



Subject: An update from Budweiser Brewing Group UK&I

25 March 2020

To our customers,

Our thoughts remain with you and your families during this uncertain time. This last week has been one of the most difficult weeks our sector has ever faced, so it's more important than ever that we work together with our customers and across the industry to support each other. Whilst we navigate this uncertain time, the health and safety of our teams, customers and consumers will continue to be our number one priority.

We continue to closely monitor the effects of COVID-19, so in light of the government's announcement ordering pubs and bars to close, we are reaching out to you today with some updates and guidance.

Below are a number of updates from Budweiser Brewing Group:

Updated Terms

We are aware that with the speed that the situation has evolved, you may be in the position of having sealed kegs that you are concerned will be out of date once normal trading resumes. In regards to this, we are in the process of finalising the logistical steps required, and what is possible whilst complying with government guidelines. What we can confirm to you is that we will offer, through a variety of measures, to uplift and replenish sealed kegs with fresh stock, after the government restrictions are lifted. This will apply to kegs sold on or after 5 March 2020, which go out-of-date during this period. For any direct managed customer, your dedicated account manager will work closely with you to facilitate this and confirm timings. For single-site operators, please contact your wholesaler the keg was purchased from. Regarding payment terms for our direct customers, we are currently evaluating each customer request individually to determine proper measures to support specific customer and cash flow needs.

Off-Premise Sales Licence

Planning rules have been relaxed so pubs and restaurants can operate as hot food takeaways throughout this time. The Government has confirmed that pubs and restaurants can deliver this service without a planning application.

The measures are the latest in a series of practical steps the government is taking to support businesses. However, serving of alcoholic drinks will continue to be subject to licensing laws unless pubs and restaurants apply for an off-premise sales licence.

We would therefore encourage you to check whether your existing licensing condition includes off-premises sales of alcohol and if not, to change your licence so that customers can enjoy a beer with their food takeaway. You can find more information on changing your licence [here](#).

Government Support

The government is committed to doing whatever it takes to support the economy, and will stand by businesses both large and small. On 20 March, the government announced a series of initiatives, and there is now more information available. We have listed these initiatives in more detail in the Appendix below.

Drinks Dispense

Failure to close down and/or maintain your dispense systems correctly may irrevocably damage your system. Please make sure you follow our Drinks Dispense guidance set out in the Appendix below.

We appreciate your co-operation and understanding of this situation. As this situation evolves, our plans may too, so we'll continue to be in touch as and when needed.

We hope you and your families stay healthy. In the meantime, please feel free to get in touch with your account manager if you have any questions or concerns.

A handwritten signature in black ink, appearing to read 'Ryan Fritsch', with a long horizontal line extending to the right.

Ryan Fritsch
Sales Director On-Trade
Budweiser Brewing Group UK & I

APPENDIX:

Government Guidance

The government is committed to doing whatever it takes to support the economy, and will stand by businesses both large and small. On 20 March, the government announced the below initiatives, and there is now more information available [here](#).

Please see below a summary of all Government support to date.

Coronavirus Business Interruption Loans

The British Business Bank is running a 'Coronavirus Business Interruption' loan scheme of up to £5 million in value per business, with no interest on the loan for the first 12 months. More information is available [here](#)

Coronavirus Job Retention Scheme

HM Treasury are establishing a system of grants to cover the cost of employees' wages who would otherwise be laid off due to the crisis. These grants will cover 80% of the wages of employees 'furloughed' due to the crisis – up to £2500 per worker. The support will be paid at the end of April and backdated to March 1st. Initially, the scheme will be in place for 3 months and will be extended if deemed necessary. HMRC will administer the system via a new portal, which will be available soon.

Business Rate holiday for all retail and hospitality businesses

All retail, leisure and hospitality businesses will receive a Business Rates holiday for the next financial year – this means that pubs and bars will not have to pay rates for the 20/21 financial year. This will apply automatically to your next council tax bill in April.

