

# J D Wetherspoon plc

INTERIM REPORT 2023

**Wetherspoon owns and operates pubs throughout the UK and Ireland. The company aims to provide customers with good-quality food and drinks, 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.**

## **Contents**

<b>1</b>	Chairman's statement
<b>17</b>	Income statement
<b>17</b>	Statement of comprehensive income
<b>18</b>	Cash flow statement
<b>19</b>	Balance sheet
<b>20</b>	Statement of changes in equity
<b>21</b>	Notes to the financial statements
<b>32</b>	Statement of directors' responsibilities
<b>33</b>	Independent review report
<b>34</b>	Glossary

## **Financial calendar**

### **Year end**

30 July 2023

### **Preliminary announcement for 2023**

October 2023

### **Annual report for 2023**

October 2023

### **Annual general meeting**

16 November 2023

View this report online:

**[jdwwetherspoon.com/investors-home](https://jdwwetherspoon.com/investors-home)**

# CHAIRMAN'S STATEMENT

## Background

In order to provide perspective on the recent financial performance, sales and profit comparisons are provided, below, with the last full financial year, before the pandemic (FY19), and with the last financial year (FY22). Some other comparisons, including balance sheet comparisons, are with the last financial year only.

## Trading Summary

In the first half of the financial year, ended 29 January 2023, like-for-like sales were +5.0%, compared to the six-month period ended 27 January 2019, the last full financial year before the pandemic.

Sales, compared to FY19, improved to +9.1% for the most recent seven weeks to 19 March 2023, being the first seven weeks of the second half of the financial year.

Like-for-like sales were +13.0%, compared to the six-month period ended 23 January 2022 (our last financial year), and were +14.9% for the first seven weeks of the second half of the financial year, compared to the same period in FY22.

Compared to the first half of FY20, like-for-like sales were -0.6% in the six-month period and were +7.0% in the first six weeks of second half, before pubs closed as a result of the first UK lockdown.

Total sales were £916.0 million, an increase of 3.0%, compared to the pre-pandemic 26 weeks ended 27 January 2019. Total sales increased by 13.5% compared to the same period in FY22.

Compared to FY19, like-for-like bar sales decreased by 0.8%, food sales increased by 12.0%, slot/fruit machine sales increased by 44.3% and hotel rooms by 13.0%.

Compared to FY22, like-for-like bar sales increased by 8.4%, food by 19.3%, slot/fruit machines' by 31.4% and hotel rooms by 7.3%.

The operating profit, before separately disclosed items, was £37.4 million, compared to £63.5 million for the same period in 2019, and to £1.6 million for the same period in 2022.

The operating margin, before separately disclosed items, was 4.1%, compared to 7.1% in 2019 and 0.2% in 2022.

The profit before tax and separately disclosed items was £4.6 million, compared to £50.3 million in the same period in 2019 and a £26.1 million loss in 2022.

## Other Financial Matters

Earnings per share, including shares held in trust by the employee share scheme, before separately disclosed items, were 1.0p (2019: earnings per share of 37.4p; 2022: losses per share of 19.7p).

Total capital investment was £47.8 million (2022: £61.0 million). £10.7 million was invested in new pubs and pub extensions (2022: £25.3 million), £24.3 million in existing pubs and IT (2022: £19.5 million) and £10.0 million in freehold reversions of properties where Wetherspoon was the tenant (2022: £19.2 million).

## Separately disclosed items

There was a pre-tax gain of £52.4 million (2022: £13.0 million gain).

£65.1 million of the gain relates to the termination of interest rate swaps in the period. In addition, there was a £8.6 million property impairment charge, in respect of pubs which were deemed unlikely to generate sufficient cash flows, in the future, to support their carrying value.

The company sold or closed 10 pubs during the period. There was a £3.1 million loss on disposal, giving rise to a cash inflow of £2.7 million.

## Free Cash Flow

There was a free cash inflow of £166.0 million (2022: £34.5 million outflow), after capital payments of £27.1 million for existing pubs (2022: £19.5 million), £7.5 million for share purchases for employees (2022: £7.1 million) and payments of tax and interest.

The inflow benefited from a profit of £169.4 million following the sale of the company's interest rate swaps in the period under review. Free cash inflow per share was 132.4p (2022: 27.2p outflow).

## Dividends and return of capital

The board has not recommended the payment of an interim dividend (2022: £0). There have been no share buybacks in the financial year to date (2022: £0).

# CHAIRMAN'S STATEMENT

## Financing

As at 29 January 2023, the company's total net debt, excluding derivatives and lease liabilities, was £743.9 million (23 Jan 2022: £920.4m), a decrease of £176.5m.

The half year-end net-debt-to-EBITDA ratio was 6.16 times (2022: 25.63 times).

The company's debt and liabilities to trade creditors have both reduced since H1 2020, the period before the pandemic started. Debt has decreased by £61 million and trade creditors by £57 million.

£179 million has been invested, since then, in new pubs and freehold reversions.

Financial Period <sup>1</sup>	Net Debt	Trade and other payables	Net Debt + Trade and other payables	Freehold Reversions
	£m	£m	£m	£m
<b>HY 2020</b>	805	315	<b>1,119</b>	71
<b>YE 2020</b>	817	255	<b>1,072</b>	28
<b>HY 2021</b>	812	185	<b>997</b>	1
<b>YE 2021</b>	846	260	<b>1,105</b>	15
<b>HY 2022</b>	920	245	<b>1,165</b>	19
<b>YE 2022</b>	892	283	<b>1,174</b>	7
<b>HY 2023</b>	744	259	<b>1,003</b>	10

<sup>1</sup>HY refers to half year, and YE refers to year end

The company has an agreement with its lenders, who have been extremely supportive throughout the pandemic, that waives its debt covenants until October 2023 and replaces them with a minimum liquidity requirement of £100 million for the first half of the current financial year and relaxed leverage covenants for the second half. At the half-year-end liquidity was £231.9 million.

In November 2022, the company repaid government "CLBILS" loans of £100 million, which had been due to mature in August 2023.

The company has total available finance facilities of £983 million.

The company has fixed its SONIA (SONIA is a replacement for LIBOR) interest rates in respect of £580 million until July 2023 and £400 million until October 2025. The weighted average cost of the swaps, excluding the banks' margin, is currently 4.28%. The total cost of the company's debt, including the banks' margin was 6.21%, in the last 26 weeks.

The cost of the current swaps in place have been illustrated in the table below:

Swap Value	Start Date	End Date	Weighted Average %
£580m	31/10/2022	31/07/2023	4.28%
£400m	01/08/2023	31/10/2025	4.67%

## Property

The company opened two pubs during the first six months and sold or closed 11, resulting in a trading estate of 843 pubs at the half year end.

As at 24 July 2011, the company's freehold/leasehold split was 43.4%/56.6%. As at 29 January 2023, as a result of investment in freehold reversions (relating to pubs where the company was previously a tenant) and freehold pub openings, the split was 69.0%/31.0%.

## Taxation

The total tax charge for the year is £20.0 million (2022: £1.6 million credit). This consists of a £6.7 million (2022: £0.4 million) 'cash' tax and a £13.3 million 'accounting' tax charge (2022: £1.2 million credit).

The accounting tax charge comprises two parts: the actual current tax charge (the 'cash' tax) and the deferred tax charge (the 'accounting' tax). The tax losses that arose in previous financial years have been carried forward for use against profits in this year and future years.

The company is seeking a refund of historic excise duty from HMRC, totalling £0.5 million, in relation to goods sent to the Republic of Ireland, when Wetherspoon pubs first opened in that country. The company has been charged excise duty on the same goods twice, as they were purchased in the UK, and excise duty was paid in full. Irish excise duty was then paid in addition.

Owing to a paperwork error, in the early days of our business in the Republic, which the company has sought to rectify, it has, to date, been unable to reclaim this duty, even though it is transparently clear that the duty has been paid.

## Scotland Business Rates

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,

# CHAIRMAN'S STATEMENT

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 tenants trade - has been undermined.

Similar issues are evident in Galashiels, Arbroath, Wick, Anniesland - and indeed 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 (April 2021 – March 2022)			
Occupier Name	Rateable Value (RV)	Customer Area (ft²)	Rates per square foot
<b>Playfair (JDW)</b>	<b>£218,750</b>	<b>2,756</b>	<b>£79.37</b>
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
<b>Average (exc JDW)</b>	<b>£121,800</b>	<b>3,358</b>	<b>£38.55</b>

The Centre, Livingston (April 2021 – March 2022)			
Occupier Name	Rateable Value (RV)	Customer Area (ft²)	Rates per square foot
<b>The Newyearfield (JDW)</b>	<b>£165,750</b>	<b>4,090</b>	<b>£40.53</b>
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

## Wetherspoon News

There are two main issues discussed in the latest edition of Wetherspoon News, the company magazine, read by an estimated two million people.

The first relates to the important issue of tax equality between supermarkets and pubs. Currently, pubs pay far more VAT and business rates per pint than supermarkets.

The second relates to the government and wider political response to Covid-19, vital for pubs, but also for health and the wider economy.

The Covid-19 discussion contains articles by Professor Francois Balloux of University College London Genetics Institute, writing in the Guardian, Professor Robert Dingwall of Nottingham Trent University, writing in the Telegraph and by other respected commentators, including former Supreme Court judge, Jonathan Sumption and Spectator editor Fraser Nelson.

It is important for shareholders and the public to make up their own mind on this issue, rather than waiting a possible seven years for a government enquiry, by which time many horses may have bolted.

Please see the articles referred to above in appendix 1, below.

# CHAIRMAN'S STATEMENT

## How pubs contribute to the economy

Wetherspoon and other pub and restaurant companies have always generated far more in taxes than are earned in profits. Wetherspoon, its customers and staff, generated total taxes in FY19, before the pandemic, of £763.6 million. This equated to one pound in every thousand of UK government revenue.

In the financial year ended 31 July 2022, the company generated taxes of £662.7 million.

The table below shows the £5.6 billion of tax revenue generated by the company, its staff and customers in the last 9.5 years. Each pub, on average, generated £6.3 million in tax during that period. The tax generated by the company, during this 9.5 year period, equates to approximately 27 times the company's profits after tax.

	2023 H1	2022	2021	2020	2019	2018	2017	2016	2015	2014	TOTAL 2014 to 2023 H1
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
VAT	177.1	287.7	93.8	244.3	357.9	332.8	323.4	311.7	294.4	275.1	2,698.2
Alcohol duty	81.3	156.6	70.6	124.2	174.4	175.9	167.2	164.4	161.4	157	1,433.0
PAYE and NIC	58.7	141.9	101.5	106.6	121.4	109.2	96.2	95.1	84.8	78.4	993.8
Business rates	26.4	50.3	1.5	39.5	57.3	55.6	53	50.2	48.7	44.9	427.4
Corporation tax	8.7	1.5	-	21.5	19.9	26.1	20.7	19.9	15.3	18.4	152.0
Corporation tax credit (historic capital allowances)	-	-	-	-	-	-	-	-	(2)	-	(2.0)
Fruit/slot Machine duty	7.6	12.8	4.3	9	11.6	10.5	10.5	11	11.2	11.3	99.8
Climate change levies	8.1	9.7	7.9	10	9.6	9.2	9.7	8.7	6.4	6.3	85.6
Stamp duty	0.7	2.7	1.8	4.9	3.7	1.2	5.1	2.6	1.8	2.1	26.6
Sugar tax	1.4	2.9	1.3	2	2.9	0.8	-	-	-	-	11.3
Fuel duty	0.9	1.9	1.1	1.7	2.2	2.1	2.1	2.1	2.9	2.1	19.1
Carbon tax	-	-	-	-	1.9	3	3.4	3.6	3.7	2.7	18.3
Premise licence and TV licences	0.3	0.5	0.5	1.1	0.8	0.7	0.8	0.8	1.6	0.7	7.8
Landfill tax	-	-	-	-	-	1.7	2.5	2.2	2.2	1.5	10.1
Employee support grants	-	(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)
<b>TOTAL TAX</b>	<b>371.1</b>	<b>662.7</b>	<b>37</b>	<b>440.7</b>	<b>763.6</b>	<b>728.8</b>	<b>694.6</b>	<b>672.3</b>	<b>632.4</b>	<b>600.5</b>	<b>5,522.5</b>
<b>TAX PER PUB</b>	<b>0.44</b>	<b>0.78</b>	<b>0.04</b>	<b>0.53</b>	<b>0.87</b>	<b>0.83</b>	<b>0.77</b>	<b>0.71</b>	<b>0.67</b>	<b>0.66</b>	<b>6.30</b>
<b>TAX AS % OF NET SALES</b>	<b>40.52%</b>	<b>38.10%</b>	<b>4.80%</b>	<b>34.90%</b>	<b>42.00%</b>	<b>43.00%</b>	<b>41.80%</b>	<b>42.10%</b>	<b>41.80%</b>	<b>42.60%</b>	<b>37.16%</b>
<b>PROFIT/(LOSS) AFTER TAX</b>	<b>1.3</b>	<b>-24.9</b>	<b>-146.5</b>	<b>-38.5</b>	<b>79.6</b>	<b>83.6</b>	<b>76.9</b>	<b>56.9</b>	<b>57.5</b>	<b>58.9</b>	<b>204.8</b>

Note – this table is prepared on a cash basis.

