



**Finest Cask Ales
and Distinctive Brands**

SUPPLIER UPDATE WITH REFERENCE TO THE CORONAVIRUS (COVID – 19)

As you are well aware, the current Coronavirus and economic situation is putting all businesses – especially the hospitality industry under pressures I myself have never seen.

As the Managing Director it is my role to take great measures to ensure that we, as a company, are able to weather the uncertainty of the coming months, not only financially but also physically. These are unprecedented times, but the one thing we all have in common is that we are all in this situation together.

The decisions I have made have not been taken lightly, however, to ensure we emerge from these unprecedented times in a positive financial position that allows the company to continue to trade, these measures must be implemented.

The measures I have put in place are as follows:

We have suspended all payments to suppliers:

We are continually having communications from our customers informing us they cannot pay us for outstanding invoices. It is becoming quite clear that they are withholding payment due to the current economic climate, which, has a negative impact on our cash flow, in fact a no cash flow situation as we are, like most, not trading at all. Adding to this, the current stock we have in our warehouse is unlikely to be sold in the near future which is adding to the negative cash flow implication.

We fully intend to honour any payments due after consultation with our suppliers on any stock issues:

We are asking for is a deferment of payment until such time as the blanket ban on pubs is removed, and then, have a 6 week trading period before any invoices are paid. This will give our customers time to start trading as it is unlikely they will pay us for outstanding invoices immediately once we come through this situation and the blanket ban lifted.

Extended Dates on Stock or Stock Recall

Dependant on the number of weeks the blanket ban lasts for, a number of our suppliers that we have spoken to have offered to extend the best before dates on all of their cask. They are confident that the casks have been stored here correctly, and they are confident in the quality of their beer and the cleanliness of their brewery which would enable them to extend dates.

If the blanket ban lasts for a considerable time there could be a situation that extended dates are not an option, and therefore, the stock we have would have to be uplifted and returned to the relevant brewery. What happens then.....is a conversation we will most likely have with all suppliers individually.

We have suspended all non-essential non brewery payments to suppliers:

We have assessed all our overheads and have been in touch with all our non-essential non brewery suppliers to obtain payment holidays for any non-essential supply for a lock down period. This again reduces our outgoings, so that we can cover our staff costs until such time that we can claim back from HMRC. These measures also enables us to continue paying for essential requirements like Insurances – Vehicles – Building – Stock – Electricity etc.

These are harsh times, and we all need to take measures that will see us through. They may not be the measures everyone would want, but, they are in itself measures which will enable us to be here once the dust settles. We have at least set out our survival plan to inform you of how we intend to overcome the current economic climate and shutdown of our industry, survive these testing times and emerge with a clear strategy on honouring any payments due subject to discussions with all suppliers on any stock issues.

Stay Safe to you all.

Mark Hill
Managing Director
The Brewers Wholesale Limited