger event. The PCA had confirmed that COVID-19 was not a trigger event and the notice was therefore rejected.</p>
<p>26 The renewal of a pub arrangement</p>	<p>As this regulation relates to when a tied tenant may serve an MRO notice, there are no obligations imposed on us to comply with.</p> <p>During the reporting period we received one MRO notice under regulation 26 which was accepted and is currently ongoing,</p>
<p>27 A rent assessment or an assessment of money payable in lieu of rent</p>	<p>As this regulation relates to when a tied tenant may serve an MRO notice, there are no obligations imposed on us to comply with.</p> <p>During the reporting period we received one MRO notice under regulation 27 which was accepted and was later settled on a tied basis.</p>
<p>67 Market rent only option: the MRO notice</p>	<p>This regulation relates to transitional provisions and this therefore does not apply to the reporting period.</p>
<p>28 Arrangements during the MRO procedure: rent etc</p>	<p>We confirm that processes are in place to ensure that where an MRO notice is served the rent currently payable can not be increased. Changes</p>

	<p>to the rent can only take place with Regional Operations Director approval and other rent changes such as index-linked reviews are controlled so they cannot be inadvertently implemented where an MRO notice has been served.</p> <p>In the unlikely event that a detrimental rent change did take place during the period where regulation 28 may apply, then the licensee would be credited with the appropriate compensatory benefit.</p>
<p>29 Effect of tenant's notice</p>	<p>We can confirm that during the reporting period all MRO notices received have been acknowledged and provided with a full response in line with the requirements of regulation 29.</p> <p>Where a full response has been issued agreeing to an MRO request the full response has been prepared in line with the requirements of the latest edition of the PCA Regulatory Compliance Handbook, together with a completed Compliance Record and Declaration in each case. The completed Compliance Record and Declaration is available to the tied tenant upon request.</p>
<p>30 Terms and conditions required in proposed MRO tenancy</p>	<p>We can confirm that where a full response has been issued to a tied tenant subject to an existing tenancy, the proposed MRO tenancy has been for a term for at least as long as the remaining term of the existing tenancy.</p> <p>Compliance in this area is audited and verified by a member of our FP&A team via an audit of our Pubs Code processes and systems.</p>
<p>31 Terms and conditions regarded as unreasonable in relation to proposed MRO tenancy etc</p>	<p>We can confirm that during the reporting period we have not included a landlord-only break clause, service ties other than buildings insurance or excluded the proposed MRO tenancy from the security of tenure provisions of the Landlord & Tenant Act 1954 in a proposed MRO tenancy.</p> <p>Furthermore, we do not believe that our proposed MRO tenancy includes terms that are not common in the free of tie market. We check the free of tie/MRO leased market periodically and compare terms available on the market with our own standard terms of MRO lease and reflect as necessary within our own offer. This includes an independent review by an established firm of valuers experienced in the free of tie public house</p>

	<p>letting market.</p> <p>We have also recently reviewed our standard MRO lease with a firm of lawyers who are experienced in the Pubs Code and MRO disputes and we have made adjustments which are now included in our proposed MRO offers. We also take into account all PCA guidance and published arbitration awards insofar as they relate to MRO terms.</p> <p>We believe that the approach taken in this area to ensure compliance is further evidenced by the lack of changes made to our MRO offer in all cases, even where the tied tenant is represented by a professional advisor.</p>
32 Failure to acknowledge the tenant's notice, provide a full response etc	During the reporting period a referral to the PCA was made by a tied tenant in connection with a full response. The referral was settled by consent with no material changes to the key terms initially offered as part of the full response.
33 MRO procedure where a matter is referred to the Adjudicator in connection with the full response	Not applicable. During the reporting period a referral to the PCA was made in connection with a full response by a tied tenant but was settled by consent and therefore there was no ruling for a revised response to be issued or a ruling that a failure had occurred.
34 The negotiation period	<p>We believe that during the reporting period we have sought to negotiate openly to comply with regulation 34 in order to agree an MRO-compliant tenancy. This has included the offer to arrange a meeting within 14 days of the full response being issued.</p> <p>Unfortunately, we have found that some advisors have made referrals to the PCA before meaningful negotiations have been possible. However, we have continued to negotiate with the licensee and their representative and this has resulted in a satisfactory conclusion for all parties, even though there have been only minor changes to our MRO offer.</p>
35 Failure to agree: right to refer to the Adjudicator or independent assessor	Not applicable. We have not received a request to refer a matter pursuant to regulation 35 during the reporting period.
36 Appointment of the independent assessor	Not applicable. We have not received a request to appoint an independent assessor pursuant to regulation 36 during the reporting period.