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.

# 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 2008-2010 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 has increased the level of executive 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 area 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 met a compliance officer from one major institution who is responsible for around 400 companies - an impossible task, since the written regulatory output of each company is vast, coupled with the practical impossibility of meeting with so many companies in any meaningful way.

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.

## Further progress

As always, the company has tried to improve as many areas of the business as possible, on a week-to-week basis, rather than aiming for 'big ideas' or grand strategies.

Frequent calls on pubs by senior executives, the encouragement of criticism from pub staff and customers and the involvement of pub and area managers, among others, in weekly decisions, are the keys to success.

Wetherspoon paid £15.0 million in respect of bonuses and free shares to employees in the period ending 29 January 2023, of which 95.9% was paid to staff below board level and 83.0% was paid to staff working in our pubs.

Wetherspoon has been the biggest corporate sponsor of 'Young Lives vs Cancer' (previously CLIC Sargent), having raised a total of £21.3 million since 2002. During the pandemic, our contributions had been reduced, but since the reopening of our pubs there have been great efforts seen and our contributions have bounced back significantly.

Wetherspoon has been recognised by The Top Employers Institute as a 'Top Employer in the United Kingdom' for 2023. This is the 18th time that Wetherspoon has been certified by the Institute.

# CHAIRMAN'S STATEMENT

## Bonuses and Free Shares

As indicated above, Wetherspoon has, for many years (see table below), operated a bonus and share scheme for all employees.

Financial year	Bonus and free shares £m	(Loss)/Profit after tax <sup>1</sup> £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	27	(25)	-
2023 H1	15	1	1,500%
<b>Total</b>	<b>479</b>	<b>558</b>	<b>51.6%<sup>2</sup></b>

<sup>1</sup> IFRS 16 was implemented in the year ended 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.

<sup>2</sup> Excludes 2020, 2021 and 2022.

## Length of Service

The attraction and retention of talented pub and kitchen managers is important for any hospitality business. As the table below demonstrates, the retention of managers has improved, even during the pandemic.

Financial year	Average pub manager length of service (Years)	Average kitchen manager length of service (Years)
2013	9.1	6.0
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 H1	14.1	10.6

## Food Hygiene Ratings

Wetherspoon has always emphasised the importance of hygiene standards.

We now have 769 pubs rated on the Food Standards Agency's website (see table below). The average score is 4.98, with 98% 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 59 pubs have passed.

Financial Year	Total Pubs Scored	Average Rating	Pubs with highest Rating %
2013	771	4.85	87.0
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 H1	769	4.98	98.0

## Property litigation

As previously reported, Wetherspoon agreed on an out-of-court settlement with developer Anthony Lyons, formerly of property leisure agent Davis Coffey Lyons, in 2013 and received approximately £1.25 million from Mr Lyons.

The payment relates to litigation in which Wetherspoon claimed 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. Mr Lyons denied the claim – and the litigation was contested.

The claim related to properties in Portsmouth, Leytonstone and Newbury. The Portsmouth property was involved in the 2008/9 Van de Berg case itself.

In that case, Mr Justice Peter Smith found that Van de Berg, but not Mr Lyons (who was not a party to the case), fraudulently diverted the freehold from Wetherspoon to Moorstown Properties Limited, a company owned by Simon Conway. Moorstown leased the premises to Wetherspoon – a pub called The Isambard Kingdom Brunel.

# CHAIRMAN'S STATEMENT

The properties in Leytonstone and Newbury (the other properties in the case against Mr Lyons) were not pleaded in the 2008/9 Van de Berg case.

Leytonstone was leased to Wetherspoon and trades today as The Walnut Tree public house. Newbury was leased to Pelican plc and became Café Rouge.

As we have also reported, the company agreed to settle its final claim in this series of cases and accepted £400,000 from property investor Jason Harris, formerly of First London and now of First Urban Group. Wetherspoon alleged that Harris was an accessory to frauds committed by Van de Berg. Harris contested the claim and has not admitted liability.

Before the conclusion of the above cases, Wetherspoon also agreed on a settlement with Paul Ferrari of London estate agent Ferrari Dewe & Co, in respect of properties referred to as the 'Ferrari Five' by Mr Justice Peter Smith.

## Press corrections

The press and media have generally been fair and accurate in reporting on Wetherspoon over the decades. However, in the febrile atmosphere of the first lockdown, something went awry and a number of harmful inaccuracies were published.

In order to try and set the record straight, a special edition of Wetherspoon News was published, which includes details of the resulting apologies and corrections, which can be found on the company's website ([https://www.jdwetherspoon.com/~media/files/pdf-documents/wetherspoon-news/does-truth-matter\\_.pdf](https://www.jdwetherspoon.com/~media/files/pdf-documents/wetherspoon-news/does-truth-matter_.pdf)).

## Current trading and outlook

As indicated above, trade for the last seven weeks was 9.1% above the equivalent period in FY19 and 14.9% above the equivalent period in our last financial year (FY22).

As reported last year, the company has a full complement of staff, although the labour market is competitive, with unemployment, in spite of economic problems, at approximately its lowest level in the last 50 or so years.

Supply or delivery issues have largely disappeared, for now, and were probably a phenomenon of the stresses induced by the worldwide reopening after the pandemic, rather than a consequence of Brexit, as many commentators have argued.

Inflationary pressures in the pub industry, as many companies have said, have been ferocious, particularly in respect of energy, food and labour. The Bank of England, and other authorities, believe that inflation is on the wane, which will certainly be of great benefit, if correct.

Having experienced a substantial improvement in sales and profits, compared to our most recent financial year, and with a strengthened balance sheet, compared both to last year and to the pre-pandemic period, the company is cautiously optimistic about further progress in the current financial year and in the years ahead.

**Tim Martin**

Chairman

23 March 2023

# Tax equality makes economic sense

## In the end, the public will decide...

**When Wetherspoon first opened in 1979, around 90 per cent of beer was sold in the 'on-trade' – pubs, clubs, restaurants and hotels.**

The take-home beer trade was dominated by 'off-licences', typically corner shops, present in most high streets.

In the intervening decades, the market has been transformed.

Today, supermarkets are present in every town and high street – they have cut a swathe through the licensed trade, crushing off-licences and reducing the on-trade market share, pre-pandemic, to under 50 per cent – and probably much less today.

Supermarkets, even so, have generally brought great benefit to their customers, providing an Aladdin's cave of goods, at competitive prices, under one roof.

### Success

And their expansion has brought great financial success, with Tesco, the largest of the chains, making, perhaps, more profits than the entire on-trade.

Competition among businesses, the basis of market economies in the free world, is the engine which improves living standards for the country, providing jobs for people and tax for the treasury.

However, it is an important principle of taxation that it should be fair and equitable, treating similar businesses in a similar fashion.

Unfortunately, there is great tax inequality in the licensed trade in two main areas.

The first is in relation to food. Both pubs and supermarkets sell food.

However – whereas pubs pay 20 per cent VAT (value-added tax) in respect of food sales, supermarkets pay nothing.

The second relates to business rates, where pubs pay about 20 pence a pint, with supermarkets paying a mere fraction of that... perhaps around two pence.

### Subsidise

Supermarkets have been able to use their tax advantage to subsidise the price of their beer, wine and spirits – which has opened up a massive disparity between the off- and on-trade.

Price matters, so many people have understandably deserted pubs, especially mid week, resulting in swathes of closures in recent years.

The great British and Irish pub culture, the social melting pot across the land, envied throughout the world, is being challenged as never before.

The simple solution is tax equality among supermarkets, pubs, clubs, hotels and restaurants.

Some people worry that tax equality would result in 'profiteering' in the on-trade – that tax would come down, but prices would stay the same.

In reality, that is never going to happen.

The laws of competition mean that pubs will have to bring their prices down to compete with one another and with other on-trade businesses.

The real consequence of tax equality, when you analyse the issue, is that pubs will be more competitively priced, compared with supermarkets, encouraging people to go out for a pint, rather than staring at their own four walls or at Netflix – what's not to like?

### Consequences

Other important consequences of tax equality will surely be an increase in investment in the on-trade in beleaguered high streets, with more pubs, restaurants, cafés and clubs opening up, leading to more employment opportunities and, yes... higher taxes for the treasury.

The question of taxes is often thought to be the preserve of politicians alone.

However, it's really a question for you, the public.

Do you want pubs and restaurants to be treated equally?

Supermarket chains are infinitely more powerful than any pub or restaurant company. Surely, they don't need a huge tax advantage.

So, Rishi Sunak and Jeremy Hunt, and also Keir Starmer and Rachel Reeves, it's time to act.

Pursuing a goal of equality must be the right approach – and, as in so many areas of life, will bring great benefits.

### Tim Martin

Chairman

## There are two sides to the COVID-19 argument But only one can be right...

At the beginning of the pandemic, MPs (ie parliament) granted No. 10 Downing Street (ie the government) emergency powers which allowed four ministers, including the prime minister, known as 'the Quad', to make decisions without the normal scrutiny of parliament.

The results have been plain to see in the release of former health minister Matt Hancock's WhatsApp messages, sometimes called the 'lockdown papers'.

Unfortunately, decisions were often taken for PR purposes or sometimes for personal aggrandisement, rather than as a result of a careful scrutiny of the evidence and a desire to 'do the right thing'.

Insofar as MPs who weren't in the government commented, it seemed to be a question of urging the government to even greater restrictions. There also appeared to be a competition between Westminster and the devolved governments to see who could impose the most restrictions – thereby seeming the most virtuous.

However, many people believe that the Swedish approach, outlined in a transcript of an Aussie TV interview three years ago (see opposite page), in the early days of the pandemic, with Swedish epidemiologist Johan Giesecke, is the direction which the UK and other countries should have followed all along.

Perhaps the most significant difference between the UK's approach and Sweden's was the Swedish mantra, articulated by Professor Giesecke,

of "...trust the people. People are not stupid. If you tell them what's good for them, they'll do what you say". In contrast, for some reason, the decision-makers in the UK, including many of the academics in SAGE, believed that frightening the people into following the government line was the appropriate response.

On page 54, we publish a Guardian article by Professor Francois Balloux, of University College London Genetics Institute, who analysed a World Health Organization report on the pandemic and concluded: "The strength of mitigation measures does not seem to be a strong predictor of excess deaths."

He also said: "The worst performer, by some margin, is Peru, despite enforcing the longest, harshest lockdown."

The World Health Organization's report emphatically discredits arguments, such as those put forward by Professors Michael Baker and Martin McKee (see page 56), who advocated a 'COVID-19 elimination strategy', based on faulty evidence about its alleged success in China.

Elsewhere, we present articles by Jonathan Sumption, ex-Supreme Court judge and historian, and Fraser Nelson, editor of The Spectator, who also opposed the lockdown.

A flavour of the vicious nature of the attacks on people who oppose lockdowns is illustrated in an article (see page 58) by government supporter and MP Neil O'Brien.

Not everyone will agree with this choice of articles or the views expressed in them. They're only opinions.

You, the reader, need to make up your own mind. Luckily, as we've said before, in a democratic society, that's exactly what you're entitled to do.

## JOHAN GIESECKE

Swedish epidemiologist

*Tim says:* “Professor Johan Giesecke, a Swedish epidemiologist, was interviewed on Aussie TV in April 2020, in the early days of the pandemic. This is a transcript of the interview, in which Professor Giesecke explains the Swedish philosophy.

**The Swedes didn't get everything right, but many people today believe that their general approach, which avoided lockdowns and heavy restrictions, produced superior results. Whether this view about Sweden is believed to be correct will determine UK and world policy for pandemics in the future.**

**You, the public, will decide...”**

**Wetherspoon News autumn 2020**

**Sky News:** You've been a strong critic of the idea of lockdowns, Sweden has avoided these sort of lockdowns that we're seeing here in Australia. Tell us your thoughts – are lockdowns the correct way to go?