Support for businesses that pay little or no business rates

Small businesses that pay little or no business rates will be able to receive Small Business Grant funding in the form of a one-off grant of £10,000 to meet ongoing costs.

To be eligible, your business must be based in England; you must be a small business and already receive small business rate relief and/or rural rate relief; and you must be a business that occupies property.

You will receive a letter if you are eligible.

Grants for retail and hospitality businesses

A number of grants will be provided to businesses based on their rateable value.

If your business has a rateable value of between £15,000 and £51,000, you will receive a £25,000 cash grant - for Scotland, the eligibility boundary is between £18,000 and £51,000.

If your business has a rateable value of under £15,000, OR currently doesn't pay any business rates OR you get business rates relief (in Scotland: Small Business Bonus Scheme or Rural Relief Scheme), you will receive a one-off £10,000 cash grant.

You will receive a letter if you are eligible.

HMRC Time to Pay Scheme

HMRC is scaling up its Time to Pay service to assist businesses and self-employed people in financial distress because of the crisis. Those with outstanding tax liabilities may be eligible to receive support with their tax affairs on a discretionary basis, with tax payments spread out over a longer period of time if there are genuine issues with affording the payments. If you are concerned, please call HMRC at 0800 0159 559.

VAT Payments

All VAT payments will be deferred for the period from 20 March 2020 until 30 June 2020. This is automatically applied.

Statutory Sick Pay

HM Treasury will cover the cost for small-and medium-sized businesses and employers to reclaim Statutory Sick Pay paid for sickness absence due to COVID-19. They will cover the cost of two weeks sickness. More information can be found [here](#).

Rent protection for commercial tenants

Measures in the emergency Coronavirus Bill will protect commercial tenants who cannot pay their rent because of COVID-19 from eviction. No business will be forced out of their premises if they miss a payment in the next three months.

Self Employed – Income Tax Payments

Income Tax payments due in July 2020 under the Self-Assessment system will be deferred – with a new payment deadline in January 2021. This is automatically applied.

Drinks Dispense Guidance

We are suggesting the following procedures are followed to protect your beer dispense systems during closure.

If your premises closes and there will be no one on site for a significant period:

- Clean all beer lines as per your normal procedure.
- Once flush is complete allow cleaning bottle to empty and flush through each line until they are purged of water and only gas comes through tap.
- Ensure remote cooler is switched off.
- Switch off all gas bottles and/or gas generation systems.
- If stock is left in the cellar leave cellar cooling switched on.
- NB - If site is closed for more than 7 days any part kegs will not be fit for dispense.
- Remove all nozzles in the bar, clean with warm water and leave to air dry. Do not leave nozzles to soak.
- Clean and drain down glasswashers and leave door open to air dry.

If your premises closes and someone remains on site or makes weekly visits:

- Clean all beer lines as per your normal procedure.
- Once flush is complete leave fresh water in the lines.
- Ensure remote cooler is switched off.
- Switch off all gas bottles and/or gas generation systems.
- If stock is left in the cellar leave cellar cooling switched on.
- If site is closed for more than 7 days any part kegs will not be fit for dispense.
- Once a week, refresh water through the beer lines and switch on remote cooler for half an hour.
- Remove all nozzles in the bar, clean with warm water and leave to air dry. Do not leave nozzles to soak.
- Clean and drain down glasswashers and leave door open to air dry.

When you are ready to reopen your premises after prolonged closure:

- Cellar cooling should be switched on at least 24 hours prior to reopening.
- Switch on gas supply and/or gas generation systems.
- Clean all beer lines as per your normal procedure.
- Switch on remote cooler.
- Ensure keg connectors are scrubbed clean
- Check that kegs are in date and connect to fresh kegs.
- Reattach nozzles and pull through beer to each tap.
- Beer will be ready for customer serve after 2hrs.
- Refill glasswasher and dependent on length of closure, consideration should be given to cleaning all glasses on site.