4 October 2024

J D WETHERSPOON PLC
PRELIMINARY RESULTS
(For the 52 weeks ended 28 July 2024)

FINANCIAL HIGHLIGHTS	Var %
Before separately disclosed items	
• Like-for-like sales	+7.6%
• Revenue £2,035.5m (2023: £1,925.0m)	+5.7%
• Profit before tax £73.9m (2023: £42.6m)	+73.5%
• Operating profit £139.5m (2023: £107.1m)	+30.2%
• Diluted earnings per share 46.8p (2023: 26.4p)	+77.3%
• Free cash inflow per share 26.4p (2023: 211.4p)	-87.5%
• Full year dividend 12.0p (2023: 0.0p)	+100%
After separately disclosed items[1]	
• Profit before tax £60.6m (2023: £90.5m)	-33.0%
• Operating profit £142.6m (2023: £106.0m)	+34.5%
• Diluted earnings per share 39.0p (2023: 46.5p)	-16.1%

[1]Separately disclosed items as disclosed in note 4.

Commenting on the results, Tim Martin, the Chairman of J D Wetherspoon plc, said:

“Sales continue to improve. In the last nine weeks, to 29 September 2024, like-for-like sales increased by 4.9%.

“The company continues to be concerned about the possibility of further lockdowns and about the efficacy of the government enquiry into the pandemic, which will not be concluded for several years.

“In contrast, the World Health Organisation (WHO) reported on its findings in 2022.

“Professor Francois Balloux, director of the UCL Genetics Institute, writing in The Guardian, and Professor Robert Dingwall, of Trent University, writing in the Telegraph, provide useful synopses of the WHO report:

(see pages 54–56 of Wetherspoon News
https://www.jdwetherspoon.com/wp-content/uploads/2024/04/Wetherspoon-News-autumn-2022.pdf)

“The conclusion of Professor Balloux, broadly echoed by Professor Dingwall, based on an analysis by the World Health Organisation of the pandemic, is that Sweden (which did not lock down), had a Covid-19 fatality rate “of about half the UK’s” and that “the worst performer, by some margin, is Peru, despite enforcing the harshest, longest lockdown.

“Professor Balloux concludes that “the strength of mitigation measures does not seem to be a particularly strong indicator of excess deaths.

“The company currently anticipates a reasonable outcome for the current financial year, subject to our future sales performance.”

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Photographs are available at: www.newscast.co.uk

Notes to editors

1. J D Wetherspoon owns and operates pubs throughout the UK. The Company aims to provide customers with good-quality food and drink, served by well-trained and friendly staff, at reasonable prices. The pubs are individually designed and the Company aims to maintain them in excellent condition.
2. Visit our website jdwetherspoon.com
3. The financial information set out in the announcement does not constitute the company's statutory accounts for the periods ended 28 July 2024 or 30 July 2023. The financial information for the period ended 30 July 2023 is derived from the statutory accounts for that year which have been delivered to the Registrar of Companies. The auditors have reported on those accounts: their report was unqualified, and did not contain a statement under section 498(2) or (3) of the Companies Act 2006. Statutory accounts for 2024 will be delivered to the registrar of companies in due course. This announcement has been prepared solely to provide additional information to the shareholders of J D Wetherspoon, in order to meet the requirements of the UK Listing Authority's Disclosure and Transparency Rules. It should not be relied on by any other party, for other purposes. Forward-looking statements have been made by the directors in good faith using information available up until the date that they approved this statement. Forward-looking statements should be regarded with caution because of inherent uncertainties in economic trends and business risks.
4. The annual report and financial statements 2024 has been published on the Company's website on 04 October 2024.
5. The current financial year comprises 52 trading weeks to 27 July 2025.
6. The next trading update will be issued on 6 November 2024.

CHAIRMAN'S STATEMENT

Financial performance

The company was founded in 1979 – and this is the 41st year since incorporation in 1983. The table below outlines some key aspects of our performance during that period.

Summary accounts for the years 1984-2024

Financial year	Total number of pubs (sites)	Total sales £000	Profit/(loss) before tax and separately disclosed items £000	Earnings per share before separately disclosed items pence[3]	Free cash flow £000	Free cash flow per share pence[2,3]
1984	1	818	(7)	-		
1985	2	1,890	185	0.2		
1986	2	2,197	219	0.2		
1987	5	3,357	382	0.3		
1988	6	3,709	248	0.3		
1989	9	5,584	789	0.6	915	0.4
1990	19	7,047	603	0.4	732	0.4
1991	31	13,192	1,098	0.8	1,236	0.6
1992	45	21,380	2,020	1.9	3,563	2.1
1993	67	30,800	4,171	3.3	5,079	3.9
1994	87	46,600	6,477	3.6	5,837	3.6
1995	110	68,536	9,713	4.9	13,495	7.4
1996	146	100,480	15,200	7.8	20,968	11.2
1997	194	139,444	17,566	8.7	28,027	14.4
1998	252	188,515	20,165	9.9	28,448	14.5
1999	327	269,699	26,214	12.9	40,088	20.3
2000	428	369,628	36,052	11.8	49,296	24.2
2001	522	483,968	44,317	14.2	61,197	29.1
2002	608	601,295	53,568	16.6	71,370	33.5
2003	635	730,913	56,139	17.0	83,097	38.8
2004	643	787,126	54,074	17.7	73,477	36.7
2005[4]	655	809,861	47,177	16.9	68,774	37.1
2006	657	847,516	58,388	24.1	69,712	42.1
2007	671	888,473	62,024	28.1	52,379	35.6
2008	694	907,500	58,228	27.6	71,411	50.6
2009	731	955,119	66,155	32.6	99,494	71.7
2010	775	996,327	71,015	36.0	71,344	52.9
2011	823	1,072,014	66,781	34.1	78,818	57.7
2012	860	1,197,129	72,363	39.8	91,542	70.4
2013	886	1,280,929	76,943	44.8	65,349	51.8
2014	927	1,409,333	79,362	47.0	92,850	74.1
2015	951	1,513,923	77,798	47.0	109,778	89.8
2016	926	1,595,197	80,610	48.3	90,485	76.7
2017	895	1,660,750	102,830	69.2	107,936	97.0
2018	883	1,693,818	107,249	79.2	93,357	88.4
2019	879	1,818,793	102,459	75.5	96,998	92.0
2020[6]	872	1,262,048	(44,687)	(35.5)	(58,852)	(54.2)
2021[3]	861	772,555	(154,676)	(119.2)	(83,284)	(67.8)
2022[3]	852	1,740,477	(30,448)	(19.6)	21,922	17.3
2023[3]	826	1,925,044	42,559	26.4	271,095	211.4
2024	800	2,035,500	73,875	46.8	33,037	26.4

Notes
Adjustments to statutory numbers
1. Where appropriate, the earnings/losses per share (EPS), as disclosed in the statutory accounts, have been recalculated to take account of share splits, the issue of new shares and capitalisation issues.
2. Free cash flow per share excludes dividends paid which were included in the free cash flow calculations in the annual report and accounts for the years 1995–2000.
3. EPS and free cash flow per share are calculated using dilutive shares in issue.
4. Before 2005, the accounts were prepared under UKGAAP. All accounts from 2005 to date have been prepared under IFRS.
5. Apart from the items in notes 1–4, all numbers are as reported in each year's published accounts.
6. From financial year 2020 data is based on post-IFRS 16 numbers following the transition from IAS17 to IFRS 16.

Continued Recovery

The recovery from the pandemic continued in FY24, the year under review.

In the first full post-lockdown financial year (FY22), like-for-like (LFL) sales declined by 4.7% compared to the pre-pandemic FY19. LFL sales, on the same basis, increased to 7.4% in FY23 and to 16.0% in FY24.

Total sales in FY24, which were £2,036 million, have increased by £217 million compared to FY19, although the number of pubs decreased from 879 at the FY19 year-end to 800 at FY24.

Profits, before tax and separately disclosed items, like sales, have also continued to make progress, improving from a loss of £30 million in FY22, to a profit before tax of £43 million in FY23 and to £74 million in FY24.

Increased Freehold Ownership

Since 2010, the company has invested £458 million in acquiring the freehold "reversions" of pubs where it was previously the tenant.

72% of pubs are now freehold, an increase from 41% in 2010.

Continued Expansion

As previously stated, our best estimate is that the company has potential for about 1,000 pubs in the UK. Examples of recent pub openings include The Captain Flinders near Euston Station, The Lion and the Unicorn in Waterloo Station, the Star Light, Heathrow Airport, and The Grand Assembly in Marlow, all in the London region.

In addition to new openings, there is potential to expand existing successful pubs, by adding gardens or, for example, by expanding existing customer areas into adjacent buildings.

Recent examples of the expansion of existing pubs include: The Prince of Wales, Cardiff; The Sir John Moore, Glasgow; The Six Chimneys, Wakefield; Wetherspoons, Victoria Station, London; The Red Lion, Skegness; The Talk of the Town, Paignton; The Albany Palace, Trowbridge and The Mile Castle, Newcastle.

As previously indicated, the company is also increasing investment in new staff rooms, changing rooms, glass racks above bars (to cater for increased usage of brewers' "branded glasses") and air conditioning.

Trading summary

Total sales in FY24 were £2,036 million, an increase of 5.7%, compared to FY23.

LFL sales, compared to FY23, increased by 7.6%. LFL bar sales increased by 8.9%, food sales by 5.6%, slot/fruit machine sales by 10.8% and hotel-room sales by 2.7%.

LFL sales were stronger than total sales due to a small number of pub disposals and lease terminations.

Operating profit, before separately disclosed items, was £139.5 million (2023: £107.1 million). The operating margin, before separately disclosed items, was 6.9% (2023: 5.6%).

Profit, before tax and separately disclosed items, was £73.9 million (2023: £42.6 million).

In the period, the company sold eighteen pubs and terminated the lease of an additional nine pubs. This gave rise to a cash inflow of £8.9 million.

There was an exceptional loss on disposal of approximately £13.4 million, recognised in the income statement, relating to these pubs.

The company opened two pubs in the year; the Star Light at Heathrow Airport and The Captain Flinders, close to Euston Station in London.

Franchises

Wetherspoon opened its first franchised pub in Hull University's student union in January 2022. The second opened at Newcastle University in September 2023, and the third at Haven Primrose Valley Holiday Park, Filey, North Yorkshire in March 2024. Further franchise proposals are under consideration.

Earnings

Earnings per share, before separately disclosed items, were 48.6p (2023: 27.0p).