**Johan:** You introduced me by saying that I would say that you got it all wrong. I don't think you got it all wrong, but you painted yourself into a corner and I'm watching with interest how you and 100 other countries will climb out of the lockdown, because I don't think any government that I know gave a minute's thought about how they would get out of the different lockdowns that are installed.

Take the school closure for example, if you close the schools, when are you going to open them, what's the criteria?

I don't think anyone thought about that when the closure was decided on. Anyway, so Sweden doesn't have such a strict lockdown, there are a few things that are forbidden – the crowd can't be more than 50 people, at restaurants that are mostly open, there should be 5ft or 1.5 meters between the tables, you have to sit down to eat, there are a few things like that, but rather mild things... there are very few laws and [regulations] passed, you can go out without being stopped by the police and fined or threatened with prison and mostly we talk about trust... we trust the people – people are not stupid.

That's... the basic line [in Sweden]. If you tell people what's good for them and what's good for their neighbours and other people, they do that. You take a restriction that's sensible and understandable, people will follow it.

**Sky News:** You said that you think the results are going to be similar across most countries regardless of the approach they've taken, can you take us through that?

**Johan:** There is a tsunami of a rather mild infection spreading around the globe and I think that there's very little chance to stop it by any measure we take.

Most people will become infected by this and most people won't even notice. We have data now from Sweden that shows between 98 and 99 percent of the cases have had a very mild infection or didn't even realise they were infected.

So we have this spread of this mild disease around the globe and most of it is happening where we don't see it.

It's among people that don't get very sick, spread it to someone else that doesn't get very sick and what we're looking at is a thin layer at the top of people who do develop the disease and even thinner layer of people that go into intensive care and then even thinner layer of people who die.

But the real outbreak is happening where we don't see it.

**Sky News:** So...you're saying that at some point pretty much everybody is going to get this disease to some degree or another.

Here in Australia we've done an incredibly good job suppressing it.

I'm wondering do you think we've done too good a job, is it possible to do too good a job suppressing it in the early stages such that you won't ever be able to take the foot off the break on your restrictions to get the disease just to a manageable flow of cases that the health system, which we were told this was all about preparing for that, be allowed to handle the cases as they come through.

**Johan:** Yes... one point is to flatten the curve a bit so that the health care isn't overused.

You may succeed, and New Zealand may also succeed, but I've been asking myself when New Zealand or Australia has stamped out every case in the country, what do you do for the next 30 years.

Will you close your borders completely? Quarantine everyone who is going to Australia or New Zealand? Because the disease will be out there. I don't know how you are going to handle that.

That's your problem.

**Sky News:** You've said you think in most countries regardless of the measures we take, eg. Taiwan has been very successful and other countries like Italy have been disaster cases, but you think at the end of the day they're all pretty much going to end up with the same fatalities, the same results, the same deaths regardless of what measures they took. Explain that.

**Johan:** Yes. Basically I think it will be the same because, like I said, the real epidemic is invisible and it's going on all the time around us.

The other thing with a lockdown is when you open it, you will have more cases, so the countries who pride themselves in having a few deaths now, will get these deaths when they start lifting the lockdown.

**Sky News:** Tell us briefly about the Imperial College results that sparked this worldwide panic.

You believe they were flawed, these were the initial results that were coming out and the modelling that was saying millions are gonna die.

You thought that was flawed, tell us why.

**Johan:** Yes, there are a few procedural things... One is that the paper was never published which is normal scientific behaviour.

The second thing it wasn't peer-reviewed, which means it wasn't looked upon by other people, which is also normal scientific procedure.

So it was more like an internal departmental communication, a memo.

And then the big mistake of the Imperial group was under-estimating the proportion of the very mild cases that would never be detected, that's the main thing with that prediction.

And it's fascinating how it changed the policy of the world.

The UK made a U-turn overnight [upon] the publication of the paper which is fascinating.

So, yes, there were several other mistakes with the paper, but it gets very technical to get into that.

**Sky News:** You mention that the overwhelming majority of people that get this disease have no symptoms or very minimal symptoms.

Do we even know the real fatality rate of the coronavirus?

**Johan:** No. Well it's around 0.1%.

**Sky News:** We were told it was 3% initially, initially 2%, are you saying now that it's 0.1%, that's pretty much the same fatality rate as the regular flu isn't it?

**Johan:** I think it's a bit higher actually. I said before in Sweden that this is like a severe influenza. I don't think that's completely true – it will be a bit more severe than the influenza, maybe double, but not tenfold.

**Sky News:** With all of the health care systems focusing on flattening the curve and being prepared for these waves of infection, which aren't

necessarily coming because of the very restrictive measures, overall are we gonna see more people dying, we talked a little bit about this before on the show, of cancers, heart attacks, things like that, simply because they're too scared to go to the hospital because they think they won't get treated.

Is there going to be other deaths that are going to be caused by our overweighting focus just on this one particular disease?

**Johan:** Could well be.

The emergency rooms here in Stockholm have about 50% of the usual number of patients coming in, and one reason is probably that people are scared of contracting the disease when they go into hospitals, and another is that, I think, they say they can wait a bit until the thing is over.

**Sky News:** You've said the best policy, the correct policy, would be to simply protect the old and the frail. Is that correct?

**Johan:** Yes, and that's the Swedish model. It has... two pillars.

One is only use measures that are evidence-based.

And there are two that are evidence-based... one is washing hands... we've known that for 150 years since Semmelweis in Austria a long time ago.

The other is social distancing.

If you don't get too close to other people, they won't infect you.

And the third may be trust the people. People are not stupid, if you tell them what's good for them they will do what you say.

You don't need soldiers on the street – and police.

It's unnecessary.

● Transcript of interview, Swedish former chief epidemiologist Johan Giesecke

**By Sky News Australia**  
29 April 2020

## FRANCOIS BALLOUX

Director of the University College London Genetics Institute

*Tim says:* “Professor Francois Balloux, of University College London, in this Guardian article, discusses the World Health Organization’s investigation into government responses to COVID-19 and concludes that ‘Sweden’s death rate is ... about half the UK’s and, whereas it is above those of the Nordic countries, it still looks flattering, relative to the majority of the European Union’.”

Wetherspoon News summer 2022

## “SWEDEN? JAPAN? UK? DEBATES OVER WHO HAD A ‘GOOD’ COVID WON’T END

The WHO has spoken but even its huge new report will not settle arguments about pandemic strategies

**National Covid death rates are, inevitably, political. How could they not be when they are viewed as evidence for good or bad government on matters of life or death? How did the UK fare compared with, say, Germany? Should both countries have been more like Sweden? However, when new data arrives, far from settling arguments over which pandemic mitigation strategies worked best, it tends to further inflame disagreements or harden pre-existing positions.**

So it is with the much-anticipated report by the World Health Organization (WHO) on Covid-associated deaths, released last week. The WHO estimates that around 15 million additional people died because of the pandemic in 2020-2021, about 2.7 times higher than officially recorded deaths.

While staggering, the estimated excess deaths didn’t really come as a surprise to those who have been closely following the situation. If anything, this estimate is lower than many may have anticipated. Indeed, two previous modelling efforts, by the Economist and the University of Washington, suggested around 18 million excess deaths.

That more people died in the pandemic than have been officially registered as Covid deaths should be largely uncontroversial. Many countries simply did not have the diagnostic infrastructure in place to identify every Covid death. The pandemic – and, to an extent, our response to it – has also been devastating to social and healthcare around the world.

Now the WHO report seems to provide ammunition for essentially any narrative and it is unlikely to check the politicisation of the Covid debate – in the UK or elsewhere.

For example, India’s own official excess death estimate is about 10 times lower than the 4.7 million people reported by the WHO. Indian authorities have vehemently rejected the methodology used by the WHO and its estimate for their country. They even opposed publication of the report and released their own 2020 death figures two to three months ahead of schedule to offer a counter-narrative.

Here, many comparisons have been made with other countries to highlight the UK as either the epitome of failure or a roaring success. In fact, according to the WHO report, the UK has fared fairly unremarkably. An estimated 109 excess deaths per 100,000 people places it at 56th in the global ranking of “best performing” countries, and middle of the table relative to the European Union, coming 15th out of the 27 EU member states. The UK’s estimated excess death toll is below Germany’s and Italy’s, but above France’s. According to the WHO estimates, Germany significantly underestimated Covid deaths, France overestimated them and the UK got it about right, suggesting that the much-criticised “death within 28 days of a positive test” approach was a reasonable proxy for Covid death before the Omicron wave.

Some countries became synonymous in the public imagination with particular pandemic mitigation strategies. Sweden has been criticised by some for the lack of stringency of its measures and hailed by others as a shining example of how to protect the rights of its citizens while navigating a health crisis.

To the possible disappointment of both its supporters and detractors, Sweden’s estimated excess death of 56/100,000 is about half the UK’s and, while it is above those of other Nordic nations, it still looks flattering relative to the majority of EU countries.

An additional reason why the WHO report won’t settle many arguments stems from Covid excess death figures being extremely difficult to measure precisely. Even in the absence of ideological disagreements, they do not offer simple, incontrovertible “follow the science” answers. Pandemic excess deaths represent the difference between the number of people who died, relative to a hypothetical number of people who might have died had the pandemic not happened.

The number of actual deaths is accurately registered in high-income countries but this is not necessarily the case in many parts of the world, where estimates can be crude. Getting an accurate number for the hypothetical number of deaths that might have occurred had the pandemic not happened is even more challenging. (The WHO relied on a fairly complex model and the extent to which some of its estimates may have been coloured by modelling assumptions will be scrutinised and criticised.)

The report paints a complex picture supporting no single straightforward narrative. Which shouldn’t be too surprising. A single number for each country is unlikely to capture the full complexity of vastly different socioeconomic situations and two years of often inconsistent policies. Lower-middle income countries in eastern Europe and South America have been particularly badly affected, probably because of a relatively unfavourable age pyramid, low vaccination coverage and disruption to their economy and healthcare systems. Richer countries tended to do better overall, with the exception of the US, which fared quite poorly with 144/100,000 excess deaths.

A few countries kept excess deaths close to, or even below zero, including Australia, Iceland, Japan, Luxembourg, Mongolia and New Zealand. Being rich and geographically isolated helps.

The stringency of mitigation measures does not seem to be a particularly strong predictor of excess deaths. While countries that achieved low excess deaths tended to have fairly tight measures in place, the worst performer by some margin is Peru, despite enforcing the harshest, longest lockdown. This proved ineffective at reducing viral transmission and probably contributed negatively to the excess death toll.

The results from the WHO report will undoubtedly be analysed extensively by pandemic planners, though they are unlikely to be of much help to inform actionable “one-fits-all-follow-the-science” strategies. The major message is that richer, more insular countries kept excess deaths low by limiting the spread of Sars-CoV-2 until the arrival of vaccines and then achieved high vaccination coverage in elderly people. Those relative success stories largely built on pre-existing geographic and socioeconomic advantages rather than unique, well-thought-out mitigation plans.

Read that way, the main thrust of the WHO report boils down to reducing inequality, improving health and providing a robust social and healthcare system offering the best pandemic preparedness. That would be money well spent, even if the next one takes a while to hit.

Francois Balloux is Director of the University College London Genetics Institute.

**By Francois Balloux**

The Guardian / 8 May 2022

Print credit: Copyright Guardian News & Media Ltd 2022

**ROBERT DINGWALL**

Professor of Sociology at Nottingham Trent University

*Tim says:* "Professor Robert Dingwall, of Nottingham Trent University, like Professor Balloux, discusses the WHO report on COVID-19 and reaches broadly the same conclusion.

He says that 'unlike the UK, where elites assumed that people should be told what was good for them and then compelled or frightened into doing it, Sweden explained its public health thinking and invited citizens to co-operate'."

Wetherspoon News winter 2022/23

# SWEDEN'S WHO FIGURES MUST RADICALLY CHANGE THE TERMS OF THE COVID INQUIRY

**Unlike the UK where elites told people what was good for them, Sweden explained its public health thinking and invited people to cooperate**

"Judge me in a year" said Anders Tegnell, Sweden's State Epidemiologist, in July 2020, when his country was being attacked for sticking to its pandemic plan rather than adopting the novel intervention of lockdown. The latest World Health Organisation figures add to the evidence that has been accumulating since summer 2021. Sweden managed the pandemic more successfully than most, with much less disruption of everyday life and economic activity.

The WHO has published estimates of excess deaths globally for 2020 and 2021. This approach covers all deaths from Covid, whether formally diagnosed or not, together with collateral damage in deaths from other conditions that went untreated. Looking at Europe, where official data are usually robust, Sweden had half the excess death rate of the UK, Germany or Spain – and a quarter of that of many Eastern European nations.

