

## **First Quench Retailing Limited (in administration) “the Company”**

### **Answers for Landlord queries. (Updated 6 January 2010)**

Please find below answers to some of the more frequently asked questions which are being received. We hope you find these answers useful and we will do our best to update these as we obtain further information.

If you cannot find the answer to your issue below please ring the general helpline on 0844 576 8862 or the dedicated numbers for landlords on 01707 387576 or 01707 387479 or email your query to [faqpropertyqueries@kpmg.co.uk](mailto:faqpropertyqueries@kpmg.co.uk).

We continue to appreciate your ongoing patience in these matters.

Date of appointment: 29 October 2009

### **What is the position on Rent?**

#### **Trading period**

Where you have not already been paid rent in advance by the Company the Administrators undertake to ensure that you receive the pro-rata payment of rent due for all properties occupied by the Company for the period that the Company trades from the property since the appointment of administrators, ie. from the date of appointment until the date the administrators sell the business or otherwise cease to trade from the property (the “Trading Period”).

In due course, if not already confirmed, the Administrators will inform all landlords individually, in writing, if any sale of business has been agreed or trading ceases. At this stage rent due for the Trading Period will also be communicated to the Landlord’s in writing. On receipt of a valid invoice from the Landlords the rent payment will be processed within 30 days.

#### **Pre-Administration**

Any rent or other payments due by the Company for periods prior to the date of appointment of administrators will rank as an unsecured claim.

#### **Post Trading**

Once the store has ceased to trade the Company is not considered to be in beneficial occupation of the property and, as such, will not be paying rent. For stores sold as part of a sale of business rents will be collected by the Company and forwarded to the Landlord upon receipt of a valid rent invoice until such time as an assignment of the Company’s leasehold interest is achieved. Further details will be provided in a letter to landlords on the completion of the sale of business.

### **Sub tenant rents**

Collection of rent from sub tenants (including franchises, commercial and residential sub tenants) will continue only in certain circumstances. Rents received from sub tenants (which are for periods beyond the point to which the Company has paid rent) will be forwarded to the Landlord. Once the sub tenant rent has been collected the Landlord will be contacted providing details of the sub tenant rent received and requesting a Landlord invoice for this amount. On receipt of the invoice from the Landlord the sub tenant rent payment will be forwarded to the landlord.

Where collection of sub tenant rent is discontinued the Joint Administrators will write to Landlords providing contact details of the tenant. This is to enable direct discussions and agreement between the Landlord and the sub tenant.

### **What about Insurance?**

#### **Properties which FQR are responsible for insuring**

Under the Administrators block insurance policy, cover is in place for all those properties previously covered by First Quench Retailing Ltd. We are in compliance with the terms of this policy including for those premises which have now been vacated. The Administrators will seek to ensure this is the case until properties are offered for surrender or the date of assignment. For the avoidance of doubt, the Administrator's insurance cover will be cancelled for all properties which are offered for surrender.

#### **Properties where the Landlord insures**

The Company has been unable to obtain insurance cover for these properties and therefore they remain covered under the terms of the existing Landlords insurance policy. Properties have been left secure and cleared of stock and debris. Landlords who require access to properties in order to comply with any specific vacant code of practice requirements can arrange access by emailing a request to **key.admin@firstquench.co.uk** or by calling 01707 387576 or 01707 387479 and providing details of the property.

### **How do I get access to vacant properties?**

Once a property has been offered for surrender, a landlord may, by accepting the surrender, immediately take back possession of the property. In this instance, keys will be returned to landlords or landlords may, if they require urgent access, change locks. Where surrenders are not accepted by landlords, keys can be issued to landlords on written request to enable landlords to deal with maintenance and insurance issues.

Alternatively, supervised access visits can be arranged for landlords but there are costs to providing this service which will need to be charged to the landlord.

Where surrenders have not been offered, landlord's requests for temporary access will be considered on a case by case basis and will attract costs which will be charged to landlords.

Landlords who require access to properties can request access by emailing **key.admin@firstquench.co.uk** or by calling 01707 387576 or 01707 387479 and providing details of the property.

### **What about maintenance and repairs?**

The Administrators will consider and may action emergency repairs, as appropriate, until properties have been offered for surrender. Once a property has been offered for surrender, landlords will have to make their own arrangements for the repair and maintenance of properties (See 'how do I get access to vacant properties?' for details of how to arrange access for carrying out any such works).

### **Who pays Business Rates?**

The Company is responsible for Business Rates until the property is sold, assigned, or surrendered. On assignment of the lease the new operator will be responsible for paying Business Rates.

For information we can advise that according to Company records approximately 95% of the Company estate has a rateable value less than £15,000 (£21,499 in London) which would fall under the Small Business Relief threshold in England and Wales. Empty properties under this threshold are likely to be exempt from paying business rates. For more information please refer to:

[http://www.voa.gov.uk/business\\_rates/rating-multipliers.htm](http://www.voa.gov.uk/business_rates/rating-multipliers.htm) .

### **What about the condition of the property?**

For properties being assigned to new tenants or surrendered to Landlords, the property will be handed over in 'as is' condition.

### **Who pays the utility bills?**

The utility bills in respect of supplies made for the Trading Period will be a cost of the administration. Once the Company assigns or offers a surrender of the lease the Company will not be responsible for any such costs.

### **How will we correspond with landlords?**

#### **Stores being marketed by Christie & Co**

Where appropriate letters have been sent to landlords informing them of Christie & Co's instruction to market their property.

Any properties which are not marketed by Christie & Co will likely form part of a sale of business.

Properties marketed by Christie & Co will either form part of an assignment or be offered for surrender if no prospective tenants can be identified through the marketing campaign being conducted.

### **Stores forming part of a sale of business**

Letters will be sent to all those Landlords whose properties form part of a sale under the sale of business process. This correspondence will provide the name and contact details of the new occupier, who will be in contact to discuss the licence to assign. Information will also be provided regarding the rent payment process for the purchasers period of occupation before the point of assignment.

### **Closure stores**

Letters will be issued to landlords of closure stores shortly after the closure of the store, confirming (where there is rent payable) the amount of pro-rata rent due to the landlord and requesting an invoice for this amount.

### **Can a Landlord introduce a new potential tenant?**

A landlord can introduce a new tenant to a property for consideration by the Administrators. If agreed by the Administrators the current lease can be assigned to the new tenant upon satisfactory agreements being put in place, to ensure the Company realises any premium value there may be in the lease for the benefit of the Company's creditors.

All interested parties should be referred to our marketing agents Christie & Co on 0844 412 3255.

### **What is the position on fixtures and fittings?**

Fixtures and fittings (including chillers, air conditioning units and display units etc) in stores, whether trading or closed, are not for sale.

### **Can the Landlord take back possession of the property?**

Not at this stage unless a surrender is offered.

Following the appointment of Administrators, the Company is protected by a moratorium which prevents landlords or other creditors from taking any recovery against the Company without either first obtaining the written consent of the Administrators or leave of the Court.

### **What happens to third party assets?**

The Company will endeavour to hand back all third party assets within the properties. If there are third party assets remaining in your store we would ask that you co-operate with the owners of these assets in providing access once you are in receipt of the keys.