Total capital investment was £116.5 million (2023: £78.5 million). £11.9 million was invested in new pubs and pub extensions (2023: £20.4 million), £82.6 million in existing pubs and IT (2023: £47.0 million) and £21.9 million in freehold reversions of properties where Wetherspoon was the tenant (2023: £11.2 million).

Separately disclosed items

Overall, there was a pre-tax 'separately disclosed loss' of £13.3 million (2023: £48.0 million gain).

Operating profit, after separately disclosed items, was £142.6 million (2023: £106.0 million).

Profit before tax, after separately disclosed items, was £60.6 million (2023: £90.5 million).

Details of the separately disclosed items are given in note 4 of the accounts.

The tax effect on separately disclosed items is a credit of £3.5 million (2023: debit of £22.2 million).

Following £19.9 million of impairment charges and £7.6 million of impairment reversals in the year, the net book value of the company's assets in the balance sheet is £1.37 billion, which is approximately seven times the company's EBITDA (pre IFRS-16 and pre separately disclosed items), in the last 12 months, of £192.8 million.

Free cash flow

There was a free cash inflow of £33.0 million in the period, including £14.8 million from the sale of interest rate swaps (2023: £271.1 million inflow, including £169.4 million from the sale of interest rate swaps).

Free cash flow was lower than profits due to:

- the amount that the company owed to suppliers and other third parties, such as HMRC, reducing from £329 million at the end of FY23 to £298 million at the end of the period under review.

- higher-than-usual levels of reinvestment in existing pubs, which increased from £47 million in FY23 to £83 million in FY24. This reinvestment, relating to the projects mentioned above, was around £17 million more than the P&L depreciation charge for the period.

- £5 million of loan issue costs in the period relating to the refinancing of the company's loans.

Balance sheet

Debt, excluding IFRS-16 lease debt, was £660.0 million at the period end (30 July 2023: £641.9 million).

On an IFRS-16 basis, which includes notional debt from leases, debt increased from £1.06 billion to £1.07 billion at the end of FY24.

Debt levels, excluding IFRS-16 lease debt, have decreased from £804.5 million to £660.0 million since January 2020, just before the first lockdown. On an IFRS-16 basis, debt decreased from £1.45 billion to £1.07 billion during this period.

Dividends and return of capital

As a result of the improved trading and financial position of the company, the board is recommending the payment of a final dividend, equivalent to the 2019 annual dividend, of 12 pence (2023: nil) per share.

During the period, 5,127,959 shares (4.1% of the share capital) were purchased by the company for cancellation, at a cost of £39.5 million, including stamp duty and fees, representing an average cost per share of 770p.

Financing

The company has total available finance facilities of £938.0 million.

On 6 June 2024, the company signed a new four-year £840.0 million banking agreement on attractive terms.

On 22 August 2023, the company disposed of all interest rate swaps in place, receiving £14.8 million to do so.

At the same time, the company took out a new interest-rate swap of £200.0 million from 23 August 2023 to 6 February 2025 at a rate of 5.67%.

On 25 September 2023, the company took out a further interest-rate swap of £400.0 million from 6 February 2025 to 6 February 2028 at a rate of 4.23%.

The total cost of the company's debt, in the period under review, including the banks' margin was 7.05% (30 July 2023: 6.09%).

Taxation

The total tax charge for the period was £15.4 million in respect of profits before separately disclosed items (2023: £8.7 million).

The total tax charge comprises two parts. The first part is the actual current tax (the 'cash' tax) which this year is £2.9 million (2023: nil).

The second part is deferred tax (the 'accounting' tax), which is tax payable in future periods, that must be recognised in the current period for accounting purposes. The accounting tax charge for the period is £12.5 million (2023: £8.7 million).

You cannot be serious

Pubs are highly regulated businesses, controlled by licensing laws, which originate in parliament.

In recent weeks, according to press reports, two potential changes to licensing regulations have been aired by government ministers and academic researchers, both aimed at lowering alcohol consumption.

The first is that pub and hospitality licensing hours might be reduced. Since 1988, pubs have been able to open all day, having previously been required to close for around two or three hours each afternoon.

In addition, in 2005, the then government further liberalised licensing laws, which resulted in many pubs opening an hour or two more in the evening - in Wetherspoon's case, usually until midnight on weekdays and until 1am on Fridays and Saturdays.

Counterintuitively, since these liberalisations, the share of alcohol consumption of the "on-trade" - pubs, clubs, restaurants etc - has plummeted.

In the early 1980s, the on-trade accounted for about 90% of beer sales, for example.

This dropped to about 50% before the pandemic and is now about 40%, probably due to the increase in price disparity with supermarkets, which stems from the tax disadvantage referred to in the section entitled "VAT equality" below.

The effect of reducing pub opening times would certainly further reduce on-trade consumption, but that reduction is likely to be replaced by "off-trade" consumption at home and in other "unregulated" environments.

Among the advantages of the on-trade, linked to regulation, are that consumption is supervised by trained licensees, police and local authorities, in many cases including CCTV coverage of premises, and so on.

This does not mean that pubs are invariably oases of tranquillity but, in general, pub behaviour is good and pubs are valued by communities.

The second, slightly daft, proposal is reported as emanating from Cambridge University - that pubs should sell beer in quantities of two-thirds of a pint (sometimes called schooners), rather than the traditional pint.

Common sense indicates that reducing glass sizes is unlikely, due to human nature, to reduce alcohol consumption in pubs, and would also have no effect whatsoever on drinks bought in supermarkets, unless container sizes in supermarkets were also, unrealistically, reduced.

For example, our Aussie cousins, notorious guzzlers, already use schooners without any noticeable reduction in consumption.

Both these proposals seem likely, if implemented, to encourage off-trade consumption at the expense of the on-trade, thereby exchanging the relatively highly priced and supervised pub environment for the inexpensive and unsupervised alternative of home, park and party consumption.

The word ‘pub’ may have a misleading connotation for some ministers and researchers. For example, Wetherspoon’s highest selling draught product by far, is Pepsi. Coffee and tea volumes, which are not in the draught category, are approximately double those of Pepsi. The reality is that products sold in pubs have radically changed in recent decades.

In summary, neither of these proposals would seem to pass the common-sense test, as John McEnroe would no doubt aver.

Scottish Business Rates

In **appendix 1** below, we explain how business rates for Scottish pubs, theoretically based on property values, have, by a strange process of legal reasoning, become a de facto sales tax, based on the sales performance of the occupier.

VAT equality

Wetherspoon, along with many in the hospitality industry, has been a strong advocate of tax equality between the off-trade, which consists mainly of supermarkets, and the on-trade, consisting mainly of pubs, clubs and restaurants.

Pubs, clubs and restaurants pay 20% VAT in respect of food sales but supermarkets pay nothing. Supermarkets also pay far less business rates per pint or meal than pubs.

It does not make economic sense for the tax system to favour mainly out-of-town supermarkets over mainly high-street pubs.

This imbalance is a major factor in town centre and high street dereliction.

Our more detailed arguments on this point, from our FY23 annual report, can be found in **appendix 2** below.

How pubs contribute to the economy

Wetherspoon and other pub and restaurant companies have always generated far more in taxes than are earned in profit.

In the financial year ended 28 July 2024, the company generated taxes of £780.2 million.

The table below shows the £6.2 billion of tax revenue generated by the company, its staff and customers in the last ten years.

Each pub, on average, generated £7.1 million in tax during that period. The tax generated by the company, during this period, equates to approximately 26 times the company’s profits after tax.

Republic of Ireland pubs contributed €14.0 million of Irish tax contributions during the year, of which €7.9 million related to VAT, €3.5 million alcohol duty and €2.3 million employment taxes.

	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m	2019 £m	2018 £m	2017 £m	2016 £m	2015 £m	TOTAL 2015 to 2024 £m
VAT	394.7	372.3	287.7	93.8	244.3	357.9	332.8	323.4	311.7	294.4	**3,013.0**
Alcohol duty	163.7	166.1	158.6	70.6	124.2	174.4	175.9	167.2	164.4	161.4	**1,526.5**
PAYE and NIC	134.7	124.0	141.9	101.5	106.6	121.4	109.2	96.2	95.1	84.8	**1,115.4**
Business rates	41.3	49.9	50.3	1.5	39.5	57.3	55.6	53.0	50.2	48.7	**447.3**
Corporation tax	9.9	12.2	1.5	-	21.5	19.9	26.1	20.7	19.9	15.3	**147.0**
Corporation tax credit (historic capital allowances)	-	-	-	-	-	-	-	-	-	-2.0	**-2.0**
Fruit/slot machine duty	16.7	15.7	12.8	4.3	9.0	11.6	10.5	10.5	11	11.2	**113.3**
Climate change levies	10.2	11.1	9.7	7.9	10	9.6	9.2	9.7	8.7	6.4	**92.5**
Stamp duty	1.1	0.9	2.7	1.8	4.9	3.7	1.2	5.1	2.6	1.8	**25.8**
Sugar tax	2.6	3.1	2.7	1.3	2.0	2.9	0.8	-	-	-	**15.4**
Fuel duty	2.0	1.9	1.9	1.1	1.7	2.2	2.1	2.1	2.1	2.9	**20.0**
Apprenticeship levy	2.5	2.5	2.2	1.9	1.2	1.3	1.7	0.6	-	-	**13.9**
Carbon tax	-	-	-	-	-	1.9	3.0	3.4	3.6	3.7	**15.6**
Premise licence and TV licences	0.5	0.5	0.5	0.5	1.1	0.8	0.7	0.8	0.8	1.6	**7.8**
Landfill tax	-	-	-	-	-	-	1.7	2.5	2.2	2.2	**8.6**
Insurance premium tax	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	-	**1.7**
Furlough tax	-	-	-4.4	-213	-124.1	-	-	-	-	-	**-341.5**
Eat Out to Help Out	-	-	-	-23.2	-	-	-	-	-	-	**-23.2**
Local government grants	-	-	-1.4	-11.1	-	-	-	-	-	-	**-12.5**
TOTAL TAX	**780.2**	**760.4**	**666.9**	**39.1**	**442.1**	**765.1**	**730.7**	**695.3**	**672.4**	**632.4**	**6,184.6**
TAX PER PUB (£m)	**0.98**	**0.92**	**0.78**	**0.05**	**0.51**	**0.87**	**0.83**	**0.78**	**0.71**	**0.67**	**7.10**
TAX AS % OF NET SALES	**38.3%**	**39.5%**	**38.3%**	**5.1%**	**35.0%**	**42.1%**	**43.1%**	**41.9%**	**42.1%**	**41.8%**	**36.7.%**
PROFIT/(LOSS) AFTER TAX	**58.5**	**33.8**	**-24.9**	**-146.5**	**-38.5**	**79.6**	**83.6**	**76.9**	**56.9**	**57.5**	**236.9**

Note – this table is prepared on a cash basis, is UK only and post IFRS-16 from FY20 onward.