In turn, the UK tends to be mid-table, in line with other large Western European countries, while Eastern European countries have had much worse experiences. There is a widely-circulated view that the UK has had a uniquely bad pandemic. The data simply do not support this.

Nor do they support the view that the outcomes have much to do with the restrictions adopted by different governments, how soon they began, or the stringency of enforcement. The question, then, is how governments came to adopt highly restrictive policies in the first place. This must be the starting point for any national inquiry. Why was the experience of emergency planners, and two decades of pandemic preparation, abandoned everywhere except Sweden?

Sweden never 'let it rip'. There were restrictions on large gatherings, and on restaurants and some other places of entertainment. Secondary schools and universities switched to remote learning at some points. Masks were never thought to be of benefit but social distancing was encouraged. The approach was based on the minimum intervention necessary to manage the highest risk environments.

Mistakes were made and acknowledged. In the first wave of the pandemic, Sweden had a problem with Covid deaths in care homes, which tend to be larger than in the UK. Once the virus got into a home, it could circulate around a larger number of people than would be possible in UK homes. When additional infection controls were introduced, residents were as

well shielded as anywhere. Unlike the UK where elites assumed that people should be told what was good for them, and then compelled or frightened into doing it, Sweden explained its public health thinking and invited citizens to cooperate.

Many UK problems can be traced to its top-down approach. No-one asked the academics who know about laws and rules whether they would work in this situation. Officials and politicians made those decisions on the basis of their own, often simplistic, beliefs. But rules are inflexible tools, which invite confrontation and dispute. How can anyone comply with a law that cannot differentiate between a party and a work-related gathering? The Swedish approach allowed citizens to think about applying broad public health messages to the circumstances of their own lives.

Sweden shows that there was another path not taken, that could have brought this country through the pandemic in far better shape, socially and economically. The inquiry must not be diverted into the minutiae of arguments about whether we should have locked down a week or two weeks earlier. It must be free to examine the whole strategy – in particular, why robust social science evidence on managing emergencies, and its contribution to pandemic planning since the early 2000s, was abandoned so precipitately.

Robert Dingwall is Professor of Sociology at Nottingham Trent University.

**By Robert Dingwall**

The Daily Telegraph / 7 May 2022

Print credit: © Robert Dingwall/Telegraph Media Group Limited 2022

## MICHAEL BAKER AND MARTIN MCKEE

Professors of public health/ European public health

*Tim says:* "Professors Michael Baker and Martin McKee advocated a 'COVID-19 elimination strategy' and said that 'elimination is achievable' which turned out to be wrong, as Professor Johan Giesecke foresaw in his Australian television interview which took place a year earlier."

Wetherspoon News spring 2021

# ALL COUNTRIES SHOULD PURSUE A COVID-19 ELIMINATION STRATEGY: HERE ARE 16 REASONS WHY

**Countries trying to eliminate the virus have been far more successful and economically better off than those that have tried to suppress it**

The past year of Covid-19 has taught us that it is the behaviour of governments, more than the behaviour of the virus or individuals, that shapes countries' experience of the crisis. Talking about pandemic waves has given the virus far too much agency: until quite recently the apparent waves of infection were driven by government action and inaction. It is only now with the emergence of more infectious variants that it might be appropriate to talk about a true second wave.

As governments draw up their battle plans for year two, we might expect them to base their strategies on the wealth of data about what works best. And the evidence to date suggests that countries pursuing elimination of Covid-19 are performing much better than those trying to suppress the virus. Aiming for zero-Covid is producing more positive results than trying to "live with the virus".

Here are 16 reasons why we think all countries should at least consider an elimination approach:

1. It saves lives. Not surprisingly, eliminating transmission of the virus minimises Covid-19 deaths. Countries pursuing elimination have Covid-19 mortality rates that are typically below 10 per million, which is 100 times less than many countries "living" with the virus.
2. The elimination of community transmission also spares populations from "long-Covid", which causes persistent health problems in survivors. These problems are reported by the majority of people hospitalised because of Covid-19 and can also affect those with even mild infection.
3. Elimination is pro-equity. Pandemics almost invariably cause disproportionate harm to the most disadvantage groups based on ethnicity, income and long-term illness. Eliminating Covid-19 can minimise these inequalities particularly if a suitable social "safety-net" is also provided.
4. Countries that have eliminated Covid-19 are experiencing less economic contraction than countries trying to live with the virus. Mainland China and Taiwan are possibly the only places with neutral or net positive economic growth in 2020.
5. Elimination is achievable and works in a variety of settings. Globally, multiple countries and jurisdictions are successfully pursuing elimination approaches, notably mainland China, Taiwan, Vietnam, Cambodia, Laos, Mongolia, Singapore, Australia and New Zealand.

They are diverse in geography, population size, resources, and styles of government.

6. The virus can be eliminated even after intense local transmission has occurred. Mainland China demonstrated this in Wuhan. The state of Victoria in Australia was also able to eliminate Covid-19 even after a period of intense local transmission with higher rates than were being reported in the UK at the time.

7. It's easier if more countries adopt this approach. Border controls can be relaxed, creating "green zones" and allowing quarantine-free travel with associated social and economic benefits. This opening-up is already happening among Australian states and between Pacific islands and New Zealand.

8. The rollout of effective vaccines will make Covid-19 elimination easier to achieve. Effective vaccines working in combination with other public health measures have been crucial to the successful elimination of diseases such as polio and measles in many countries.

9. Having an explicit "zero-Covid" goal provides a strong motivating and coordinating focus. Suppression does not offer a clear end point, leaving countries vulnerable to rapid resurgences, as seen recently in countries like Ireland. The resulting uncertainty makes it impossible to plan, with enormous consequences for schools, businesses, family life, and much else.

10. It is sustainable. Countries pursuing elimination have had setbacks in the form of border failures and outbreaks, but have mostly been able to contain them and regain their elimination status.

11. If the virus mutates, elimination still works. The major methods used for Covid-19 elimination (border management, physical distancing, mask wearing, testing and contact tracing) are relatively unaffected by virus mutations (though testing could theoretically be less effective if the virus changed markedly, and outbreak control would become more difficult with more infectious variants).

12. It also still works if vaccines provide only limited long-term protection. For example, if vaccines are poorly effective at preventing onward transmission then elimination methods could supplement that limitation.

13. It may reduce emergence of more dangerous virus variants. Elimination approaches result in far fewer circulating viruses. Consequently, there will

be fewer opportunities for emergence of new variants that are more infectious, and that might escape the protective effects of vaccines, or even be more lethal.

14. The use of lockdowns should be less necessary. A relatively short, intense lockdown to eliminate Covid-19 transmission in an area should allow control measures to be relaxed in the absence of circulating virus. Countries such as New Zealand have had far less time under lockdown than most countries pursuing suppression which have needed to go in and out of lockdown for long periods to avoid their health services becoming overwhelmed.

15. Vigorous control of Covid-19 infection has substantial co-benefits. Elimination approaches have reduced transmission of other respiratory viruses, notably influenza, resulting in fewer hospitalisations and deaths from these respiratory pathogens.

16. It provides a good interim strategy while we identify an optimal long-term approach, which is currently uncertain. One scenario could be regional elimination or even global eradication as we saw with Sars. Another plausible option is endemic infection with the health burden being managed with vaccines, as we see with influenza. These benefits of pursuing a Covid-19 elimination strategy need to be balanced against the costs and potential negative effects. However, these costs are also experienced by countries trying to suppress the virus, except in their case they come repeatedly, after each resurgence.

On balance, elimination looks like the "least bad choice" for many jurisdictions. We hope that all governments, and the World Health Organization, will consider the elimination strategy as they plan year two of our global response to the pandemic.

Michael Baker is a professor of public health at the University of Otago.

Martin McKee is a professor of European public health at the London School of Hygiene and Tropical Medicine.

**By Michael Baker and Martin McKee**

*The Guardian* / 28 January 2021

Print credit: [www.theguardian.com](http://www.theguardian.com)

FRASER NELSON

The Spectator editor

*Tim says:* "Fraser Nelson, editor of The Spectator, discusses the psychological background to COVID-19, which he attributes to 'public panic ... that sucked in the government, opposition and most of the media'.

Mr Nelson is perhaps being too kind to politicians and the media.

Many people have presented a good case which says that politicians and the media induced the panic in the first place."

## BRITAIN MAY WELL REPEAT ITS LOCKDOWN BLUNDERS SOONER THAN ANYONE THINKS

From Sweden and the WhatsApp leaks, it's clear what needs to be changed. But will anyone do it?

Almost exactly three years ago, Chris Whitty explained the trouble with lockdowns. Pandemics, he would say, kill people in two ways: directly – and indirectly, via panic and disruption. It's hard to measure the latter but you can count the total number of deaths, from all causes. Such figures are coming in now. The country with the smallest rise isn't Australia or New Zealand, who closed their borders. Nor is it Italy or Canada, who had some of the toughest lockdowns. The winner, with the smallest rise in "excess" deaths since the pandemic began, is Sweden.

For those who had accused the lockdown-rejecting Swedes of pursuing a "let it rip" policy that left people to die, this is all rather baffling. And it raises some interesting questions. Australia had hardly any Covid: just lockdowns. So how did it end up with "excess deaths" – at 7 per cent – more than twice the level of the Swedes? If choosing lockdown was to "choose life" (as Matt Hancock put it) then where, in the world's data, is the correlation between lockdown severity and lives saved?

It may suit the Government to delay the Covid inquiry reckoning until after the general election, but the conversation needs to be had now. There is more than enough evidence to update the pandemic plan, given that a new pathogen could emerge at any moment. And a harder, perhaps even more important question: how to restore trust in public health? What rules need to be in place to ensure that, next time, data is not misrepresented and science is not abused by politicians?

The Lockdown Files give three main insights into what went wrong. First, we have firm examples of "the science" being invoked to impose various measures that turn out to be politically motivated. Then we see the slapdash method in which major decisions were made: how WhatsApp replaces normal government. And finally, the tone. How after taking emergency powers, this group of men go from being thoughtful and open-minded to being flippant and gung-ho. Once again, we see how power corrupts – and absolute power corrupts absolutely.

There is one fascinating exchange where Ben Wallace, who as Defence Secretary has seen his share of emergencies, is roped into one of the WhatsApp decision-making groups. He seems appalled and explains that, if they don't mind, he will leave them to it and keep operating through normal government methods. If others had reacted the same way, things could have been very different.

By showing us the psychology of a group in a crisis, the Lockdown Files explain why previous pandemic planning failed: it didn't factor in human nature. The public panic was so deep that there was huge pressure to impose restrictions, whether they worked or not. This created a gravitational pull that sucked in the government, opposition and much of the media – crushing the normal safeguards (cost-benefit analyses, etc). No one wanted to go against it. Even academics found a huge pressure to be quiet if they had doubts. Oxford's Carl Heneghan calls this the "silence of science".

Sweden had the unflappable Anders Tegnell as chief epidemiologist, who went all-out to argue against what he saw as populism: lockdowns that were not backed by science and could cause more harm than good. He never stopped arguing, giving television interviews while waiting on train

platforms and publishing study after study. He won people over. Sweden ended up with middling Covid but among Europe's least economic damage and lowest increase in deaths. In an interview last week, Tegnell offered advice for his successor: "Have ice in your stomach."

Must our next pandemic response be so dependent on personality? Must the fate of nations depend on musical chairs – whether the seat is held by a 63-year-old epidemiologist like Tegnell (whose CV included hands-on experience with Ebola) or a couple of WhatsApping 41-year-olds like Matt Hancock and Simon Case? Safeguards can – and should – be put in place now. There is no need to wait for an inquiry.

The Prime Minister can, at any time, order that from now on modelling needs to follow Treasury standards of transparency and robustness, stating main assumptions and uncertainties. Likely trade-offs (long and short-term) must be clearly acknowledged for every public health response. Complexity must be recognised. Critics should be welcomed, not hounded. Sage, whose very name is now synonymous with spin and bungling, should be disbanded.

It could all be needed sooner than we think. Some 130 million birds now are understood to have died from the latest variant of bird flu, which has already jumped to mammals with a human fatality in Cambodia. We can imagine what could very well happen next: Public Health England starts to do some "scenario" planning for it becoming a human pandemic, with a bias towards the worst case. Sage is exhumed. Professor Neil Ferguson comes up with some doom graphs. The whole merry-go-round could easily start again.

But will politicians be taken seriously next time they say "trust the science"? Polls in the US show that trust in public health bodies has taken a major hit since Covid. While no similar studies have been done here, we do see worrying signs in falling rates of childhood vaccination. Overstating the scientific case during Covid – where the science was genuinely mixed – risks reducing confidence in other areas where the science really is clear.

