

- The rent paid per annum fell from £32,557 in 2008 to £24,307 in 2011 (largely reflecting the fall in turnover of the business over this period).

5.4 Overall, the figures indicated a steady and continuous decline in the pub's trading performance, which would explain the publican's recent attempt to share some of the first floor space with a clothes wholesaler; albeit that the publican is no doubt adamant that this was not for financial gain.

5.5 A rather more detailed picture is painted by the 2009-2012 accounts at **Appendix 6**. The Profit and Loss Accounts are summarised in the following table:

2007/08	2008/09	2009/10	2010/11	2011/12
£9,381	£(993)	£7,644	£(617)	£55

5.6 However, in addition to an increase in rental which the pub is likely to incur as a result of any lease renewal from August this year, the tenant publican also has substantial further current liabilities to his landlord as a consequence of serious disrepair to the premises (in breach of the terms of his Lease). Copies of the tenant publican's repairing covenants can be found in the lease extracts annexed to the affidavit of Sandra Austin.

5.7 In order to assess the true economic viability of the business, assuming that the tenant publican was to remain in occupation, it is necessary to consider his profit and loss accounts taking into account his current liabilities under the Lease. In this respect, there are current dilapidations liabilities which are easily likely to exceed the tiny £55 profit made by the pub this year, which once accounted for will actually put the pub business into loss. **Even taking into account the financial performance of the pub cumulatively over the last four years, the current dilapidations liabilities would have completely wiped out the cumulative £6,089 profit made by the business.**

5.8 A copy of the Interim Schedule of Dilapidations and Wants of Repair was sent to the publican on 16<sup>th</sup> November 2012 (**Appendix 7**). This indicates costs in the preparation of this document of **£2,648.00** and a likely dilapidations bill running into excess of ten thousand pounds, at the least.