Corporate Governance

Wetherspoon has been a strong critic of the composition of the boards of UK-quoted companies.

Directors of UK PLCs have, on average, relatively little experience of the companies they govern, due to the "nine-year rule", which limits their tenure, combined with the fact that most directors are part-time, and have never worked for the company in question, on a full-time basis.

In addition, those responsible for overseeing governance, among institutional shareholders, are often responsible for several hundred companies each, making genuine board engagement impossible, and thereby necessitating a "tick-box" approach, which is the antithesis of good governance.

The combination of arbitrary rules, the preponderance of part-time directors and overloaded institutional governance departments means that bureaucracy and virtue-signalling, rather than innovation and efficacy, dominate most UK PLC boardrooms.

In **appendix 3** below, further details are provided on this issue from our FY23 annual report.

Further progress

In the period Wetherspoon awarded £49.0 million of bonuses and free shares to employees, of which 96.5% was paid to staff below board level and 86.3% was paid to staff working in our pubs. Approximately 24,500 of our 42,300 employees are shareholders in the company.

The average length of service of a pub manager increased to 14.9 years, and of a kitchen manager is 10.9 years. There are 26 employees who have worked for the company for more than 30 years, 662 for more than 20 years, 4,056 for more than 10 years and 11,444 for more than five years.

Wetherspoon has been recognised by the Top Employers Institute as a Top Employer United Kingdom 2024. It is the 19th time that Wetherspoon has been certified by the Top Employers' Institute.

251 pubs feature in the 2025 Good Beer Guide, an increase of 15 compared to last year.

In November 2023, Wetherspoon was voted the Best Airport Retailer for Food & Beverages at the British Travel Awards.

In August 2024, our national distribution centre in Daventry, operated by DHL, had its 20th anniversary. 27 of the original colleagues from 2004 are still working there. In addition, we opened a secondary warehouse in Rugby which, as well as acting as a business continuity solution, will allow for further company volume growth.

The company has an extensive training programme for its employees, including 'kitchen of excellence' training, as well as cellar, dispense and coffee academy training.

Wetherspoon has recently been included in the Financial Times 'FT - Statista Leaders 2024' report, which highlights Europe's leading companies in diversity and inclusion.

The company's UK nominated charity is Young Lives vs. Cancer (previously CLIC Sargent). It supports children and young people with cancer. Since our partnership began in 2002, Wetherspoon has raised over £23.5 million for the charity, thanks to the generosity and efforts of our customers and employees.

677 of the company's washrooms have been awarded the highest platinum or diamond statuses by the National Loo of the Year awards. The awards are aimed at highlighting and improving standards of away-from home washrooms across the UK. The washrooms are judged against numerous criteria, including décor and maintenance, cleanliness, accessibility, hand-washing and drying equipment and overall management.

In January 2024, the company was awarded the highest rating by the Sustainable Restaurant Association – the world's largest accreditation scheme for pubs and restaurants, see link to SRA article.

Wetherspoon came first in the 'Out to Lunch' league table, compiled by the Soil Association, when last awarded, in 2019 and 2021. Restaurants and pubs are judged and scored on a range of criteria: family friendliness, healthy options, food quality, value, sustainability and ingredients' provenance.

Wetherspoon is seeking to extend the appeal of its menu. For example, 39% of the dishes on the menu that is available in the majority of pubs are vegetarian, 11% are vegan and 24% are under 500 calories.

Cod and haddock are sourced from fisheries which have been certified to the MSC's (Marine Stewardship Council) standards for well-managed and sustainable fisheries.

Guinness have a 'Quality Accreditation Programme'. Independent assessors review 17 aspects of quality. 100% of pubs passed their Guinness accreditation.

Since 2008, Wetherspoon has invited brewers from overseas to feature their ales in its real-ale festivals. To date, these brewers have contributed 234 ales, from 147 breweries in 29 countries. In addition, the company works with over 250 UK brewers, mostly small or “micro” brewers.

Since 1999, Wetherspoon has worked with independent real-ale quality assessor Cask Marque to gauge the quality of ale being served in its pubs. Cask Marque carries out an 11-point audit covering stock rotation, beer line cleanliness, equipment maintenance, glass washing cleanliness and hygiene. A star rating is awarded from 1 to 5, with a target of 4 to 5 stars for all pubs. Cask Marque state that 66% of UK pubs achieve 4 or 5 stars. 98% of Wetherspoon pubs have achieved 4 or 5 stars.

Sustainability, recycling and the environment

Wherever possible, Wetherspoon separates waste into eight streams: glass; tins/cans; cooking oil; paper/cardboard; plastic; lightbulbs; food waste and general waste.

In partnership with Veolia, our waste service provider, 99.8% of general waste was diverted from landfill in FY24.

9,324 tonnes of recyclable waste were processed last year at our national recycling centre. In addition, food waste is sent for ‘anaerobic digestion’ and used cooking oil is converted to biodiesel for agricultural use.

Smart meters are installed in the majority of pubs (and are being installed into the rest of pubs) to facilitate energy consumption reporting.

According to ISTA, a leading company providing energy services, Wetherspoon has reduced greenhouse gas emissions by 66% over the last 10 years, after adjusting for sales growth. During that time, the company has also contributed £108.1m in climate change levies and carbon taxes.

Length of service

The table below provides details of the improved retention levels of pub and kitchen managers, key areas for any pub company, in the last decade.

Financial year	Average pub manager length of service (Years)	Average kitchen manager length of service (Years)
2014	10.0	6.1
2015	10.1	6.1
2016	11.0	7.1
2017	11.1	8.0
2018	12.0	8.1
2019	12.2	8.1
2020	12.9	9.1
2021	13.6	9.6
2022	13.9	10.4
2023	14.3	10.6
2024	14.9	10.9

Bonuses and free shares

As indicated above, Wetherspoon has, for many years (see table below), operated a bonus and share scheme for all employees. Before the pandemic, these awards increased, as earnings increased for shareholders.

Financial year	Bonus and free shares £m	Profit/(loss) after tax[1] £m	Bonus and free shares as % of profits
2007	19	47	41%
2008	16	36	45%
2009	21	45	45%
2010	23	51	44%
2011	23	52	43%
2012	24	57	42%
2013	29	65	44%
2014	29	59	50%
2015	31	57	53%
2016	33	57	58%
2017	44	77	57%
2018	43	84	51%
2019	46	80	58%
2020	33	(39)	-
2021	23	(146)	-
2022	30	(25)	-
2023	36	34	106%
2024	49	59	83%
Total[2]	**466**	**860**	**54.2%**

[1](IFRS-16 was implemented in the year ending 26 July 2020 (FY20). From this period all profit numbers in the above table are on a Post-IFRS-16 basis. Prior to this date all profit numbers are on a Pre-IFRS-16 basis.

[2] Excludes 2020, 2021 and 2022.

Food hygiene ratings

Wetherspoon has always emphasised the importance of hygiene standards.

We now have 735 pubs rated on the Food Standards Agency's website (see table below). The average score is 4.99, with 99.6% of the pubs achieving a top rating of five stars. We believe this to be the highest average rating for any substantial pub company.

In the separate Scottish scheme, which records either a 'pass' or a 'fail', all of our 56 pubs have passed.

Financial Year	Total pubs scored	Average rating	Pubs with highest rating %
2014	824	4.91	92.0
2015	858	4.93	94.1
2016	836	4.89	91.7
2017	818	4.89	91.8
2018	807	4.97	97.3
2019	799	4.97	97.4
2020	781	4.96	97.0
2021	787	4.97	98.4
2022	775	4.98	98.6
2023	753	4.99	99.2
2024	735	4.99	99.6

Property litigation

Some years ago, Wetherspoon took successful legal action for fraud against its own property advisors Van de Berg, who were found, by the court, to have diverted freehold properties to third parties, leaving Wetherspoon with an inferior leasehold interest.

Following the Van de Berg case, Wetherspoon instigated further legal actions against a number of individuals and companies who had freehold properties introduced to them by Van de Berg. Liability was denied by all. The cases were contested and settled out of court. Details can be found in **appendix 4** below.

Press corrections

In the febrile atmosphere of the first UK lockdown, a number of harmful inaccuracies were published in the press. A large number of corrections and apologies were received, as a result of legal representations by Wetherspoon.

In order to try to set the record straight, a special edition of Wetherspoon News was published, which includes details of the apologies and corrections. It can be found on the company's website:

(https://www.jdwetherspoon.com/wp-content/uploads/2024/08/Does-Truth-Matter_.pdf).

Pubwatch

As Wetherspoon has previously highlighted, Pubwatch is a forum which has improved wider town and city environments, by bringing together pubs, local authorities and the police, in a concerted way, to encourage good behaviour and to reduce antisocial activity.

Wetherspoon pubs are members of 532 schemes country wide, with 4 new schemes and 10 less schemes due to disposals.

The company also helps to fund National Pubwatch, founded in 1997 by licensees Bill Stone and Raoul De Vaux, along with police superintendent Malcolm Eidmans. This is the umbrella organisation which helps to set up, co-ordinate and support local schemes.

It is our experience that in some towns and cities, where the authorities have struggled to control antisocial behaviour, the setting up of a Pubwatch has been instrumental in improving safety and security - of not only licensed premises, but also the town and city in general, as well as assisting the police in bringing down crime.

Conversely, we have found, in several towns, including some towns on the outskirts of London, that the absence of an effective Pubwatch scheme results in higher incidents of crime, disorder and antisocial behaviour.

In our view, Pubwatch is integral to making towns and cities a safe environment for everyone.

Current trading and outlook

As indicated above, sales continue to improve. In the last nine weeks, to 29 September 2024, like-for-like sales increased by 4.9%.

The company continues to be concerned about the possibility of further lockdowns and about the efficacy of the government enquiry into the pandemic, which will not be concluded for several years.

In contrast, the World Health Organisation (WHO) reported on its findings in 2022.

Professor Francois Balloux, director of the UCL Genetics Institute, writing in The Guardian, and Professor Robert Dingwall, of Trent University, writing in the Telegraph, provide useful synopses of the WHO report:

(see pages 54–56 of Wetherspoon News
https://www.jdwetherspoon.com/wp-content/uploads/2024/04/Wetherspoon-News-autumn-2022.pdf)

The conclusion of Professor Balloux, broadly echoed by Professor Dingwall, based on an analysis by the World Health Organisation of the pandemic, is that Sweden (which did not lock down), had a Covid-19 fatality rate "of about half the UK's" and that "the worst performer, by some margin, is Peru, despite enforcing the harshest, longest lockdown."