And the brutal truth? The science on Covid still isn't clear. On masks, on social distancing, even school closures – it's hard to say what difference they make to the spread of a virus. The UK hasn't commissioned a single high-quality study into what works and what doesn't. Even the excess deaths count is complicated – but Sweden is at or near the bottom, whichever way you cut it. But even now, no one seems very interested in the actual science, or learning lessons any time soon.

It's now 20 years since the boring old coronavirus mutated into a killer in the Sars epidemic. Asian countries updated their pandemic emergency plans – but Britain didn't, sticking with its flu-based approach. Are we seeing the same complacency yet again? We have now seen, in the Lockdown Files, much of what went wrong. We have also seen, in Sweden, what can go right. We will now see whether Rishi Sunak can put the two together.

By Fraser Nelson

The Daily Telegraph / 9 March 2023

Print credit: © Fraser Nelson/Telegraph Media Group Limited 2023

## NEIL O'BRIEN

Conservative MP for Harborough, Oadby and Wigston

*Tim says:* "Neil O'Brien was used by the government, during the pandemic, to attack and vilify critics of lockdown tactics, such as Professors Sunetra Gupta and Carl Heneghan of the University of Oxford. In contrast to Professor Balloux's analysis of the WHO report on the subject, O'Brien says erroneously that 'countries taking the toughest measures were getting great results'. The reality turned out to be the exact opposite. As Professor Balloux said: 'The worst performer, by some margin, is Peru, despite enforcing the longest, harshest lockdown.'"

Wetherspoon News spring 2021

## I'D LOVE TO IGNORE 'COVID SCEPTICS' AND THEIR TALL TALES. BUT THEY MAKE A SPLASH AND HAVE NO SHAME

The Tory MP on the fantasies of those in the media, and beyond, who oppose lockdown

If you had opened certain newspapers over the past year, you would have read the following. In spring, you'd have been told the virus was fizzling out. You might have been treated to the views of epidemiologist Sunetra Gupta, who claimed: "The epidemic has largely come and is on its way out in this country." This wasn't due to the lockdown, she argued, but "the build-up of immunity", which government advisers were apparently underestimating.

By the summer, you would have read that it was all over. In June, Toby Young, editor of the Lockdown Sceptics website predicted: "There will be no 'second spike' – not now, and not in the autumn either. The virus has melted into thin air. It's time to get back to normal." Telegraph columnist Allison Pearson wrote: "The terrible Coronabeast will be gone from these isles by September."

By July, the sceptical narrative had changed. According to Ross Clark in the Daily Mail, there was nothing to fear. Boris Johnson's warning of a possible "second wave" was an unjustified "emotive" use of language. Rising cases in countries such as Spain were "little more than a statistical illusion" due to increased testing.

Globally, countries taking the toughest measures were getting great results. Australia, New Zealand, Korea, Japan and Taiwan all saw case rates at about a 20th of the EU average. The Covid sceptics trashed their approach as "sheer panic". Instead, libertarian Sweden was all the rage. Never mind that its death rate was 10 times that of its neighbours. They would have no second wave because they had wisely built up "herd immunity". In fact, there was a brutal second wave; Finland and Norway offered emergency medical assistance as Stockholm's hospitals overflowed. Even the king slammed the failed strategy.

As infections built up again in the autumn, the story changed once more. Though it looked like cases were rising, it was a "casedemic" brought on by faulty tests. "At least 91% of 'Covid cases' are FALSE POSITIVES," thundered Talk Radio host Julia Hartley-Brewer in September. "There is no evidence of a second wave."

By autumn, there were more people in hospital with Covid but several papers ran pieces saying our hospitals weren't unusually busy in November. Some continued the pretence for an absurdly long time. On 29 December, Pearson wrote: "ICU occupancy is 78% today. Remarkably low for this time of year" and that "winter 2020 is the lowest hospital bed occupancy for 10 years. Yes, really."

However, as the new variant exploded and television news showed ambulances queuing outside hospitals that were full of people gasping for breath, the story had to change again. Yes, people were now dying but not in unusual numbers. On 4 January, Hartley-Brewer reassured us: "The virus kills. It just isn't causing excess deaths anymore." This was rather difficult to square with the Office for National Statistics saying 2020 saw the largest increase in deaths in England and Wales since 1940. So, others resorted to a different argument. Yes, 89,000 extra people had died but

they would have died anyway. They were old or had "prior conditions", so were already on the way out. They didn't mention that 8,300 of them were of working age or that many "prior conditions" were non-fatal, such as asthma, diabetes, mental health or learning difficulties.

Powerful Covid-sceptics in the media have got it wrong at every stage. They fought to stop or delay every measure necessary to control the virus. They opposed masks, resisted travel restrictions, fought local lockdown tiers as well as national measures, often with conflicting arguments. Clark wrote again in October that local tiers were unfair and the PM wanted to "trash the northern economy", but when national measures proved necessary, he complained "we are going to close down restaurants in Cornwall to try to fight an epidemic in Manchester". In December, he said we should prioritise vaccinations in "the parts of the country which add most to the economy, London especially".

They rubbished those who knew what they were talking about. Professors Chris Whitty and Patrick Vallance were "Messrs Doom and Gloom", "fear-mongering" and "self-serving". That Whitty and Jonathan Van-Tam used their tiny amount of spare time to volunteer in hospitals suggests that's not true. Now, as the death toll still rises, the same people crawl from the woodwork to demand we lift all restrictions as soon as the most vulnerable are vaccinated.

It's great that we are leading Europe in vaccinations and lockdown has meant cases are starting to fall back. But if we drop our guard, we could still risk many lives agonisingly close to the finish line.

Because they are still dangerous, I have pointed out the mistakes of some Covid-sceptics on Twitter. They regard this as outrageous. An MP shouldn't be getting involved in this. I "must not have any constituents who're struggling", says Hartley-Brewer. Young deleted all his tweets from last year and, in a joint podcast with alt-right conspiracy theorist James Delingpole, I was accused of being "a wrong un", a "fascist", and compared to Stalin's secret police chief Lavrenti Beria. (I didn't know you could be a Nazi and a Commie.) I've touched a nerve, it seems. Politicians are used to accountability. The guilty people within the media are not.

The truth is, the Covid-sceptics aren't really sceptics at all. They engage in motivated reasoning; they make stuff up and double down on disproved claims. They are powerful figures, not used to being questioned. But the truth is that they have a hell of a lot to answer for.

Neil O'Brien is Conservative MP for Harborough, Oadby and Wigston, a former director of Policy Exchange and a vice-chair of the Conservative party.

By Neil O'Brien

The Guardian / 17 January 2021

Print credit: Copyright Guardian News & Media Ltd 2022

**JONATHAN SUMPTION**

Ex-Supreme Court judge and historian

*Tim says:* "Jonathan Sumption is a lawyer and historian, ending his legal career as a Supreme Court judge. In this article, he discusses the insights from the release of Matt Hancock's WhatsApp messages and is surely correct in concluding that they show 'chaos and incoherence at the heart of government'. One possible additional factor is what investment guru Warren Buffett calls 'the institutional imperative', whereby everyone copies everyone else – in this case: 'China has locked down and many other countries are doing the same, so best if we do, too.'"

## MATT HANCOCK WAS NEVER A POLICY MAKER – HE WAS A FANATIC

**The Lockdown Files have shown it was a complete lack of leadership that led to the unprecedented historical step of shutting down the UK**

**The 19th-century sage William Hazlitt once observed that those who love liberty love their fellow men, while those who love power love only themselves. Matt Hancock says that he has been betrayed by the leaking of his WhatsApp messages. But few people will have any sympathy for him. He gluttoned on power and too obviously loved himself.**

Some things can be said in his favour. The Lockdown Files are not a complete record. No doubt there were also phone calls, Zoom meetings, civil service memos and the like, in which the thoughts of ministers and officials may have been more fully laid out. Not all the accusations levelled against him are fair. Care homes, for example, were probably an insoluble problem, given the absence of other places for many elderly patients to go, and the scarcity of testing materials in the early stages of the pandemic.

Nevertheless, Hancock's WhatsApp messages offer an ugly insight into the workings of government at a time when it aspired to micromanage every aspect of our lives. They reveal the chaos and incoherence at the heart of government, as decisions were made on the hoof. They expose the fallacy that ministers were better able to judge our vulnerabilities than we were ourselves. They throw a harsh light on those involved: their narcissism, their superficiality, their hypocrisies great and small. Above all, they show in embarrassing detail how completely power corrupts those who have it.

The case against lockdowns was only partly a moral one. Like Hazlitt, I believe in liberty. But I have never regarded that as a conclusive argument. Even the most ardent lockdown sceptics accept that in extreme cases drastic measures may be required. But Covid-19 was not an extreme case.

### Three major problems

Human beings have lived with epidemic disease from the beginning of time. Covid-19 is a relatively serious epidemic, but historically it is well within the range of health risks which are inseparable from ordinary existence. In Europe, bubonic plague, smallpox, cholera and tuberculosis were all worse in their time. Worldwide, the list of comparable or worse epidemics is much longer, even if they did not happen to strike Europe or North America. In future they are likely to be more frequent and more widespread.

No government, anywhere, had previously sought to deal with epidemic disease by closing down much of society. No society has ever improved public health by making itself poorer.

Spanish flu, between 1918 and 1921, was distinctly worse than Covid-19 – about 200,000 are thought to have died in the UK alone at a time when its population was about two thirds what it is now – but governments did not lock down healthy people or destroy their livelihoods. Asiatic flu in 1957 and Hong Kong flu in 1968 also killed millions; the US and the UK made a deliberate decision not to disrupt the life of the nation. No one criticised them on either occasion. Something has changed, but the change is in ourselves, not in the nature or scale of the risks. We are more easily frightened and have unrealistic expectations of the state.

There always were three major problems about lockdowns as a response to this particular pathogen, all of which are thrown into sharp relief by The Lockdown Files.

The first was the catastrophic social and economic cost. Messrs Whitty and Vallance accepted in their evidence to a Parliamentary committee

that this was a serious issue but added that it was not their job to think about it. It turned out to be no one's job. There never was a proper cost-benefit analysis. The Government went into the lockdowns blind.

The second problem was that lockdowns were indiscriminate whereas the virus was selective. This is the critical point in the view of many reputable epidemiologists. The groups at significant risk of serious illness or death were the old and those suffering from certain underlying health problems. For the overwhelming majority of the population, including almost all of those who were economically active, the symptoms could be relatively mild. It did not matter much whether healthy under-65s were infected, provided that they did not infect others in the more vulnerable categories.

Protecting the truly vulnerable would have been challenging, but not as challenging as keeping most of the population locked up. Only about 8 per cent of people under 65 live in the same household as someone over that age. Humans have a developed sense of self-preservation. They had already begun to limit their social interaction before the first lockdown was announced. What they needed was balanced and trustworthy advice, not coercion or propaganda.

The scientists always understood this. In March 2020, a fortnight before the first lockdown, SAGE advised that social distancing measures, including confinement, should apply to those over 70 and younger people with known vulnerabilities. They proposed that "citizens should be treated as rational actors, capable of taking decisions for themselves and managing personal risk". Policies designed to limit human interaction among those at risk are often said to require mass coercion as if this went without saying. But it was not obvious to the scientists at the time. The policies originally proposed by SAGE were actually followed by Sweden with results that were notably better than ours.

The third problem was that even the minimum of human interaction necessary to keep basic services like food distribution and healthcare running was more than enough to keep the virus circulating. All that lockdowns could ever achieve in those circumstances was to defer some infections until after they were lifted, to prevent people from acquiring a measure of personal immunity, and to prolong the crisis.

### The adrenalin of power

The fateful moment came when the government chose to go for coercion. This ruled out any distinction between the vulnerable and the invulnerable, because it would have been too difficult to police. It also meant that ministers began to manipulate public opinion, exaggerating the risks in order to justify their decision and scare people into compliance. So we had the theatrical announcement of the latest death toll at daily press conferences from Downing Street. Shocking posters appeared on our streets ("Look him in the eyes", etc). Matt Hancock announced that "if you go out, people will die".