<p>37 Independent assessor: procedure</p>	<p>Not applicable. We have not received a request to appoint an independent assessor pursuant to regulation 36 during the reporting period.</p>
<p>38 MRO procedure where a referral is made to the Adjudicator in connection with the independent assessor</p>	<p>Not applicable. We have not received a request to appoint an independent assessor pursuant to regulation 36 during the reporting period.</p>
<p>Schedule 3</p>	
<p>39 End of the MRO procedure</p>	<p>As this regulation relates to the end of the MRO procedure, there are no obligations imposed on us to comply with.</p> <p>During the reporting period, 2 MRO notices were accepted with one referral ongoing as at 31st March 2021. The remaining MRO notice received ended without a referral and was eventually settled on a tied basis outside of the reporting period.</p>
<p>40 Disputes about rent etc payable during MRO procedure</p>	<p>Not applicable. We have not been involved in any dispute pursuant to regulation 40 during the reporting period.</p>
<p>41 Business development managers</p>	<p>We confirm, and can evidence, that all BDMs have received a copy of the Pubs Code and have received training before dealing with tied tenants on Pubs Code matters. A further copy of the Pubs Code is provided annually as part of annual refresher training.</p> <p>All training for BDMs is delivered internally by a member of our legal team (a direct report of the Code Compliance Officer) and our Code Compliance Officer. During these sessions, all BDMs are given the opportunity to raise any queries on the Pubs Code and also shared their recent experiences. Any BDM new to the company must receive internal training of the Pubs Code before they are allowed to deal with any pub related matters, even if they have received training from another regulated pub-owning business. Training on the requirements of Schedule 2 is provided internally by an RICS accredited chartered surveyor.</p> <p>Moreover, we confirm that all employees defined as BDMs under the Pubs Code have received annual refresher training during the reporting period along with appropriate periodic updates of</p>

current issues and role specific training to assist in their ongoing professional development. During the reporting period, this has included training around the impact of COVID-19 on Pubs Code compliance and the requirements of the PCA COVID-19 Declarations.

Our Code of Practice sets out our commitment towards the continuous professional development and improvement of our BDMs and how we fulfil that commitment. Records of all professional qualifications and courses undertaken are recorded on each employee's personnel file.

In order to comply with the requirements of regulation 41 (4), we have developed a Meeting Agenda application which creates a record of both the note of the meeting and the time of the email sending it to the licensee. It also highlights the seven day response period for any challenge to the content. Our standard process is that this is provided simultaneously, but in any event no later than 14 days of when the discussions took place.

If a challenge to a meeting note is received within the requisite time period, the challenge is referred back to the BDM, with the Regional Operations Director and the Code Compliance Officer is also made aware. Commonly, the challenge is a clarification or a requirement for more detail to be provided in the notes and in these cases, the meeting note will be amended and re-sent to the licensee.

During the audit of Pubs Code compliance and in preparation for this report, an issue was identified where a small number of meeting minutes had not been sent to licensee with 14 days of the meeting. A full audit has been completed of all meeting minutes and a self-referral has been made to the PCA regarding this matter. In total, it has been identified that 10 meeting minutes were not provided to three licensees within 14 days of the meeting. The meeting minutes have since been provided to the licensees where they are still in situ and we do not believe that the licensees have suffered any detriment from any delay in receiving the meeting minutes.

	<p>A re-briefing and training has been delivered to the relevant teams around meeting minutes and the use of the internal app to deliver these to licensees and a further briefing will be conducted in the next few weeks to re-enforce the process. Additional controls have been put in place to help prevent this from happening in the future.</p>
<p>42 Duty to appoint a compliance officer</p>	<p>Andy Clifford was appointed as Admiral's Code Compliance Officer in October 2019. Andy has attended all Code Compliance Officer meetings with the PCA since his appointment and has been involved in all Pubs Code training.</p> <p>Andy is a Chartered Accountant and member of the Board of Directors of the Admiral Taverns group of companies and therefore has direct access on a regular basis to all members of the Board.</p> <p>Andy confirms that written records of annual BDM training are kept on each employee's personnel file.</p>
<p>46 Insurance</p>	<p>We purchase a block buildings insurance policy against all usual risks for our entire estate and we recharge our tenants based upon pre-agreed charges. We do not provide packaged insurance products but instead recommend that licensees obtain their own insurance (other than buildings) and facilitate contact with an intermediary experienced in the pub sector.</p> <p>In line with Regulation 46, during the reporting period we notified licensees in advance of the renewal and offered them the opportunity to find suitable alternative cover which, if provided to us, we will price match. We do not make commission from the insurance policies that we offer.</p> <p>We believe that the insurance recharged to licensees is a competitive and reasonable amount and during the reporting period, whilst there were some enquiries made by licensees in this area there were no challenges that resulted in a reduction in the premium recharged.</p>
<p>47 Gaming machines</p>	<p>Our standard tenancy agreements do not contain a requirement for a tied tenant to rent or purchase gaming machines.</p>