Professor Balloux concludes that "the strength of mitigation measures does not seem to be a particularly strong indicator of excess deaths."

The company currently anticipates a reasonable outcome for the current financial year, subject to our future sales performance.

APPENDIX 1 Extract from Wetherspoon FY23 Annual report, Chairman's Statement

Business rates transmogrified to a sales tax

Business rates are supposed to be based on the value of the building, rather than the level of trade of the tenant. This should mean that the rateable value per square foot is approximately the same for comparable pubs in similar locations. However, as a result of the valuation approach adopted by the government "Assessor" in Scotland, Wetherspoon often pays far higher rates per square foot than its competitors.

This is highlighted (in the tables below) by assessments for the Omni Centre, a modern leisure complex in central Edinburgh, where Wetherspoon has been assessed at more than double the rate per square foot of the average of its competitors, and for The Centre in Livingston (West Lothian), a modern shopping centre, where a similar anomaly applies.

As a result of applying valuation practice from another era, which assumed that pubs charged approximately the same prices, the raison d'être of the rating system – that rates are based on property values, not the tenant's trade – has been undermined.

Similar issues are evident in Galashiels, Arbroath, Anniesland – and, indeed, at most Wetherspoon pubs in Scotland. In effect, the application of the rating system in Scotland discriminates against businesses like Wetherspoon, which have lower prices, and encourages businesses to charge higher prices. As a result, consumers are likely to pay higher prices, which cannot be the intent of rating legislation.

Omni Centre, Edinburgh			
Occupier Name	**Rateable Value (RV)**	**Customer Area (ft²)**	**Rates per square foot**
Playfair (JDW)	**£218,750**	**2,756**	**£79.37**
Unit 9 (vacant)	£48,900	1,053	£46.44
Unit 7 (vacant)	£81,800	2,283	£35.83
Frankie & Benny's	£119,500	2,731	£43.76
Nando's	£122,750	2,804	£43.78
Slug & Lettuce	£108,750	3,197	£34.02
The Filling Station	£147,750	3,375	£43.78
Tony Macaroni	£125,000	3,427	£36.48
Unit 6 (vacant)	£141,750	3,956	£35.83
Cosmo	£200,000	7,395	£27.05
Average (exc JDW)	**£121,800**	**3,358**	**£38.55**

The Centre, Livingston			
Occupier Name	**Rateable Value (RV)**	**Customer Area (ft²)**	**Rates per square foot**
The Newyearfield (JDW)	**£165,750**	**4,090**	**£40.53**
Paraffin Lamp	£52,200	2,077	£25.13
Wagamama	£67,600	2,096	£32.25
Nando's	£80,700	2,196	£36.75
Chiquito	£68,500	2,221	£30.84
Ask Italian	£69,600	2,254	£30.88
Pizza Express	£68,100	2,325	£29.29
Prezzo	£70,600	2,413	£29.26
Harvester	£98,600	3,171	£31.09
Pizza Hut	£111,000	3,796	£29.24
Hot Flame	£136,500	4,661	£29.29
Average (exc JDW)	**£82,340**	**2,721**	**£30.40**

In summary, as a result of the approach taken in Scotland, business rates for pubs are de facto a sales tax, rather than a property tax, as the above examples clearly demonstrate.

APPENDIX 2 Extract from Wetherspoon FY23 Annual report, Chairman's Statement

VAT equality

As we have previously stated, the government would generate more revenue and jobs if it were to create tax equality among supermarkets, pubs and restaurants.

Supermarkets pay virtually no VAT in respect of food sales, whereas pubs pay 20%. This has enabled supermarkets to subsidise the price of alcoholic drinks, widening the price gap, to the detriment of pubs and restaurants. Pubs also pay around 20 pence a pint in business rates, whereas supermarkets pay only about 2 pence, creating further inequality.

Pubs have lost 50% of their beer sales to supermarkets in the last 35 or so years. It makes no sense for supermarkets to be treated more leniently than pubs, since pubs generate far more jobs per pint or meal than do supermarkets, as well as far higher levels of tax. Pubs also make an important contribution to the social life of many communities and have better visibility and control of those who consume alcoholic drinks.

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Tax equality is particularly important for residents of less affluent areas, since the tax differential is more important there – people can less afford to pay the difference in prices between the on and off trade.

As a result, in these less affluent areas, there are often fewer pubs, coffee shops and restaurants, with less employment and increased high-street dereliction. Tax equality would also be in line with the principle of fairness – the same taxes should apply to businesses which sell the same products.

APPENDIX 3 Extract from Wetherspoon FY23 Annual report, Chairman's Statement

Corporate Governance

Wetherspoon has been a strong critic of the composition of the boards of UK-quoted companies.

As a result of the 'nine-year rule', limiting the tenure of NEDs and the presumption in favour of 'independent', part-time chairmen, boards are often composed of short-term directors, with very little representation from those who understand the company best - people who work for it full time, or have worked for it full time.

Wetherspoon's review of the boards of major banks and pub companies, which teetered on the edge of failure in the 2008-10 recession, highlighted the short "tenure", on average, of directors.

In contrast, Wetherspoon noted the relative success, during this fraught financial period, of pub companies Fuller's and Young's, the boards of which were dominated by experienced executives, or former executives.

As a result, Wetherspoon increased the level of experience on the Wetherspoon board by appointing four "worker directors".

All four worker directors started on the 'shop floor' and eventually became successful pub managers. Three have been promoted to regional management roles. They have worked for the company for an average of 24 years.

Board composition cannot guarantee future success, but it makes sensible decisions, based on experience at the coalface of the business, more likely.

The UK Corporate Governance Code 2018 (the 'Code') is a vast improvement on previous codes, emphasising the importance of employees, customers and other stakeholders in commercial success. It also emphasises the importance of its comply-or-explain ethos, and the consequent need for shareholders to engage with companies in order to understand their explanations.

A major impediment to the effective implementation of comply or explain seems to be the undermanning of the corporate governance departments of major shareholders.

For example, Wetherspoon has met a compliance officer from one major institution who is responsible for around 400 companies - an impossible task.

As a result, it appears that compliance officers and governance advisors, in practice, often rely on a "tick-box" approach, which is, itself, in breach of the Code.

A further issue is that many major investors, in their own companies, for sensible reasons, do not observe the nine-year rule, and other rules, themselves. An approach of "do what I say, not what I do" is clearly unsustainable.

APPENDIX 4 Extract from Wetherspoon FY23 Annual report, Chairman's Statement

Property Litigation

In 2013, Wetherspoon agreed an out-of-court settlement of approximately £1.25 million with developer Anthony Lyons, formerly of property leisure agent Davis Coffer Lyons, relating to claims that Mr Lyons had been an accessory to frauds committed by Wetherspoon's former retained agent Van de Berg and its directors Christian Braun, George Aldridge and Richard Harvey in respect of properties in Leytonstone (which currently trades as the Walnut Tree), Newbury (which was leased to Café Rouge) and Portsmouth (which currently trades as The Isambard Kingdom Brunel).

Of these three properties, only Portsmouth was pleaded by Wetherspoon in its 2008/9 case against Van de Berg. Mr Lyons denied the claim and the litigation was contested.

In the Van de Berg litigation, Mr Justice Peter Smith ruled that Van de Berg, but not Mr Lyons (who was not a party to the case), fraudulently diverted the freehold of Portsmouth from Wetherspoon to Moorstown Properties Limited, a company owned by Simon Conway, which leased the property to Wetherspoon.

As part of a series of cases, Wetherspoon also agreed out-of-court settlements with:

1) Paul Ferrari of London estate agent Ferrari Dewe & Co, in respect of properties referred to as the 'Ferrari Five' by Mr Justice Peter Smith in the Van de Berg case, and

2) Property investor Jason Harris, formerly of First London and now of First Urban Group who paid £400,000 to Wetherspoon to settle a claim in which it was alleged that Harris was an accessory to frauds committed by Van de Berg. Harris contested the claim and did not admit liability.

Messrs Ferrari and Harris both contested the claims and did not admit liability.

INCOME STATEMENT for the 52 weeks ended 28 July 2024

	Notes	52 weeks ended 28 July 2024 before separately disclosed items[1] £000	52 weeks ended 28 July 2024 separately disclosed Items[1] £000	52 weeks ended 28 July 2024 after separately disclosed items[1] £000	52 weeks ended 30 July 2023 before separately disclosed items[1] £000	52 weeks ended 30 July 2023 separately disclosed items[1] £000	52 weeks ended 30 July 2023 after separately disclosed items[1] £000
Revenue	1	**2,035,500**	**-**	**2,035,500**	1,925,044	-	1,925,044
Other operating income/(costs)	4	**-**	**4,153**	**4,153**	-	(1,022)	(1,022)
Operating costs		**(1,896,009)**	**(1,059)**	**(1,897,068)**	(1,817,982)	-	(1,817,982)
Operating profit		**139,491**	**3,094**	**142,585**	107,062	(1,022)	106,040
Property gains/(losses)	3	**11**	**(32,480)**	**(32,469)**	2,231	(47,712)	(45,481)
Finance income	6	**2,032**	**16,131**	**18,163**	1,351	97,724	99,075
Finance costs	6	**(67,659)**	**–**	**(67,659)**	(68,085)	(1,038)	(69,123)
Profit/(loss) before tax		**73,875**	**(13,255)**	**60,620**	42,559	47,952	90,511
Income tax (charge)/credit	7	**(15,361)**	**3,526**	**(11,835)**	(8,734)	(22,190)	(30,924)
Profit/(loss) for the period		**58,514**	**(9,729)**	**48,785**	33,825	25,762	59,587
Profit/(loss) per ordinary share (p)							
– Basic	8	**48.6**	**(8.1)**	**40.5**	27.0	20.5	47.5
– Diluted	8	**46.8**	**(7.8)**	**39.0**	26.4	20.1	46.5

[1] Separately disclosed items is a measure not required by accounting standards. Post separately disclosed items is a GAAP measure.

