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Rachel Reeves MP
Chair of the Business, Energy and Industrial Strategy Committee
House of Commons
London
SW1A 0AA

30th March 2020

Dear Rachel,

Thank you for your reply of 28th March. I'm disappointed that you haven't responded to the main points I raised in my letter of 26th March. These are, for ease of reference:

- Your Twitter comments that Wetherspoon "at first refused to lock down its pubs altogether", are untrue and damaging. We closed our pubs on Friday 20 March, shortly after the Prime Minister's speech, as you should be aware.
- Your Twitter comments that Wetherspoon "refused to pay its 40,000 staff until it receives its Govt. loan" are a distortion and are untrue. By the time you published your comments on Twitter, Wetherspoon had already promised to pay staff on 27 March. Also the "Govt. loan" to which you refer has nothing at all to do with the furlough scheme.
- I should also like to emphasise the overriding point that companies cannot pledge money they don't have. Your colleagues with experience of private business, will be aware that any hospitality or retail companies with debt will breach "debt covenants" as soon as they close, or shortly thereafter, resulting in an urgent need for bank forbearance in order to continue to pay

bills. Wetherspoon, for example, despite being a highly profitable company, has bank debt of around £800 million.

- It's worth reading the comments of Kate Nicholls of UK Hospitality, in this morning's edition of trade publication Propel (below).

Moving on to your latest letter, you say that you are happy that Wetherspoon "will pay staff on 27 March". As pointed out above, we had already told staff that they were being paid on 27 March and that we were committed to the furlough scheme. As chair of a parliamentary business committee it's important that your comments are not misleading at an extremely sensitive time.

You ask me to "confirm" that wages will be topped up to 100%. In a business in peril, which all hospitality businesses now are, it would be unwise to over-promise in this area, especially since many hospitality workers in other companies have already lost their jobs, with little or no compensation. Many companies, as widely reported, have already gone into administration, or have been unable to afford to retain staff. Above all, no one knows for how long businesses will be shut, another factor to be taken into account in our planning.

As regards suppliers, we're in close discussions with them. We've traded with most for 20 or 30 years, and with many for 40. They know we normally pay in a timely manner and they understand the current difficult situation.

I think it would be enormously helpful for businesses, their employees and suppliers, if you adopted a similar approach to that of the government, the Bank of England and civil servants, who are working tirelessly to get through an enormously difficult situation for everyone - rather than vilifying individual companies.

We, like everyone else, are doing our best to deal with unprecedented circumstances, so that the company is functioning and jobs are retained, once the crisis has passed,

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Tim Martin', with a stylized, cursive script.

Tim Martin
CHAIRMAN - JD WETHERSPOON PLC

(Dictated by Tim over the telephone & issued in his absence)



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