The scare campaign created a perfect storm, for it made it more difficult to lift the lockdown. The original idea was "three weeks to squash the sbrbrero". The peak of hospital admissions came after slightly less than three weeks on April 11 2020, when Covid cases filled less than half of NHS beds. But the lockdown continued until July and was then reimposed in October.



continued on page 60

## JONATHAN SUMPTION

Ex-Supreme Court judge and historian

The Lockdown Files show this process at work in awful detail. "We frighten the pants off everyone with the new strain," Hancock proudly declared. He wanted news of the Alpha variant timed to create maximum fear. Simon Case, the Cabinet Secretary, cheered from the sidelines. "The fear/guilt factor vital," he assured Hancock. When the second lockdown was being plotted, the hapless health minister called for a projection of the "do nothing" death toll. The result was the notorious graph projecting 4,000 deaths a day, a claim that was manifestly false and swiftly exploded.

Hancock was the chief peddler of the idea that everyone was equally at risk from Covid-19. This proposition was patently untrue, but it was useful because it frightened people. "It's not unhelpful having people think they could be next," wrote his special adviser, who knew his master's mind well. Other countries did not behave like this. In Sweden state epidemiologist Anders Tegnell was able to reassure his public that a lockdown was neither necessary nor helpful. Events have proved him right.

Ministers imprisoned by their own rhetoric found themselves forced to follow public opinion rather than lead it. But it was a public opinion of their own creation. Scientific evidence had very little to do with it. The Downing Street media advisers Lee Cain and James Slack, ex-journalists with no scientific background, appear to have been mainly responsible for persuading the prime minister to prolong the first lockdown. Relaxing it would be "too far ahead of public opinion", they argued. Matt Hancock insisted on schoolchildren wearing masks in class in spite of scientific advice that it made little difference, because it was necessary to keep up with Nicola Sturgeon. When Rishi Sunak had the temerity to suggest that once the vaccine rollout started the lockdown should be relaxed, Hancock resisted. "This is not a SAGE call," he said, "it's a political call."

Once ministers had started on this course, there was no turning back. It is hard to admit that you have inflicted untold damage on a whole society by mistake. Hancock resisted shortening the 14-day quarantine period in spite of scientific advice that five days was enough, because he did not want to admit that the original policy had been wrong. Relevant evidence was simply shut out. His response to the success of Sweden's policies was not to learn from it but to dismiss it as the "f---ing Swedish argument". Having no grounds for rejecting the Swedish argument, he had to ask his advisers to find him some. "Supply three or four bullet [points] of why Sweden is wrong," he barked.

The adrenalin of power is corrosive. It was largely responsible for the sheer nastiness of the Government's response to criticism. Hancock lashed out at the least signs of resistance or dissent. He wanted internal critics sacked or moved. He suggested the cancellation of a learning disability hub in the constituency of an MP who intended to vote against the tier system. Ministers "got heavy" with the police to make them tougher on the public. The police responded with oppressive gestures like fining people going for a walk with a takeaway coffee. The prime minister thought it "superb" that two travellers had been fined £10,000 for evading the equally pointless quarantine regulations. Hancock gloated over the discomfort of returning travellers, forced by the chopping and changing of the rules to quarantine in basic hotels at their own expense. "Hilarious," chipped in Simon Case.

There is no sign that Hancock either thought or cared about the wider consequences of his measures. He seems to have believed that there was no limit to the amount of human misery and economic destruction that was worth enduring in order to keep the Covid numbers down. Rishi Sunak is on record as saying that any discussion of the wider problems was ruled out in advance, and this is fully borne out by the WhatsApp messages. Any hint from Sunak or business secretary Alok Sharma that the cure might be worse than the disease provoked an explosion of bile but no actual answers.

Hancock fought tooth and nail to close schools and keep them closed. Deprived of many months of education, cooped up indoors and terrified by government warnings that they would kill their grandparents by hugging them, children suffered a sharp rise in mental illness and self-harm although they were themselves at no risk from Covid-19. Cancer patients were left undiagnosed and untreated. Old people, deprived of stimulation, succumbed to dementia in large numbers. Small businesses were destroyed which had taken a lifetime to build up. A joyless puritanism infected government policy. No travel. No wedding parties or funeral wakes. No hugs. Anyone who spoke up for a measure of decency or moderation in this surreal world was promptly slapped down as a "w---er".

Real policy-making is never black and white like this. It is always a matter of judgment, of weighing up pros and cons. In that sense, Matt Hancock was never a policy-maker. He was a fanatic.

### A classic failure of government

Why did hitherto decent people behave like this? In Hancock's case, at least part of the answer is vanity. The crisis was good for his profile. He saw himself as the man of action, the Churchill of public health, the saviour of his people, earning the plaudits of a grateful nation. As early as January 2020, he was sharing a message from a sycophantic "wise friend" assuring him that a "well-handled crisis of this scale could propel you into the next league". He fussed over his tweets. He pushed his way in front of every press camera. He tried to divert the credit for the vaccines from Kate Bingham to himself. "I think I look great" is one of his more memorable messages.

And what of the prime minister who presided indulgently over this shambles? The Lockdown Files show that Boris Johnson always recognised the totalitarian implications of his administration's measures. Sometimes he recoiled from the unfolding social and economic catastrophe. Occasionally he even saw through the manipulative statistics presented to him. He toyed with the idea of leaving the over-65s to make their own risk assessments. He would clearly have preferred to end the first lockdown sooner.

But Johnson never had the courage of his convictions. He picked up fag-ends of information from newspapers but lacked the application to get to the bottom of the scientific evidence. He was constantly manipulated by those around him whose agenda was based on little more than public relations. In the end he was always pushed back into the shape that they wanted. He remained the "wonky shopping trolley" derided by Dominic Cummings in his explosive evidence to a House of Commons committee. As Simon Case admitted in one of his more indiscreet messages, by 2021 public distrust of Johnson was too strong for his words to carry any weight.

This was a classic failure of government. Britain has faced many crises over the past century: wars, pandemics, strikes, economic failure. All government and most crises involve conflicting priorities. Departmental ministers fight their corner. The role of the prime minister is critical. He is the only person in a position to decide between the rival claims of public health, education, social policy, economic survival and financial solvency. For that he needs a clear idea of what he is trying to achieve and a strategy for achieving it. He needs strength of personality and the public stature to persuade the public rather than just appease them. He must have command of the detail, and the respect of his subordinates. Boris Johnson had none of these things.

Lack of sense of direction at the top is always fatal, however talented the subordinates. Johnson's subordinates were not talented. The team in Downing Street was dominated by a failed autocrat in Dominic Cummings and an inexperienced Cabinet Secretary in Simon Case. Both of them grew to despise him, usually with good reason. Apart from Sunak and Gove, his Cabinet was probably the most mediocre band of British ministers for nearly a century. Collectively, they proved unable to look at the whole problem in the round. Their eyes were never on the ball. They were not even on the field. These are the lessons of this sorry business.

*Lord Sumption was a Supreme Court justice in the United Kingdom between 2012 and 2018.*

99

### By Jonathan Sumption

The Daily Telegraph / 10 March 2023

Print credit: © Jonathan Sumption/Telegraph Media Group Limited 2023

# INCOME STATEMENT for the 26 weeks ended 29 January 2023

J D Wetherspoon plc, company number: 1709784

	Notes	Unaudited 26 weeks ended 29 January 2023 Before separately disclosed items £000	Unaudited 26 weeks ended 29 January 2023 separately disclosed items £000	Unaudited 26 weeks ended 29 January 2023 After separately disclosed items £000	Unaudited 26 weeks ended 23 January 2022 Before separately disclosed items £000	Unaudited 26 weeks ended 23 January 2022 separately disclosed items £000	Unaudited 26 weeks ended 23 January 2022 After separately disclosed items £000
<b>Revenue</b>	1	<b>915,956</b>	-	<b>915,956</b>	807,395	-	807,395
Other operating income		-	-	-	-	277	277
Operating costs		<b>(878,536)</b>	-	<b>(878,536)</b>	(805,767)	-	(805,767)
<b>Operating profit</b>		<b>37,420</b>	-	<b>37,420</b>	1,628	277	1,905
Property gains/(losses)	2	<b>489</b>	<b>(11,665)</b>	<b>(11,176)</b>	1,653	(23)	1,630
Finance income	2	<b>247</b>	<b>65,091</b>	<b>65,338</b>	229	-	229
Finance costs	2	<b>(33,592)</b>	<b>(1,037)</b>	<b>(34,629)</b>	(29,574)	12,774	(16,800)
<b>Profit/(loss) before tax</b>		<b>4,564</b>	<b>52,389</b>	<b>56,953</b>	(26,064)	13,028	(13,036)
Income tax (charge)/credit	3	<b>(3,271)</b>	<b>(16,767)</b>	<b>(20,038)</b>	1,007	560	1,567
<b>Profit/(loss) for the period</b>		<b>1,293</b>	<b>35,622</b>	<b>36,915</b>	(25,057)	13,588	(11,469)
<b>Profit/(loss) per ordinary share (p)</b>							
- Basic	4	<b>1.0</b>	<b>28.4</b>	<b>29.4</b>	(19.7)	(10.7)	(9.0)
- Diluted	4	<b>1.0</b>	<b>28.4</b>	<b>29.4</b>	(19.7)	(10.7)	(9.0)

# STATEMENT OF COMPREHENSIVE INCOME for the 26 weeks ended 29 January 2023

	Notes	Unaudited 26 weeks ended 29 January 2023 £000	Unaudited 26 weeks ended 23 January 2022 £000	Audited 53 weeks ended 30 July 2022 £000
Items which will be reclassified subsequently to profit or loss:				
Interest-rate swaps: gain taken to other comprehensive income	9	<b>37,529</b>	22,314	48,452
Interest-rate swaps: (loss)/gain reclassification to the income statement	9	<b>(1,913)</b>	(2,011)	(4,332)
Tax on items taken directly to other comprehensive income	3	<b>(8,904)</b>	(9,124)	(11,051)
Currency translation differences		<b>3,211</b>	(1,885)	(1,474)
<b>Net gain recognised directly in other comprehensive income</b>		<b>29,923</b>	9,294	31,595
Profit/(loss) for the period		<b>36,915</b>	(11,469)	19,267
<b>Total comprehensive profit/(loss) for the period</b>		<b>66,838</b>	(2,175)	50,862

# CASH FLOW STATEMENT for the 26 weeks ended 29 January 2023

J D Wetherspoon plc, company number:  
1709784

	Notes	Unaudited 26 weeks ended 29 January 2023 £000	Unaudited free cash flow <sup>1</sup> 26 weeks ended 29 January 2023 £000	Unaudited 26 weeks ended 23 January 2022 £000	Unaudited free cash flow <sup>1</sup> 26 weeks ended 23 January 2022 £000	Audited 53 weeks ended 31 July 2022 £000	Audited free cash flow 53 weeks ended 31 July 2022 £000
<b>Cash flows from operating activities</b>							
Cash generated from/(used in) operations	5	84,187	84,187	33,215	33,215	178,510	178,510
Interest received		71	71	8	8	97	97
Interest paid		(21,245)	(21,245)	(6,662)	(6,662)	(41,044)	(41,044)
Cash proceeds on termination of interest-rate swaps		169,413	169,413	–	–	–	–
Corporation tax paid		(8,730)	(8,730)	(709)	(709)	(715)	(715)
Lease interest		(8,172)	(8,172)	(9,222)	(9,222)	(17,501)	(17,501)
<b>Net cash flow from operating activities</b>		<b>215,524</b>	<b>215,524</b>	<b>16,630</b>	<b>16,630</b>	<b>119,347</b>	<b>119,347</b>
<b>Cash flows from investing activities</b>							
Reinvestment in pubs		(24,333)	(24,333)	(18,925)	(18,925)	(42,777)	(42,777)
Reinvestment in business and IT projects		(2,804)	(2,804)	(543)	(543)	(3,113)	(3,113)
Investment in new pubs and pub extensions		(10,669)	–	(22,275)	–	(51,083)	–
Freehold reversions and investment properties		(9,994)	–	(19,248)	–	(25,773)	–
Proceeds of sale of property, plant and equipment		3,327	–	2,139	–	10,547	–
<b>Net cash flow from investing activities</b>		<b>(44,473)</b>	<b>(27,137)</b>	<b>(58,852)</b>	<b>(19,468)</b>	<b>(112,199)</b>	<b>(45,890)</b>
<b>Cash flows from financing activities</b>							
Purchase of own shares for share-based payments		(7,454)	(7,454)	(7,082)	(7,082)	(12,808)	(12,808)
(Repayments)/advances under bank loans		(140,033)	–	74,990	–	50,000	–
Other loan receivables		393	–	(3,986)	–	(3,542)	–
Lease principal payments	10	(14,904)	(14,904)	(24,589)	(24,589)	(38,535)	(38,535)
Asset-financing principal payments		(2,855)	–	(3,531)	–	(7,132)	–
<b>Net cash flow from financing activities</b>		<b>(164,853)</b>	<b>(22,358)</b>	<b>35,802</b>	<b>(31,671)</b>	<b>(12,209)</b>	<b>(51,535)</b>
<b>Net change in cash and cash equivalents</b>		<b>6,198</b>		<b>(6,420)</b>		<b>(5,061)</b>	
Opening cash and cash equivalents		40,347		45,408		45,408	
Closing cash and cash equivalents		46,545		38,988		40,347	
<b>Free cash flow<sup>1</sup></b>			<b>166,029</b>		<b>(34,509)</b>		<b>21,922</b>