STATEMENT OF COMPREHENSIVE INCOME for the 52 weeks ended 28 July 2024

	Notes	52 weeks ended 28 July 2024 £000	52 weeks ended 30 July 2023 £000
Items which will be reclassified subsequently to profit or loss:			
Interest-rate swaps: gain taken to other comprehensive income		**38**	37,529
Interest-rate swaps: loss reclassification to the income statement		**(18,025)**	(13,310)
Tax on items taken directly to other comprehensive income	7	**–**	(6,055)
Currency translation differences		**(1,294)**	1,633
Net (loss)/gain recognised directly in other comprehensive income		**(19,281)**	19,797
Profit for the period		**48,785**	59,587
Total comprehensive profit for the period		**29,504**	79,384

CASH FLOW STATEMENT for the 52 weeks ended 28 July 2024

	Note	52 weeks ended 28 July 2024 £000	Free cash flow[1] 52 weeks ended 28 July 2024 £000	52 weeks ended 30 July 2023 £000	Free cash flow[1] 52 weeks ended 30 July 2023 £000
Cash flows from operating activities					
Cash generated from operations	9	**232,907**	**232,907**	270,686	270,686
Interest received	6	**1,765**	**1,765**	1,011	1,011
Interest paid	6	**(52,482)**	**(52,482)**	(50,545)	(50,545)
Cash proceeds on termination of interest-rate swaps		**14,783**	**14,783**	169,413	169,413
Corporation tax paid		**(9,940)**	**(9,940)**	(12,200)	(12,200)
Lease interest		**(14,471)**	**(14,471)**	(15,954)	(15,954)
Net cash flow from operating activities		**172,562**	**172,562**	362,411	362,411
Cash flows from investing activities					
Reinvestment in pubs		**(76,389)**	**(76,389)**	(41,646)	(41,646)
Reinvestment in business and IT projects		**(6,243)**	**(6,243)**	(5,315)	(5,315)
Investment in new pubs and pub extensions		**(11,933)**	**–**	(20,361)	–
Freehold reversions and investment properties		**(21,944)**	**–**	(11,202)	–
Proceeds of sale of property, plant and equipment		**17,872**	**–**	11,349	–
Net cash flow from investing activities		**(98,637)**	**(82,632)**	(67,175)	(46,961)
Cash flows from financing activities					
Purchase of own shares for cancellation		**(39,505)**	**–**	–	–
Purchase of own shares for share-based payments		**(12,738)**	**(12,738)**	(12,332)	(12,332)
Loan issue cost		**(4,948)**	**(4,948)**	–	–
Repayments under bank loans		**(4,000)**	**–**	(200,033)	–
Other loan receivables		**778**	**–**	889	–
Lease principal payments		**(39,207)**	**(39,207)**	(32,023)	(32,023)
Asset-financing principal payments		**(4,245)**	**–**	(4,911)	–
Net cash flow from financing activities		**(103,865)**	**(56,893)**	(248,410)	(44,355)
Net change in cash and cash equivalents		**(29,940)**		46,826	
Opening cash and cash equivalents		**87,173**		40,347	
Closing cash and cash equivalents		**57,233**		87,173	
Free cash flow[1]			**33,037**		271,095

[1] Free cash flow is a measure not required by accounting standards.

BALANCE SHEET as at 28 July 2024

J D Wetherspoon plc, company number: 1709784	Notes	**28 July 2024 £000**	Restated[1] 30 July 2023 £000
Assets			
Non-current assets			
Property, plant and equipment	13	**1,374,617**	1,377,816
Intangible assets	12	**5,933**	6,505
Investment property	14	**18,290**	18,740
Right-of-use assets[1]		**373,338**	395,353
Other loan receivable		**1,194**	1,986
Derivative financial instruments		**–**	11,944
Lease assets		**8,860**	8,450
Total non-current assets		**1,782,232**	1,820,794
Current assets			
Lease assets		**1,358**	1,361
Assets held for sale		**2,488**	400
Inventories		**28,404**	34,558
Receivables		**26,576**	27,267
Current income tax receivables		**6,079**	8,351
Cash and cash equivalents		**57,233**	87,173
Total current assets		**122,138**	159,110
Total assets		**1,904,370**	1,979,904
Current liabilities			
Borrowings		**–**	(4,200)
Derivative financial instruments		**(701)**	(78)
Trade and other payables		**(298,059)**	(329,098)
Provisions		**(3,047)**	(2,395)
Lease liabilities		**(49,582)**	(51,486)
Total current liabilities		**(351,389)**	(387,257)
Non-current liabilities			
Borrowings		**(719,134)**	(727,643)
Derivative financial instruments		**(4,073)**	–
Deferred tax liabilities[1]	7	**(59,487)**	(60,152)
Lease liabilities		**(368,660)**	(391,794)
Total non-current liabilities		**(1,151,354)**	(1,179,589)
Total liabilities		**(1,502,743)**	(1,566,846)
Net assets		**401,627**	413,058
Shareholders' equity			
Share capital		**2,472**	2,575
Share premium account		**143,170**	143,170
Capital redemption reserve		**2,440**	2,337
Other reserves		**195,074**	234,579
Hedging reserve		**13,794**	31,781
Currency translation reserve		**106**	2,148
Retained earnings[1]		**44,571**	(3,532)
Total shareholders' equity		**401,627**	413,058

[1]Restated 30 July 2023.

STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Other Reserves £000	Hedging reserve £000	Currency translation reserve £000	Restated[1] Retained earnings £000	**Total £000**
As at 31 July 2022 as previously reported		2,575	143,294	2,337	234,579	13,617	(144)	(74,373)	**321,885**
Effect of restatements[1]		-	-	-	-	-	-	13,600	13,600
Restated[1] as at 31 July 2022		**2,575**	**143,294**	**2,337**	**234,579**	**13,617**	**(144)**	**(60,773)**	**335,485**
Total comprehensive income		-	-	-	-	18,164	2,292	58,928	79,384
Profit for the period[1]		-	-	-	-	-	-	59,587	59,587
Interest-rate swaps: cash flow hedges		-	-	-	-	37,529	-	-	37,529
Interest-rate swaps: amount reclassified to the income statement		-	-	-	-	(13,310)	-	-	(13,310)
Tax on items taken directly to comprehensive income	7	-	-	-	-	(6,055)	-	-	(6,055)
Currency translation differences		-	-	-	-	-	2,292	(659)	1,633
Share capital expenses		-	(124)	-	-	-	-	-	(124)
Share-based payment charges		-	-	-	-	-	-	10,545	10,545
Tax on share-based payment	7	-	-	-	-	-	-	100	100
Purchase of own shares for share-based payments		-	-	-	-	-	-	(12,332)	(12,332)
As at 30 July 2023 as previously reported		**2,575**	**143,170**	**2,337**	**234,579**	**31,781**	**2,148**	**(17,132)**	**399,458**
Effect of restatements[1]								13,600	13,600
Restated[1] as at 30 July 2023		**2,575**	**143,170**	**2,337**	**234,579**	**31,781**	**2,148**	**(3,532)**	**413,058**
Total comprehensive income		-	-	-	-	(17,987)	(2,042)	49,533	29,504
Profit for the period		-	-	-	-		-	48,785	48,785
Interest-rate swaps: cash flow hedges		-	-	-	-	38	-	-	38
Interest-rate swaps: amount reclassified to the income statement		-	-	-	-	(18,025)	-	-	(18,025)
Currency translation differences		-	-	-	-	-	(2,042)	748	(1,294)
Purchase of own shares and cancellation		(103)	-	103	(39,505)	-	-	-	(39,505)
Share-based payment charges		-	-	-	-	-	-	11,021	11,021
Tax on share-based payment	7	-	-	-	-	-	-	287	287
Purchase of own shares for share-based payments		-	-	-	-	-	-	(12,738)	(12,738)
As at 28 July 2024		**2,472**	**143,170**	**2,440**	**195,074**	**13,794**	**106**	**44,571**	**401,627**

[1]Restated 30 July 2023.

The share premium account represents those proceeds received in excess of the nominal value of new shares issued.

The capital redemption reserve represents the nominal amount of share capital repurchased and cancelled in previous periods.

Other reserves contain net proceeds received for share placements which took place in previous periods. During the year, £39.5 million was deducted from other reserves relating to share buybacks. Other reserves is used as this is determined to be distributable for the purposes of the Companies Act 2006.

The currency translation reserve contains the accumulated currency gains and losses on the long-term financing and balance sheet translation of the overseas branch. The currency translation difference reported in retained earnings is the retranslation of the opening reserves in the overseas branch at the current period end's currency exchange rate.

As at 28 July 2024, the company had distributable reserves of £253.5 million (Restated 2023: £265.0 million).

NOTES TO THE FINANCIAL STATEMENTS

1. Revenue

	52 weeks ended 28 July 2024 £000	52 weeks ended 30 July 2023 £000
Bar	**1,167,450**	1,093,368
Food	**773,002**	742,067
Slot/fruit machines	**66,886**	62,579
Hotel	**25,337**	24,939
Other	**2,825**	2,091
	2,035,500	1,925,044

2. Operating profit/(loss) – analysis of costs by nature

This is stated after charging/(crediting):	52 weeks Ended 28 July 2024 £000	52 weeks ended 30 July 2023 £000
Variable concession rental payments	**16,905**	16,980
Short-term leases	**593**	504
Repairs and maintenance	**114,544**	94,011
Net rent receivable	**(2,711)**	(2,506)
Share-based payments (note 5)	**11,021**	10,545
Depreciation of property, plant and equipment (note 13)	**63,496**	70,173
Amortisation of intangible assets (note 12)	**1,937**	1,827
Depreciation of investment properties (note 14)	**176**	185
Amortisation of right-of-use assets	**36,773**	37,556

Analysis of continuing operations	52 weeks Ended 28 July 2024 £000	52 weeks ended 30 July 2023 £000
Revenue	**2,035,500**	1,925,044
Cost of sales[1]	**(1,837,608)**	(1,765,970)
Gross profit	**197,892**	159,074
Administration costs	**(55,307)**	(53,034)
Operating profit after separately disclosed items	**142,585**	106,040

[1]Included in cost of sales is £664.7 million (2023: £654.3 million) relating to the cost of inventory recognised as an expense.