	<p>Compliance in this area is audited and verified by a member of our FP&A team via an audit of our Pubs Code processes and systems.</p>
48 Blank template for profit and loss account	<p>During the reporting period we have received no requests for a blank profit and loss account. However, a form of blank profit and loss account is provided as part of Admiral's Code of Practice which is provided as part of our obligation to provide Schedule 1 information and can also be accessed on our website.</p>
49 Sale of freehold or long leasehold	<p>We have fully met the requirements of Regulation 49 in that we have notified all relevant licensees of the intention to dispose of the property. Where applicable we have written to licensees with the benefit of extended protections under the Pubs Code following the sale and provided the contact details for the PCA as part of that notification.</p> <p>In addition, details of properties that are sold subject to extended protection are reported to the PCA on a quarterly basis.</p> <p>Compliance in this area is audited and verified by a member of our FP&A team via an audit of our Pubs Code processes and systems.</p>
50 Tied pub tenant not to suffer detriment	<p>We have complied with the requirements of regulation 50 during the current reporting period.</p> <p>In claims for MRO, we ensure that we maintain the business relationship between the existing BDM and the licensee in all cases whilst MRO negotiations take place. To ensure the tied tenant is satisfied that the BDM has met the required expectations, they will be contacted by a head office representative after the MRO lease offer to discuss this.</p> <p>The Pubs Code training and annual refresher training delivered to all BDMs confirms that the existing business relationship should be maintained in a 'business as usual' manner which existed before the licensee exercised Code rights.</p>
51 Flow monitoring devices	<p>We confirm that a charge for breach of purchasing obligations has not been applied based upon flow monitoring evidence alone, with a form of suitable secondary evidence required before applying any such charge.</p>

	<p>Compliance in this area is audited and verified by a member of our FP&A team via an audit of our Pubs Code processes and systems.</p>
<p>54 Short agreements</p>	<p><i>In addition, address your POB's compliance where Code rights are limited and/or exemptions exist and where they come to an end and full Code rights become available</i></p> <p>Where a Short Agreement is entered into the information required pursuant to regulation 14 is provided. We advise all tied tenants to complete pubs entry training irrespective of their experience in writing before they enter into a tied tenancy. However, for licensees with little to no experience of running a tied pub our recruitment process includes a mandatory requirement to complete pubs entry training and provide evidence of the same before entering into a tied tenancy.</p> <p>Where a licensee on a Short Agreement remains in occupation for a period of 12 months or more, either on a Short Agreement or cumulative Short Agreements, we will notify that licensee in writing of their Pubs Code rights and signpost to the PCA and the Pubs Code section on our website.</p> <p>Compliance in this area is audited and verified by a member of our FP&A team via an audit of our Pubs Code processes and systems.</p>
<p>55 Pub franchise agreements</p>	<p><i>In addition, address your POB's compliance where Code rights are limited and/or exemptions exist and where they come to an end and full Code rights become available</i></p> <p>Not applicable. We do not have any pub franchise agreements within the estate.</p>
<p>56 The investment exception</p>	<p><i>In addition, address your POB's compliance where Code rights are limited and/or exemptions exist and where they come to an end and full Code rights become available</i></p> <p>During the reporting period we entered into one Investment Agreement with a tied tenant as part of a large-scale investment in their property. This involved a significant amount of work to compile the required information which was reviewed in detail prior to issue to ensure that it fully met the requirements of the Pubs Code.</p>

	As part of that process, the tied tenant was provided with a reasonable forecast profit and loss statement covering a 2 year period as well as full details of the works and the subsequent effect on the rent payable under the lease. The works were completed in line with the timescales set out in the Investment Agreement.
57 Void or unenforceable terms of a tenancy or licence	<p>We can confirm that our standard tied tenancy agreements do not contain any void or enforceable terms.</p> <p>Where older tied agreements have been inherited as a result of acquisitions, any historic void or unenforceable terms such as landlord-only rent review clauses or upward-only rent review clauses are not enforced.</p>
Identify any and all steps taken to verify Code compliance in accordance with Core Code principles in any case where Code rights interact with POB right to possession, under LTA or otherwise (eg application of s 31(1)(g) LTA; application of s 146 Law of Property Act 1925	<p>We have not served any Section 25 notices relying on ground (g) to take back possession of a property during the reporting period.</p> <p>One Section 146 notice was served during the reporting period following alleged criminal activity which led to the revocation of a premises licence. In that instance, Code rights did not interact with the right to possession.</p>