<sup>1</sup>Free cash flow is a measure not required by accounting standards; a definition is provided in the accounting policies within the 2022 Annual Report

# BALANCE SHEET as at 29 January 2023

J D Wetherspoon plc, company number: 1709784

	Notes	Unaudited 29 January 2023 £000	Restated <sup>1</sup> Unaudited 23 January 2022 £000	Audited 31 July 2022 £000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		1,417,559	1,440,368	1,426,862
Intangible assets		5,670	3,849	5,409
Investment property		23,276	12,653	23,364
Right-of-use assets	10	400,739	448,184	419,416
Other loan receivable		2,749	3,224	2,739
Derivative financial instruments	9	326	–	61,367
Lease assets	10	8,662	9,681	9,264
<b>Total non-current assets</b>		<b>1,858,981</b>	<b>1,917,959</b>	<b>1,948,421</b>
<b>Current assets</b>				
Lease assets	10	2,001	1,638	2,001
Assets held for sale	7	1,533	2,123	800
Inventories		32,483	27,007	26,402
Receivables		14,650	16,696	29,400
Current income tax receivables		4,049	2,269	2,000
Cash and cash equivalents		46,545	38,988	40,347
<b>Total current assets</b>		<b>101,261</b>	<b>88,721</b>	<b>100,950</b>
<b>Total assets</b>		<b>1,960,242</b>	<b>2,006,680</b>	<b>2,049,371</b>
<b>Current liabilities</b>				
Borrowings	8	(4,324)	(6,740)	(5,137)
Derivative financial instruments	9	(66)	–	–
Trade and other payables		(258,733)	(244,757)	(282,481)
Provisions		(2,877)	(3,030)	(2,661)
Lease liabilities	10	(47,409)	(50,797)	(48,471)
<b>Total current liabilities</b>		<b>(313,409)</b>	<b>(305,324)</b>	<b>(338,750)</b>
<b>Non-current liabilities</b>				
Borrowings	8	(789,296)	(956,605)	(930,404)
Derivative financial instruments	9	(9,631)	(3,565)	(2,031)
Deferred tax liabilities		(56,984)	(24,497)	(34,718)
Lease liabilities	10	(406,529)	(444,836)	(421,583)
<b>Total non-current liabilities</b>		<b>(1,262,440)</b>	<b>(1,429,503)</b>	<b>(1,388,736)</b>
<b>Total liabilities</b>		<b>(1,575,849)</b>	<b>(1,734,827)</b>	<b>(1,727,486)</b>
<b>Net assets</b>		<b>384,393</b>	<b>271,853</b>	<b>321,885</b>
<b>Shareholders' equity</b>				
Share capital		2,575	2,575	2,575
Share premium account		143,294	143,294	143,294
Capital redemption reserve		2,337	2,337	2,337
Other reserves		234,579	234,579	234,579
Hedging reserve <sup>1</sup>		40,329	(8,273)	13,617
Currency translation reserve		4,529	(501)	(144)
Retained earnings <sup>1</sup>		(43,250)	(102,158)	(74,373)
<b>Total shareholders' equity</b>		<b>384,393</b>	<b>271,853</b>	<b>321,885</b>

<sup>1</sup>Restated 23 Jan 2022. See Accounting policies page 31.

The financial statements, on pages 17–29, approved by the board of directors and authorised for issue on 23 March 2023, are signed on its behalf by:

**John Hutson**  
Director

**Ben Whitley**  
Director

# STATEMENT OF CHANGES IN EQUITY

J D Wetherspoon plc, company number: 1709784

	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Other Reserves <sup>2</sup> £000	Restated <sup>1</sup> Hedging reserve <sup>2</sup> £000	Currency translation reserve <sup>2</sup> £000	Restated <sup>1</sup> Retained earnings <sup>2</sup> £000	Total £000
<b>As at 25 July 2021 as previously reported</b>		<b>2,575</b>	<b>143,294</b>	<b>2,337</b>	<b>234,579</b>	<b>(15,403)</b>	<b>1,851</b>	<b>(91,256)</b>	<b>277,977</b>
Effect of restatement		-	-	-	-	(4,049)	-	4,049	-
<b>Restated<sup>1</sup> At 25 July 2021</b>		<b>2,575</b>	<b>143,294</b>	<b>2,337</b>	<b>234,579</b>	<b>(19,452)</b>	<b>1,851</b>	<b>(87,207)</b>	<b>277,977</b>
Total comprehensive income		-	-	-	-	11,179	(2,352)	(11,003)	(2,176)
Loss for the period		-	-	-	-	-	-	(11,469)	(11,469)
Interest-rate swaps: cash flow hedges	9	-	-	-	-	22,314	-	-	22,314
Interest-rate swaps: amount reclassified to the income statement	9	-	-	-	-	(2,011)	-	-	(2,011)
Tax on items taken directly to comprehensive income	3	-	-	-	-	(9,124)	-	-	(9,124)
Currency translation differences		-	-	-	-	-	(2,352)	466	(1,886)
Share-based payment charges		-	-	-	-	-	-	3,152	3,152
Tax on share-based payment		-	-	-	-	-	-	(18)	(18)
Purchase of own shares for share-based payments		-	-	-	-	-	-	(7,082)	(7,082)
<b>Restated<sup>1</sup> At 23 January 2022</b>		<b>2,575</b>	<b>143,294</b>	<b>2,337</b>	<b>234,579</b>	<b>(8,273)</b>	<b>(501)</b>	<b>(102,158)</b>	<b>271,853</b>
Total comprehensive income		-	-	-	-	21,890	357	30,791	53,038
Profit for the period		-	-	-	-	-	-	30,736	30,736
Interest-rate swaps: cash flow hedges	9	-	-	-	-	26,138	-	-	26,138
Interest-rate swaps: amount reclassified to the income statement	9	-	-	-	-	(2,321)	-	-	(2,321)
Tax on items taken directly to comprehensive income	3	-	-	-	-	(1,927)	-	-	(1,927)
Currency translation differences		-	-	-	-	-	357	55	412
Share-based payment charges		-	-	-	-	-	-	2,722	2,722
Tax on share-based payment		-	-	-	-	-	-	(2)	(2)
Purchase of own shares for share-based payments		-	-	-	-	-	-	(5,726)	(5,726)
<b>At 31 July 2022</b>		<b>2,575</b>	<b>143,294</b>	<b>2,337</b>	<b>234,579</b>	<b>13,617</b>	<b>(144)</b>	<b>(74,373)</b>	<b>321,885</b>
Total comprehensive income		-	-	-	-	26,712	4,673	35,452	66,837
Profit for the period		-	-	-	-	-	-	36,914	36,914
Interest-rate swaps: cash flow hedges	9	-	-	-	-	37,529	-	-	37,529
Interest-rate swaps: amount reclassified to the income statement	9	-	-	-	-	(1,913)	-	-	(1,913)
Tax on items taken directly to comprehensive income	3	-	-	-	-	(8,904)	-	-	(8,904)
Currency translation differences		-	-	-	-	-	4,673	(1,462)	3,211
Share-based payment charges		-	-	-	-	-	-	3,125	3,125
Tax on share-based payment		-	-	-	-	-	-	-	-
Purchase of own shares for share-based payments		-	-	-	-	-	-	(7,454)	(7,454)
<b>At 29 January 2023</b>		<b>2,575</b>	<b>143,294</b>	<b>2,337</b>	<b>234,579</b>	<b>40,329</b>	<b>4,529</b>	<b>(43,250)</b>	<b>384,393</b>

<sup>1</sup>Restated 23 Jan 2022. See Accounting policies page 31.

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.

<sup>2</sup>As at 29 January 2023, the company had distributable reserves of £236.2m (23 January 2022: £123.6m).

**1. Revenue**

	Unaudited 26 weeks ended 29 January 2023 £000	Unaudited 26 weeks ended 23 January 2022 £000
Bar	521,088	480,453
Food	351,741	292,891
Slot/fruit machines	30,269	23,144
Hotel	11,863	10,424
Other	995	483
	<b>915,956</b>	<b>807,395</b>

**2. Separately disclosed items**

	Unaudited 26 weeks ended 29 January 2023 £000	Unaudited 26 weeks ended 23 January 2022 £000
<b>Operating items</b>		
Local government support grants	–	107
Duty drawback	–	170
<b>Operating income</b>	<b>–</b>	<b>277</b>
<b>Total operating costs</b>	<b>–</b>	<b>277</b>
<b>Property losses</b>		
Loss on disposal of pubs	(3,052)	(23)
	(3,052)	(23)
<b>Other property losses</b>		
Impairment of property, plant and equipment	(7,311)	–
Impairment of intangible assets	74	–
Impairment of right-of-use assets	(1,376)	–
	(8,613)	–
<b>Total property losses</b>	<b>(11,665)</b>	<b>(23)</b>
<b>Other items</b>		
Finance income	65,091	13,774
Finance costs	(1,037)	(1,000)
	64,054	12,774
<b>Taxation</b>		
Other tax items	(5,847)	(189)
Tax effect on separately disclosed items	(10,920)	749
	(16,767)	560
<b>Total separately disclosed items<sup>1</sup></b>	<b>35,622</b>	<b>13,588</b>

<sup>1</sup>separately disclosed items were previously reported as exceptional items, refer to accounting policy for further details.

## 2. Separately disclosed items (continued)

### Loss on disposal of pubs

Costs classified under 'loss on disposal of pubs' relate to the (loss)/gain on disposal sites in the estate. During the period, seven freehold pubs were sold and the break notice served on 10 pubs.

### 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 £8,613k (2022: £nil) was incurred in respect of the impairment of assets as required under IAS 36.

### Finance costs

Finance costs totalling £1,000k (2022: £1,000k) relate to covenant-waiver fees. £37k of remaining finance costs relate to other interest.

### Finance income

The company has recognised finance income of £65,091k (2022: £13,774k), relating to the fair value movement on a proportion of its interest rate swaps. £49,888k (2022: -£48,527k) relates to hedge gains recognised in profit or loss in respect of hedges held at fair value through the profit or loss. £15,203k (2022: £3,802k) relates to £13,291k reclassified from the profit or loss to other comprehensive income for the amount relating to terminated swaps, and a further £1,913k for the amortisation to the profit or for cash flow hedge reserves relating to discontinued hedge relationships. See note 9 for details.

### Taxation

The current tax charge of £5,847k relates primarily to derivative contracts.

The deferred tax charge of £10,920k relates primarily to derecognition of the deferred tax asset in respect of interest restrictions and the impact of the change in the UK tax rate on deferred tax balances.

## 3. Income tax expense

The standard rate of corporation tax in the UK is 19.0%. The company's profits for the accounting period are taxed at a rate of 21.0% (2022: 19.0%).

	Unaudited 26 weeks ended 29 January 2023 Before separately disclosed items £000	Unaudited 26 weeks ended 29 January 2023 After separately disclosed items £000	Unaudited 26 weeks ended 23 January 2022 Before separately disclosed items £000	Unaudited 26 weeks ended 23 January 2022 After separately disclosed items £000	Audited 53 weeks ended 31 July 2022 Before separately disclosed items £000	Audited 53 weeks ended 31 July 2022 After separately disclosed items £000
<b>Taken through income statement</b>						
Current income tax:						
Current income tax charge	866	6,625	(378)	(378)	22	22
Previous period adjustment	—	88	—	2	—	—
Total current income tax	866	6,713	(378)	(376)	22	22
Deferred tax:						
Origination and reversal of temporary differences	2,405	15,771	(629)	(1,380)	(4,529)	10,133
Prior year deferred tax credit	—	(36)	—	—	(1,053)	(1,053)
Impact of change in UK tax rate	—	(2,410)	—	189	—	(2,102)
Total deferred tax	2,405	13,325	(629)	(1,191)	(5,582)	6,978
<b>Tax charge/(credit)</b>	<b>3,271</b>	<b>20,038</b>	<b>(1,007)</b>	<b>(1,567)</b>	<b>(5,560)</b>	<b>7,000</b>
<b>Taken through equity</b>						
Current tax	—	—	(2)	(2)	(2)	(2)
Deferred tax	—	—	20	20	22	22
<b>Tax charge</b>	<b>—</b>	<b>—</b>	<b>18</b>	<b>18</b>	<b>20</b>	<b>20</b>
<b>Taken through comprehensive income</b>						
Deferred tax charge on swaps	7,479	7,479	7,079	7,079	8,404	8,404
Prior year deferred tax charge/ (credit)	—	—	—	—	—	—
Impact of change in UK tax rate	1,425	1,425	2,045	2,045	2,647	2,647
<b>Tax charge</b>	<b>8,904</b>	<b>8,904</b>	<b>9,124</b>	<b>9,124</b>	<b>11,051</b>	<b>11,051</b>

#### 4. Basic earnings/(loss) 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 128,750,155 (2022: 128,750,155) less the weighted average number of shares held in trust during the financial year of 3,337,132 (2022: 1,804,137). Shares held in trust are shares purchased by the company to satisfy employee share schemes which have not yet vested.