Auditor's remuneration	52 weeks Ended 28 July 2024 £000	52 weeks ended 30 July 2023 £000
Fees payable for the audit of the financial statements		
– Audit fees	**610**	560
– Additional audit work (for previous year audit)	**122**	50
Fees payable for other services		
– Audit related services (interim audit procedures)	**72**	82
Total auditor's fee	**804**	692

3. Property losses and gains

	52 weeks ended 28 July 2024 Before separately disclosed items £000	52 weeks ended 28 July 2024 Separately disclosed items (note 4) £000	52 weeks ended 28 July 2024 After separately disclosed items £000	52 weeks ended 30 July 2023 Before separately disclosed items £000	52 weeks ended 30 July 2023 Separately disclosed items (note 4) £000	52 weeks ended 30 July 2023 After separately disclosed items £000
Disposals						
Fixed assets	**77**	**10,496**	**10,573**	–	8,136	8,136
Leases	**–**	**(1,519)**	**(1,519)**	–	(1,404)	(1,404)
Additional costs of disposal	**–**	**4,405**	**4,405**	42	2,693	2,735
	77	**13,382**	**13,459**	42	9,425	9,467
Impairments						
Property, plant and equipment (note 13)	**–**	**25,268**	**25,268**	–	35,966	35,966
Reversal of property plant and equipment	–	**(7,582)**	**(7,582)**	–	(5,430)	(5,430)
Investment properties (note 14)	**–**	**347**	**347**	–	4,448	4,448
Reversal of investment properties	**–**	**(73)**	**(73)**	–	–	–
Intangible assets	**–**	**–**	**–**	–	(74)	(74)
Right-of-use assets	**–**	**2,161**	**2,161**	–	3,377	3,377
Reversal of right-of-use assets	**–**	**(1,023)**	**(1,023)**	–	–	–
	–	**19,098**	**19,098**	–	38,287	38,287
Other						
Other property gains	**(88)**	**–**	**(88)**	(1,409)	–	(1,409)
Leases	**–**	**–**	**–**	(864)	–	(864)
	(88)	**–**	**(88)**	(2,273)	–	(2,273)
Total property (gains)/losses	**(11)**	**32,480**	**32,469**	(2,231)	47,712	45,481

4. Separately disclosed items

	52 weeks ended 28 July 2024 £000	52 weeks ended 30 July 2023 £000
Operating items		
Local government support grants	(14)	(54)
Depreciation overcharge on impaired assets	(4,139)	–
Operating income	**(4,153)**	(54)
Other	1,059	1,076
Operating costs	**1,059**	1,076
Total operating (profit)/loss	**(3,094)**	1,022
Property losses		
Loss on disposal of pubs	13,382	9,425
	13,382	9,425
Other property losses		
Impairment of assets under construction	5,334	–
Impairment of intangible assets	–	(74)
Impairment of property, plant and equipment	19,934	35,966
Reversal of property, plant and equipment impairment	(7,582)	(5,430)
Impairment of investment properties	347	4,448
Reversal of investment properties impairment	(73)	–
Impairment of right-of-use assets	2,161	3,377
Reversal of right-of-use asset Impairments	(1,023)	–
	19,098	38,287
Total property losses	**32,480**	47,712
Other items		
Finance costs	–	1,038
Finance income	(16,131)	(97,724)
	(16,131)	(96,686)
Taxation		
Tax effect on separately disclosed items	(3,526)	22,190
	(3,526)	22,190
Total separately disclosed items	**9,729**	**(25,762)**

Other operating income
Included in other operating income is a reversal of overcharged depreciation in relation to previously impaired fixed assets and right-of-use assets, totalling £4,139,000. The overcharge of depreciation occurred between the periods ended 26 July 2020 and 30 July 2023, and was not material in any one period to any line item. As such, the overcharge has been reversed in the current year.

Local government support grants
The company has recognised £14,000 (2023: £54,000) of local government support grants in the UK and the Republic of Ireland, associated with the COVID-19 pandemic.

Other operating costs
Other operating costs relate to a contractual dispute with a large supplier which has now been resolved. Costs of £1,846,000 (2023: 1,076,000) have been recognised in relation to this dispute. Further costs of £684,000 (2023: nil) are in relation to an historic employment tax issue. Income of £1,471,000 has been recognised in the period relating to a settlement agreement (2023: nil).

Property losses
In the table on the previous page, those costs classified under the 'separately disclosed property losses' relate to the loss on disposal of sites sold during the year.

Other property losses
Property impairment relates to pubs which are deemed unlikely to generate sufficient cash flows in the future to support their carrying value. In the year, a total impairment charge of £19,934,000 (2023: £35,966,000) was incurred in respect of property, plant and equipment and £2,161,000 (2023: £3,377,000) in respect of right-of-use assets, as required under IAS 36. There were impairment reversals of £8,678,000 recognised in the year (2023: £5,430,000).

In the year, a total impairment charge of £347,000 (2023: £4,448,441) was incurred in respect of the impairment of our investment properties.

There was £5,334,000 impairment charge relating to assets under construction (2023: nil).

Separately disclosed finance costs
In the previous year, the company recognised covenant waiver fees of £1,038,000.

Separately disclosed finance income
The separately disclosed finance income of £16,131,000 (2023: £97,724,000) relates to interest-rate swaps. A charge of £1,894,000 (2023: income of £71,124,000) relates to the fair value movement on interest-rate swaps. Income of £18,025,000 (2023: £13,310,000) relates to the amortisation of the hedge reserve to the P&L relating to discontinued hedges. As a result of no hedge accounting being applied, there has been no hedge ineffectiveness recognised in the P&L (2023: £13,290,000).

Taxation
The tax effect on separately disclosed items is a credit of £3,526,000 (2023: £22,190,000 charge).

5. Employee benefits expenses

	52 weeks ended 28 July 2024 £000	52 weeks ended 30 July 2023 £000
Wages and salaries	**717,558**	668,397
Employee support grants	**(289)**	(768)
Social security costs	**45,857**	41,262
Other pension costs	**11,983**	10,675
Share-based payments	**11,021**	10,545
	786,130	730,111

Directors' emoluments	2024 £000	Restated[1] 2023 £000
Aggregate emoluments	**1,874**	2,864
Aggregate amount receivable under share schemes	**353**	339
Company contributions to money purchase pension scheme	**171**	173
	2,398	3,376

[1]Restated 30 July 2023.

Employee support grants disclosed above are amounts claimed by the company under the coronavirus job retention schemes in the UK and the Republic of Ireland.

	2024 Number	2023 Number
Full-time equivalents		
Head office	**388**	362
Pub managerial	**4,542**	4,549
Pub hourly paid staff	**19,467**	19,539
	24,397	24,450

	2024 Number	2023 Number
Total employees		
Head office	**397**	379
Pub managerial	**4,743**	4,678
Pub hourly paid staff	**36,937**	37,151
	42,077	42,208

The totals above relate to the monthly average number of employees during the year, not the total of employees at the end of the year.

Share-based payments	**52 weeks ended 28 July 2024**	Restated[1] 52 weeks ended 30 July 2023
Shares awarded during the year (shares)	**3,937,892**	3,813,792
Average price of shares awarded (pence)	**701**	526
Market value of shares vested during the year (£000)	**7,377**	1,464
Share awards not yet vested (£000)	**21,617**	16,632

[1]Restated 30 July 2023.

The shares awarded as part of the above schemes are based on the cash value of the bonuses at the date of the awards. These awards vest over three years, with their cost spread over their three-year life. The share-based payment charge above represents the annual cost of bonuses awarded over the past three years. All awards are settled in equity.

The company operates two share-based compensation plans. In both schemes, the fair values of the shares granted are determined by reference to the share price at the date of the award. The shares vest at a nil exercise price – and there are no market-based conditions to the shares which affect their ability to vest.

6. Finance income and costs

	52 weeks ended 28 July 2024 £000	52 weeks ended 30 July 2023 £000
Finance costs		
Interest payable on bank loans and overdrafts	**48,262**	43,469
Amortisation of bank loan issue costs (note 10)	**439**	1,246
Interest payable on swaps	**866**	1,894
Interest payable on asset-financing	**70**	205
Interest payable on private placement	**3,284**	4,977
Finance costs excluding lease interest	**52,921**	51,791
Interest payable on leases	**14,738**	16,294
Total finance costs	**67,659**	68,085
Bank interest receivable	**(1,765)**	(1,011)
Lease interest receivable	**(267)**	(340)
Total finance income	**(2,032)**	(1,351)
Net finance costs before separately disclosed items	**65,627**	66,734
Separately disclosed finance costs (note 4)	**–**	1,038
Separately disclosed finance income (note 4)	**(16,131)**	(97,724)
	(16,131)	(96,686)
Net finance costs/(income) after separately disclosed items	**49,496**	(29,952)

7. Income tax expense

(a) Tax on profit/(loss) on ordinary activities

The standard rate of corporation tax in the UK is 25%. The company's profits for the accounting period are taxed at a rate of 25% (2023: 21%).

	52 weeks ended 28 July 2024 Before separately disclosed items £000	**52 weeks ended 28 July 2024 separately disclosed items (note 4) £000**	**52 weeks ended 28 July 2024 After separately disclosed items £000**	52 weeks ended 30 July 2023 Before separately disclosed items £000	52 weeks ended 30 July 2023 separately disclosed items (note 4) £000	52 weeks ended 30 July 2023 After separately disclosed Items £000
Taken through income statement						
Current income tax:						
Current income tax charge	**2,901**	**12,406**	**15,307**	–	5,552	5,552
Previous period adjustment	**–**	**(3,043)**	**(3,043)**	–	293	293
Total current income tax	**2,901**	**9,363**	**12,264**	–	5,845	5,845
Deferred tax:						
Origination and reversal of temporary differences	**12,460**	**(13,164)**	**(704)**	13,602	16,345	29,947
Previous period deferred tax credit	**–**	**275**	**275**	(4,868)	–	(4,868)
Total deferred tax	**12,460**	**(12,889)**	**(429)**	8,734	16,345	25,079
Tax charge	**15,361**	**(3,526)**	**11,835**	8,734	22,190	30,924

	52 weeks ended 28 July 2024 Before separately disclosed items £000	**52 weeks ended 28 July 2024 separately disclosed items (note 4) £000**	**52 weeks ended 28 July 2024 After separately disclosed items £000**	52 weeks ended 30 July 2023 Before separately disclosed items £000	52 weeks ended 30 July 2023 separately disclosed items (note 4) £000	52 weeks Ended 30 July 2023 After separately disclosed items £000
Taken through equity						
Current tax	**(52)**	**–**	**(52)**	–	–	–
Deferred tax	**(235)**	**–**	**(235)**	(100)	–	(100)
Tax credit	**(287)**	**–**	**(287)**	(100)	–	(100)

	52 weeks Ended 28 July 2024 Before Separately Disclosed Items £000	**52 weeks ended 28 July 2024 Separately disclosed items (note 4) £000**	**52 weeks ended 28 July 2024 After separately disclosed items £000**	52 weeks ended 30 July 2023 Before separately disclosed items £000	52 weeks ended 30 July 2023 separately disclosed items (note 4) £000	52 weeks ended 30 July 2023 After separately disclosed items £000
Taken through comprehensive income						
Deferred tax charge on swaps	**–**	**–**	**–**	–	6,055	6,055
Tax charge	**–**	**–**	**–**	–	6,055	6,055

7. Income tax expense (continued)

(b) Reconciliation of the total tax charge

The taxation charge pre-separately disclosed items, for the 52 weeks ended 28 July 2024, is based on the profit before tax of £73.9m and the estimated effective tax rate for the 52 weeks ended 28 July 2024 of 20.8% (July 2023: 20.5%). This comprises of a current tax rate of 3.9% (July 2023: 0%) and a deferred tax charge of 16.9% (July 2023: 20.5% charge).