Section C – Breaches and complaints

9 Pubs entry training	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
10 A sustainable business plan	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0

11 The required information	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
12 Duty of pub-owning business where tenant intends to assign the tenancy	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
13 Premises	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
14 Short agreements	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
15 Duty to provide a rent proposal	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
16 Contents of the rent proposal	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0

	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
17 When the rent proposal must be provided	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
18 Further information and advice in relation to the rent proposal	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
65 Rent proposals	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	
19 Duty to conduct a rent assessment or an assessment of money payable in lieu of rent	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
20 The rent assessment proposal	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0

21 Conduct of the rent assessment or the assessment of money payable in lieu of rent	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
22 Effect of the rent assessment or the assessment of money payable in lieu of rent	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
66 Rent assessments	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
23 The MRO notice	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
24 A significant increase in the price of a product or service	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
25 A trigger event	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0

	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
26 The renewal of a pub arrangement	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
27 A rent assessment or an assessment of money payable in lieu of rent	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
67 Market rent only option: the MRO notice	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
28 Arrangements during the MRO procedure: rent etc	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
29 Effect of tenant's notice	Total number of breaches or alleged breaches	1
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	1
	Steps taken in relation to each breach or alleged breach and outcome	

	During the reporting period a referral was made to the PCA pursuant to regulation 32 (2) in respect of an MRO Full Response issued in response to an MRO notice. The referral was settled by consent between the parties with no changes made to the initial MRO proposal. This was subsequently ratified by the appointed arbitrators award.	
30 Terms and conditions required in proposed MRO tenancy	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
31 Terms and conditions regarded as unreasonable in relation to proposed MRO tenancy etc	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
32 Failure to acknowledge the tenant's notice, provide a full response etc	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
33 MRO procedure where a matter is referred to the Adjudicator in connection with the full response	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
34 The negotiation period	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0

	Steps taken in relation to each breach or alleged breach and outcome	0
35 Failure to agree: right to refer to the Adjudicator or independent assessor	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
36 Appointment of the independent assessor	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
37 Independent assessor: procedure	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
38 MRO procedure where a referral is made to the Adjudicator in connection with the independent assessor	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
39 End of the MRO procedure	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
	Total number of breaches or alleged breaches	0

40 Disputes about rent etc payable during MRO procedure	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
41 Business development managers	Total number of breaches or alleged breaches	11
	Number of breaches or alleged breaches upheld	10
	Number of these breaches or alleged breaches not upheld	1
	<p><i>Steps taken in relation to each breach or alleged breach and outcome</i></p> <p>During the audit of Pubs Code compliance and in preparation for this report, an issue was identified where a small number of meeting minutes had not been sent to licensee with 14 days of the meeting. A full audit has been completed of all meeting minutes and a self-referral has been made to the PCA regarding this matter. In total, it has been identified that 10 meeting minutes were not provided to three licensees within 14 days of the meeting. The meeting minutes have since been provided to the licensees where they are still in situ and we do not believe that the licensees have suffered any detriment from any delay in receiving the meeting minutes.</p> <p>A re-briefing and training has been delivered to the relevant teams around meeting minutes and the use of the internal app to deliver these to licensees and a further briefing will be conducted in the next few weeks to re-enforce the process. Additional controls have been put in place to help prevent this from happening in the future.</p> <p>In addition, we received one alleged breach of not providing meeting minutes at all to the licensee although evidence has been provided that the meeting minutes were sent by recorded delivery and signed for at the pub.</p>	
42 Duty to appoint a compliance officer	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
46 Insurance	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0

	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
47 Gaming machines	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
48 Blank template for profit and loss account	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
49 Sale of freehold or long leasehold	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
51 Flow monitoring devices	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
50 Tied pub tenant not to suffer detriment	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0

54 Short agreements (in the application of exemptions or restrictions)	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
55 Pub franchise agreements (in the application of exemptions or restrictions)	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
56 The investment exception (in the application of exemptions or restrictions)	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
57 Void or unenforceable terms of a tenancy or licence	Total number of breaches or alleged breaches	0
	Number of breaches or alleged breaches upheld	0
	Number of these breaches or alleged breaches not upheld	0
	Steps taken in relation to each breach or alleged breach and outcome	0
Other complaints made by tenants	<p>Number and narrative of complaints made by tied pub tenants about their tenancy during the reporting period not specifically reported on elsewhere, including the type/subject of complaint and outcome of the complaint.</p> <p>We have received very few other complaints from tied pub tenants about their tenancy or from prospective tenants.</p> <p>In the only relevant matter not noted previously in this report, the prospective licensee complained that they had not received correspondence from Admiral regarding their interest in a pub with sufficient speed and had not been considered properly for the tenancy. No evidence was found to support this complaint.</p>	