The UK standard weighted average tax rate for the period is 25% (2023: 21%). The current tax rate is lower than the UK standard weighted average tax rate owing to tax losses in the period.

	52 weeks ended 28 July 2024 Before separately disclosed items £000	**52 weeks ended 28 July 2024 After separately disclosed items £000**	52 weeks ended 30 July 2023 Before separately disclosed items £000	52 weeks ended 30 July 2023 After separately disclosed items £000
Profit before income tax	**73,875**	**60,620**	42,559	90,511
Profit multiplied by the UK standard rate of corporation tax of 25% (2023: 21%)	**18,469**	**15,155**	8,937	19,008
Abortive acquisition costs and disposals	**490**	**490**	427	427
Expenditure not allowable	**643**	**1,120**	711	711
Fair value movement on SWAP disregarded for tax	**–**	**(4,504)**	(2,599)	484
Other allowable deductions	**(18)**	**(18)**	(13)	(13)
Non-qualifying depreciation and loss on disposal	**(3,143)**	**(1,986)**	5,875	8,489
Capital gains – effect of deferred tax not recognised/(effect of relief)	**–**	**2,271**	1,175	1,175
Share options and SIPs	**(1,382)**	**(1,382)**	188	188
Deferred tax on balance-sheet-only items	**(56)**	**(56)**	(182)	(182)
Effect of different tax rates and unrecognised losses in overseas companies	**358**	**3,513**	2,871	2,871
Rate change adjustment	**–**	**–**	(3,788)	2,341
Previous year adjustment – current tax	**–**	**(3,043)**	–	293
Previous year adjustment – deferred tax	**–**	**275**	(4,868)	(4,868)
Total tax expense reported in the income statement	**15,361**	**11,835**	8,734	30,924

7. Income tax expense (continued)

(c) Deferred tax

The main rate of corporation tax increased to 25% on 1 April 2023. Deferred tax balances have been recognised at the rate they are expected to reverse. The deferred tax in the balance sheet is as follows:

Deferred tax liabilities	Accelerated tax depreciation	Other temporary differences	Interest-rate swap	Total
	£000	£000	£000	£000
As at 30 July 2023	**50,048**	**6,838**	**27,032**	**83,918**
Previous year movement posted to the income statement	(52)	(824)	4,149	3,273
Movement during year posted to the income statement	1,779	42	(20,619)	(18,798)
At 28 July 2024	**51,775**	**6,056**	**10,562**	**68,393**

Deferred tax assets	Share-based payments	Tax losses and interest capacity carried forward	Other temporary differences	Total
		£000	£000	£000
As previously reported as at 30 July 2023	**1,044**	**17,122**	**–**	**18,166**
Effect of restatements[1]	–	–	5,600	5,600
Restated[1] as at 30 July 2023	**1,044**	**17,122**	**5,600**	**23,766**
Previous year movement posted to the income statement	–	2,999	–	2,999
Movement during year posted to the income statement	914	(19,061)	53	(18,094)
Movement during year posted to equity	235	–	–	235
At 28 July 2024	**2,193**	**1,060**	**5,653**	**8,906**

The company has recognised deferred tax assets of £8.9 million (2023 restated: £23.8 million), which are expected to be offset against future profits. This includes a deferred tax asset of £1.1 million (2023: £17.1 million), in respect of UK tax losses. Included in other temporary differences is £5.7 million (2023 restated: £5.6 million) relating to capital losses capable of offset against rolled over gains.

Deferred tax assets and liabilities have been offset as follows:

	2024	Restated[1] 2023
	£000	**£000**
Deferred tax liabilities	**68,393**	**83,918**
Offset against deferred tax assets[1]	**(8,906)**	(23,766)
Deferred tax liabilities[1]	**59,487**	60,152
Deferred tax assets[1]	**8,906**	23,766
Offset against deferred tax liabilities[1]	**(8,906)**	(23,766)
Deferred tax asset[1]	**–**	–

[1]Restated 30 July 2023.

As at 28 July 2024, the company had a potential deferred tax asset of £5.4 million (2023: £4.1 million) relating to capital losses (gross tax losses £21.6 million (2023: £16.4 million)) and tax losses in the Republic of Ireland (gross tax losses £32.6 million (2023: £24.2 million)). Both types of loss do not expire and will be available to use in future periods indefinitely. A deferred tax asset has not been recognised, as there is insufficient certainty of recovery.

For periods commencing on or after 1 January 2024, additional reporting requirements will apply to ensure that the effective tax rate will be at least 15% in all countries, subject to various complex calculations. This is in line with the minimum taxation rules announced by the G7 and progressed by the OECD Inclusive Framework on Base Erosion and Profit Sharing. These rules have been implemented in the UK via the Multinational Top Up Tax legislation during the year and will first apply to the accounting period ending 27 July 2025.

Historically the company's effective tax rate has been above 15%. However, the company does operate in Ireland where the corporation tax rate is below 15%. The group has assessed the exposure to Multinational Top Up Taxes and any impact will be immaterial.

The company applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

8. Earnings and free cash flow per share

Weighted average number of shares

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) after tax for the period by the weighted average number of ordinary shares in issue during the financial year of 125,291,770 (2023: 128,750,155) less the weighted average number of shares held in trust during the financial year of 4,956,072 (2023: 3,296,278). Shares held in trust are shares purchased by the company to satisfy employee share schemes which have not yet vested.

Diluted earnings/(loss) per share is calculated by dividing the profit/(loss) after tax for the period by the weighted average number of ordinary shares in issue during the financial year adjusted for both shares held in trust and the effects of potentially dilutive shares. In the event of making a loss during the year, the diluted loss per share is capped at the basic earnings per share as the impact of dilution cannot result in a reduction in the loss per share.

Weighted average number of shares	**52 weeks ended 28 July 2024**	52 weeks ended 30 July 2023
Shares in issue	**125,291,770**	128,750,155
Shares held in trust	**(4,956,072)**	(3,296,278)
Shares in issue - basic	**120,335,698**	125,453,877
Dilutive shares	**4,693,614**	2,810,231
Shares in issue - diluted	**125,029,312**	128,264,108

Earnings/(loss) per share

52 weeks ended 28 July 2024	**Profit/(loss) £000**	**Basic EPS pence**	**Diluted EPS pence**
Earnings (profit after tax)	**48,785**	40.5	39.0
Exclude effect of separately disclosed items after tax	**9,729**	8.1	7.8
Earnings before separately disclosed items	**58,514**	48.6	46.8
Exclude effect of property gains/(losses)	**(11)**	-	-
Underlying earnings before separately disclosed items	**58,503**	48.6	46.8

52 weeks ended 30 July 2023	Profit/(loss) £000	Basic EPS pence	Diluted EPS Pence
Earnings (profit after tax)	59,587	47.5	46.5
Exclude effect of separately disclosed items after tax	(25,762)	(20.5)	(20.1)
Earnings before separately disclosed items	33,825	27.0	26.4
Exclude effect of property gains/(losses)	(2,231)	(1.8)	(1.7)
Underlying earnings before separately disclosed items	31,594	25.2	24.7

Free cash flow per share

	Free cash flow £000	**Basic free cash flow per share pence**	**Diluted free cash flow per share pence**
52 weeks ended 28 July 2024	**33,037**	27.5	26.4
52 weeks ended 30 July 2023	**271,095**	216.1	211.4

9. Cash used in/generated from operations

	52 weeks ended 28 July 2024 £000	52 weeks ended 30 July 2023 £000
Profit for the period	**48,785**	59,587
Adjusted for:		–
Tax (note 7)	**11,835**	30,924
Share-based charges (note 5)	**11,021**	10,545
Loss on disposal of property, plant and equipment (note 3)	**14,978**	10,871
Disposal of capitalised leases and lease premiums (note 3)	**(1,519)**	(2,273)
Net impairment charge (note 3)	**19,098**	38,287
Interest receivable (note 6)	**(1,765)**	(1,011)
Interest payable (note 6)	**52,482**	50,234
Lease interest receivable (note 6)	**(267)**	(340)
Lease interest payable (note 6)	**14,738**	22,796
Separately disclosed Interest (note 6)	**(16,131)**	(96,686)
Amortisation of bank loan issue costs (note 6)	**439**	1,246
Depreciation of property, plant and equipment (note 13)	**63,496**	70,173
Amortisation of intangible assets (note 12)	**1,937**	1,827
Depreciation on investment properties (note 14)	**176**	185
Aborted properties costs	**336**	1,719
Foreign exchange movements	**(1,294)**	1,633
Amortisation of right-of-use assets	**36,773**	37,556
	255,118	237,273
Change in inventories	**6,154**	(8,157)
Change in receivables	**707**	2,133
Change in payables	**(29,072)**	39,437
Cash generated from operations	**232,907**	**270,686**

10. Analysis of change in net debt

Analysis of changes in net debt for 52 weeks ended 28 July 2024	30 July 2023	Cash flows	Other changes	28 July 2024
	£000	£000	£000	£000
Borrowings				
Cash and cash equivalents	87,173	(29,940)	–	**57,233**
Other loan receivable – due before one year	803	(87)	–	**716**
Asset-financing obligations – due before one year	(4,200)	4,245	(45)	**–**
Current net borrowings	83,776	(25,782)	(45)	**57,949**
Bank loans – due after one year	(629,783)	8,948	(394)	**(621,229)**
Asset-financing obligations – due after one year	–	–	–	**–**
Other loan receivable – due after one year	1,986	(691)	(101)	**1,194**
Private placement – due after one year	(97,860)	–	(45)	**(97,905)**
Non-current net borrowings	(725,657)	8,257	(540)	**(717,940)**
Net debt	(641,881)	(17,525)	(585)	**(659,991)**
Derivatives				
Interest-rate swaps asset – due after one year	11,944	(14,783)	2,839	**–**
Interest rate swaps liability – due before one year	(78)	–	(623)	**(701)**
Interest-rate swaps liability – due after one year	–	–	(4,073)	**(4,073)**
Total derivatives	11,866	(14,783)	(1,857)	**(4,774)**
Net debt after derivatives	(630,015)	(32,308)	(2,442)	**(664,765)**
Leases				
Lease assets – due before one year	1,361	(976)	973	**1,358**
Lease assets – due after one year	8,449	–	411	**8,860**
Lease obligations – due before one year	(51,486)	40,183	(38,279)	**(49,582)**
Lease obligations – due after one year	(391,794)	–	23,134	**(368,660)**
Net lease liabilities	(433,468)	39,207	(13,761)	**(408,024)**
Net debt after derivatives and lease liabilities	(1,063,483)	6,899	(16,203)	**(1,072,790)**

Lease obligations represent long-term payables, while lease assets represent long-term receivables – both are, therefore, disclosed in the table above.

The non-cash movement in bank loans and the private placement relate to the amortisation of loan issue costs. The amortisation charge for the year of £439,000 (2023: £1,246,000) is disclosed in note 6. These are arrangement fees paid in respect of new borrowings and charged to the income statement over the loans' expected life.

The movement in interest-rate swaps relates to the change in the 'mark to market' valuations for the year for swaps subject to hedge accounting.

Non-cash movement in net lease liabilities	28 July 2024
	£000
Recognition of new leases	**(8,617)**
Recognition of new lease assets	**1,900**
Remeasurements of existing leases liabilities	**(22,458)**
Remeasurements of existing leases assets	**(516)**
Disposals and derecognised leases	**2,081**
Lease transfers to property, plant and equipment	**14,179**
Exchange differences	**(330)**
Non-cash movement in net lease liabilities	**(13,761)**

11. Dividends paid and proposed

The board proposes, subject to shareholders' consent, to pay a final dividend of 12.0p (2023: nil) per share, on 28 November 2024, to those shareholders on the register on 25 October 2024, giving a total dividend for the year of 12.0p per share.

12. Intangible assets

	Computer software and development £000	Assets under construction £000	Total £000
Cost:			
At 31 July 2022	35,602	433	36,035
Additions	1,169	1,689	2,858
Disposals	–	(9)	(9)
At 30 July 2023	36,771	2,113	38,884
Additions	2,505	101	2,606
Transfers	2,114	(2,114)	–
Exchange differences	(4)	–	(4)
Disposals	(2,516)	–	(2,516)
At 28 July 2024	**38,870**	**100**	**38,970**

Accumulated amortisation			
At 31 July 2022	(30,626)	–	(30,626)
Provided during the period	(1,827)	–	(1,827)
Reversal of impairment losses	74		74
At 30 July 2023	(32,379)	–	(32,379)
Provided during the period	(1,937)	–	(1,937)
Exchange differences	4	–	4
Disposals	1,275	–	1,275
At 28 July 2024	**(33,037)**	**–**	**(33,037)**

Net book amount at 28 July 2024	**5,833**	**100**	**5,933**
Net book amount at 30 July 2023	4,392	2,113	6,505
Net book amount at 31 July 2022	4,976	433	5,409

The majority of intangible assets relates to computer software and software development. Examples include the development costs of the Wetherspoon customer-facing app and other bespoke company applications.

13. Property, plant and equipment

	Freehold and long leasehold property £000	Short-leasehold property £000	Equipment fixtures and fittings £000	Assets under construction £000	Total £000
Cost					
At 31 July 2022	1,477,334	280,330	731,115	75,451	2,564,230
Additions	19,315	5,983	32,148	10,323	67,769
Transfers from capitalised leases	(464)	–	–	–	(464)
Transfers	6,551	1,967	7,900	(16,418)	–
Exchange differences	1,289	57	214	253	1,813
Transfer to held for sale	(527)	–	(419)	–	(946)
Disposals	(16,448)	(8,750)	(7,574)	(4,719)	(37,491)
Reclassifications	7,003	(7,003)	–	–	–
At 30 July 2023	1,494,053	272,584	763,384	64,890	2,594,911
Additions	36,085	4,347	52,105	22,367	114,904
Transfers from capitalised leases	(1,753)	–	–	–	(1,753)
Transfers	21,880	1,225	6,414	(29,519)	–
Exchange differences	(917)	(43)	(168)	(183)	(1,311)
Transfer to held for sale	(7,335)	–	–	–	(7,335)
Disposals	(42,970)	(10,892)	(6,601)	–	(60,463)
Reclassifications	8,661	(8,661)	–	–	–
At 28 July 2024	**1,507,704**	**258,560**	**815,134**	**57,555**	**2,638,953**
Accumulated depreciation and impairment					
At 31 July 2022	(374,533)	(171,516)	(589,104)	(2,215)	(1,137,368)
Provided during the period	(21,958)	(9,056)	(39,159)	–	(70,173)
Transfers from investment property	–	–	–	–	–
Exchange differences	(35)	(13)	(184)	–	(232)
Impairment loss	(30,478)	(5,488)	–	–	(35,966)
Reversal of impairment losses	700	3,440	1,290	–	5,430
Transfer to held for sale	206	–	341	–	547
Disposals	5,514	7,534	6,005	1,614	20,667
Reclassifications	(4,523)	4,523	–	–	–
At 30 July 2023	(425,107)	(170,576)	(620,811)	(601)	(1,217,095)
Provided during the period	(19,844)	(8,184)	(35,468)	–	(63,496)
Transfers to capitalised leases	211	–	–	–	211
Exchange differences	35	12	91	–	138
Impairment loss	(16,335)	(1,237)	(2,362)	(5,334)	(25,268)
Reversal of impairment losses	6,612	584	386	–	7,582
Transfer to held for sale	4,847	–	–	–	4,847
Disposals	13,379	7,202	4,171	3,993	28,745
Reclassifications	(5,725)	5,725	–	–	–
At 28 July 2024	**(441,927)**	**(166,474)**	**(653,993)**	**(1,942)**	**(1,264,336)**
Net book amount at 28 July 2024	**1,065,777**	**92,086**	**161,141**	**55,613**	**1,374,617**
Net book amount at 30 July 2023	1,068,946	102,008	142,573	64,289	1,377,816
Net book amount at 31 July 2022	1,102,801	108,814	142,011	73,236	1,426,862

During the period, an amount of £76,389,000 (2023: £41,646,000) was spent on the reinvestment of existing pubs. £21,944,000 (2023: £11,202,000) was spent on freehold reversions. £11,933,000 (2023: £20,361,000) was spent on investment in new pubs and pub extensions. This led to a total capital expenditure of £110,266,000 (2023: £73,209,000).

Reclassifications relate to assets transferred from short leasehold property to freehold and long leasehold property on a freehold reversion.

14. Investment property

The company owns six (2023: six) freehold properties with existing tenants – and these assets have been classified as investment properties:

	Total £000
Cost:	
At 31 July 2022	24,535
Additions	9
At 30 July 2023	24,544
At 28 July 2024	**24,544**

Accumulated depreciation	
At 31 July 2022	(1,171)
Provided during the period	(185)
Impairment loss	(4,448)
At 30 July 2023	(5,804)
Provided during the period	(176)
Impairment loss	(347)
Reversal of impairment loss	73
At 28 July 2024	**(6,254)**

Net book amount at 28 July 2024	**18,290**
Net book amount at 30 July 2023	18,740
Net book amount at 31 July 2022	23,364

Rental income received from investment properties in the period was £1,205,000 (2023: £1,197,000).

At the year end, the investment properties were independently valued at £18,290,000 giving rise to an impairment charge of £347,000 (2023: £4,448,000) and an impairment reversal of £73,000, to adjust their net book values

15. Events after the balance sheet date

There were no significant events after the balance sheet date.

16. Going Concern

The directors have made enquiries into the adequacy of the Company's financial resources, through a review of the Company's budget and medium-term financial plan, including capital expenditure plans and cash flow forecasts.

In line with accounting standards, the going concern assessment period is the 12-months from the date of approval of this report (approximately the end of quarter 1 of FY26).

The Company has modelled a 'base case' forecast in which recent momentum of sales, profit and cash flow growth is sustained. Within this forecast, the Company has anticipated continued high levels of inflation, particularly on wages, utility costs and repairs. The base case scenario indicates that the Company will have sufficient resources to continue to settle its liabilities as they fall due and operate within its leverage covenants for the going concern assessment period.

A more cautious, yet plausible, scenario has been analysed, in which lower sales growth is realised. The Company has reviewed, and is satisfied with, the mitigating actions which it could take if such an outcome were to occur. Such actions could include reducing discretionary expenditure and/or implementing price increases. Under this scenario, the Company would still have sufficient resources to settle liabilities as they fall due and sensible headroom within its covenants through the duration of the going concern review period.

The Company has also performed a 'reverse stress case' which shows that it could withstand a 13% reduction in like-for-like sales from those assessed in the 'base case' throughout the going concern period, as well as costs assumed to increase at a similar level to the downside scenario, before the covenant levels would be exceeded towards the end of the period. The directors consider this scenario to be remote as, other than when the business was closed during the pandemic, it has never seen sales decline at anywhere close to that rate. Furthermore, the Company could take additional mitigating actions, in such a scenario, to prevent any covenant breach.

After due consideration of the matters set out above, the directors have satisfied themselves that the Company will continue in operational existence for the foreseeable future. For this reason, the Company continues to adopt the going-concern basis in preparing its financial statements.

17. Prior year restatements

During the year, it was identified and agreed that two previous year restatements should be recognised for the period ended 31 July 2022. The restatements are disclosed and described below:

Restatement of IFRS 16 right-of-use asset
Due to errors identified in the lease database, in the period ended 28 July 2024 the company migrated to a new lease accounting system to manage the estate. As a result, the right-of-use asset and reserves balance as at 31 July 2022 has been restated by £8 million. The position as at 30 July 2023 has also been restated.

Restatement of deferred tax asset
During the period, it was identified that there was certainty of recovery of historical capital losses against rolled over gains relating to the year ended 31 July 2022 and therefore, a deferred tax asset should have been recognised at this point totalling £5.6 million. As a result, the position as at 30 July 2023 has also been restated.

The disclosures impacted as a result of the above two misstatements have been identified throughout the financial statements. The effect on specific financial statement line items within the Statement of changes in equity and Balance Sheet are as follows:

SOCIE	**Reported in 52 weeks ended 31 July 2022 £000**	**Restatement £000**	**Restated 52 weeks ended 31 July 2022 £000**
Retained earnings	(74,373)	13,600	(60,773)
Total shareholders equity	321,885	13,600	335,485
Balance Sheet			
Right-of-use assets	419,416	8,000	427,416
Deferred tax liability	34,718	5,600	40,318
Retained earnings	(74,373)	13,600	(60,773)

SOCIE	**Reported in 52 weeks ended 30 July 2023 £000**	**Restatement £000**	**Restated 52 weeks ended 30 July 2023 £000**
Retained earnings	(17,132)	13,600	(3,532)
Total shareholders equity	399,458	13,600	413,058
Balance Sheet			
Right-of-use assets	387,353	8,000	395,353
Deferred tax liability	(65,752)	5,600	(60,152)
Retained earnings	(17,132)	13,600	(3,532)