Weighted average number of shares	Unaudited 26 weeks ended 29 January 2023	Unaudited 26 weeks ended 23 January 2022	Audited 53 weeks ended 31 July 2022
Shares in issue	128,750,155	128,750,155	128,750,155
Shares held in trust	(3,337,132)	(1,804,137)	(1,924,810)
<b>Shares in issue - Basic</b>	<b>125,413,023</b>	126,946,018	126,825,345
Dilutive shares	-	-	-
<b>Shares in issue - Diluted</b>	<b>125,413,023</b>	126,946,018	126,825,345

##### Earnings / (loss) per share

26 weeks ended 29 January 2023 unaudited	Profit £000	Basic EPS pence	Diluted EPS pence
<b>Earnings (profit after tax)</b>	<b>36,915</b>	<b>29.4</b>	<b>29.4</b>
Exclude effect of separately disclosed items after tax	(35,622)	(28.4)	(28.4)
<b>Earnings before separately disclosed items</b>	<b>1,293</b>	<b>1.0</b>	<b>1.0</b>
Exclude effect of property gains	(489)	(0.4)	(0.4)
<b>Underlying earnings before separately disclosed items</b>	<b>804</b>	0.6	0.6

26 weeks ended 23 January 2022 unaudited	Loss £000	Basic EPS pence	Diluted EPS pence
Earnings (loss after tax)	(11,469)	(9.0)	(9.0)
Exclude effect of separately disclosed items after tax	(13,588)	(10.7)	(10.7)
Earnings before separately disclosed items	(25,057)	(19.7)	(19.7)
Exclude effect of property gains	(1,653)	(1.3)	(1.3)
<b>Underlying earnings before separately disclosed items</b>	<b>(26,710)</b>	<b>(21.0)</b>	<b>(21.0)</b>

**5. Cash used in/generated from operations**

	Unaudited 26 weeks ended 29 January 2023 £000	Unaudited 26 weeks ended 23 January 2022 £000	Audited 53 weeks ended 31 July 2022 £000
Profit/(loss) for the period	36,915	(11,469)	19,267
Adjusted for:			
Tax (note 3)	20,038	(1,567)	7,002
Share-based charges	3,125	3,152	5,874
Loss on disposal of property, plant and equipment	3,738	1,485	3,589
Gain on remeasurement of capitalised leases (note 10)	(489)	(3,449)	(7,368)
Gain on disposal of capitalised leases (note 10)	(686)	-	-
Net impairment charge (note 2)	8,613	-	24,430
Interest payable & receivable	24,411	18,949	41,292
Lease interest (note 10)	7,966	9,394	17,655
Separately disclosed Interest (note 2)	(64,054)	(12,774)	(51,859)
Amortisation of bank loan and private placement issue costs	968	1,002	1,983
Depreciation and amortisation	54,847	59,883	116,845
Aborted properties costs	688	2,283	2,947
Cancelled principal payments	-	(2,250)	(4,726)
Foreign exchange movements	(3,214)	-	(1,474)
	92,866	64,640	175,457
Change in inventories	(6,081)	(154)	452
Change in receivables	14,143	(269)	(10,810)
Change in payables	(16,741)	(31,002)	13,524
Cash flow from operating activities	84,187	33,215	178,623

## 6. Analysis of change in net debt

	Audited 25 July 2021 £000	Cash flows £000	Other changes £000	Audited 31 July 2022 £000	Cash flows £000	Other changes £000	Unaudited 29 January 2023 £000
<b>Borrowings</b>							
Cash and cash equivalents	45,408	(5,061)	–	<b>40,347</b>	6,198	–	<b>46,545</b>
Other loan receivable - before one year	–	803	–	<b>803</b>	(401)	–	<b>402</b>
Asset-financing obligations – before one year	(7,610)	2,473	–	<b>(5,137)</b>	813	–	<b>(4,324)</b>
<b>Current net borrowings</b>	<b>37,798</b>	<b>(1,785)</b>	<b>–</b>	<b>36,013</b>	<b>6,610</b>	<b>–</b>	<b>42,623</b>
 Bank loans – due after one year	 (776,871)	 (49,808)	 (1,937)	 <b>(828,616)</b>	 140,033	 (945)	 <b>(689,528)</b>
Asset-financing obligations – after one year	(8,633)	4,659	–	<b>(3,974)</b>	2,043	–	<b>(1,931)</b>
Other loan receivable - after one year	–	2,739	–	<b>2,739</b>	–	–	<b>2,739</b>
Private placement – after one year	(97,768)	–	(46)	<b>(97,814)</b>	–	(23)	<b>(97,837)</b>
<b>Non-current net borrowings</b>	<b>(883,272)</b>	<b>(42,410)</b>	<b>(1,983)</b>	<b>(927,665)</b>	<b>142,076</b>	<b>(968)</b>	<b>(786,557)</b>
<b>Net debt</b>	<b>(845,474)</b>	<b>(44,195)</b>	<b>(1,983)</b>	<b>(891,652)</b>	<b>148,686</b>	<b>(968)</b>	<b>(743,934)</b>
 <b>Derivatives</b>							
Interest-rate swaps asset - after one year	–	–	61,367	<b>61,367</b>	–	(61,041)	<b>326</b>
Interest-rate swaps liability – within one year	–	–	–	<b>–</b>	–	(66)	<b>(66)</b>
Interest-rate swaps liability – after one year	(37,643)	–	35,612	<b>(2,031)</b>	–	(7,600)	<b>(9,631)</b>
<b>Total derivatives</b>	<b>(37,643)</b>	<b>–</b>	<b>96,979</b>	<b>59,336</b>	<b>–</b>	<b>(68,707)</b>	<b>(9,371)</b>
<b>Net debt after derivatives</b>	<b>(883,117)</b>	<b>(44,195)</b>	<b>94,996</b>	<b>(832,316)</b>	<b>148,686</b>	<b>(69,675)</b>	<b>(753,305)</b>
 <b>Leases</b>							
Lease assets – before one year	1,638	(1,423)	1,786	<b>2,001</b>	(826)	38	<b>1,213</b>
Lease assets – after one year	9,890	–	(626)	<b>9,264</b>	–	184	<b>9,448</b>
Lease obligations – before one year	(65,219)	40,049	(23,301)	<b>(48,471)</b>	15,730	(14,668)	<b>(47,409)</b>
Lease obligations – after one year	(458,596)	–	37,014	<b>(421,582)</b>	–	15,053	<b>(406,529)</b>
<b>Net lease liabilities</b>	<b>(512,287)</b>	<b>38,626</b>	<b>14,873</b>	<b>(458,788)</b>	<b>14,904</b>	<b>607</b>	<b>(443,277)</b>
<b>Net debt after derivatives and lease liabilities</b>	<b>(1,395,404)</b>	<b>(5,569)</b>	<b>109,869</b>	<b>(1,291,104)</b>	<b>163,590</b>	<b>(69,068)</b>	<b>(1,196,582)</b>

The cash movement on bank loans of £140,033k primarily relates to the repayment of the CLBILs in November 2022 of £100,033k. The remaining repayment relates to the variable-rate facility which has reduced from £730,000k to £690,000k from 31 July 2022 to 29 January 2023.

The cash movement on asset-financing of £2,855k is disclosed in the cash flow statement as 'asset-financing principal payments'.

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

### Non-cash movements

The non-cash movement in bank loans and the private placement relate to the amortisation of loan issue costs. These are arrangement fees paid in respect of new borrowings and are charged to the income statement over the expected life of the loans.

The movement in interest-rate swaps relates to the termination of the majority of the interest-rate swaps in place, the change in the 'mark to market' valuations for the 26 week financial period and the addition of new swaps. See note 9.

## 7. Assets held for sale

These relate to situations in which the company had exchanged contracts to sell a property, but the transaction is not yet complete. As at 29 January, one site was classified as held for sale (23 January 2022: three sites and 31 July 2022: two sites).

	Unaudited 29 January 2023 £000	Unaudited 23 January 2022 £000	Audited 31 July 2022 £000
Property, plant and equipment	1,533	2,123	800

## 8. Borrowings

	Unaudited 29 January 2023 £000	Unaudited 23 January 2022 £000	Audited 31 July 2022 £000
<b>Current (due within one year)</b>			
<b>Other</b>			
Lease liabilities	47,409	50,797	48,471
Asset-financing obligations	4,324	6,740	5,137
<b>Total current borrowings (including lease liabilities)</b>	<b>51,733</b>	<b>57,537</b>	<b>53,608</b>
<b>Non-current (due after one year)</b>			
<b>Bank loans</b>			
Variable-rate facility	690,000	755,000	730,000
CLBILS	–	100,033	100,033
Unamortised bank loan issue costs	(472)	(2,192)	(1,417)
	689,528	852,842	828,616
<b>Private placement</b>			
Fixed-rate facility	98,000	98,000	98,000
Unamortised private placement issue costs	(163)	(209)	(186)
	97,837	97,791	97,814
<b>Other</b>			
Lease liabilities	406,529	444,836	421,582
Asset-financing	1,931	5,972	3,974
	408,460	450,808	425,556
<b>Total non-current borrowings (including lease liabilities)</b>	<b>1,195,825</b>	<b>1,401,441</b>	<b>1,351,986</b>
<b>Total borrowings (including lease liabilities)</b>	<b>1,247,558</b>	<b>1,458,978</b>	<b>1,405,594</b>

### Lease liabilities

The carrying amounts of lease liabilities and the movements during the period are outlined in note 10.

### Asset-financing obligations

These relate to asset finance leases of equipment in pubs.

### Variable-rate facility

The secured revolving credit facility is £875m. As at 29 January 2023, £690m was drawn down (31 July 2022: £730m). There are 14 participating lenders. £20m matures in February 2024 while £855m matures in February 2025. The company has hedged its interest-rate liabilities to its banks by swapping the floating-rate debt into fixed-rate debt, see note 9.

### CLBILS

On 14 November 2022, the company repaid the two secured loans under the CLBILS of £48.3m and £51.7m, respectively. The loans had four participating lenders and an average fixed-interest charge of 1.94%; they were set to mature in August 2023.

### Unamortised bank loan issue costs

These relate primarily to refinancing, securing and extending the variable-rate facility.

### Private placement

The fixed-rate facility relates to senior secured notes of £98m. The notes mature in 2026.

The company has an overdraft facility of £10m.

## 9. Financial instruments

The below table outlines the movements in fair value among the hedging reserve, comprehensive income and the income statement during the year:

	Unaudited 29 January 2023	Audited 31 July 2022
	£000	£000
<b>Interest-rate swaps</b>		
Carrying value of derivative financial instruments - Liability	(9,697)	(2,031)
Carrying value of derivative financial instruments - Asset	326	61,367
Change in fair value of derivatives	(68,707)	96,979
Hedge gains recognised in comprehensive income in respect of continuing hedges	(50,819)	(48,452)
Hedge gains recognised in P&L in respect of hedges held at fair value through the profit or loss	(49,887)	(48,527)
Transaction proceeds received in respect of terminated hedges (net of termination fees)	169,413	–
Hedge ineffectiveness reclassified from the reserve to P&L in respect of continuing hedges	–	(8,134)
Amount recognised to P&L relating to terminated swaps	13,290	
Amortisation to P&L of cash flow hedge reserve relating to discontinued hedge relationship	1,913	3,802
Hedging reserve balance in respect of continuing hedges	345	(14,516)
Hedging reserve balance in respect of discontinued hedges	(40,674)	899
<b>Hedging Reserve</b>	<b>£000</b>	<b>£000</b>
Opening	(13,617)	19,452
Hedging gains recognised in comprehensive income	(37,529)	(48,452)
Hedge ineffectiveness reclassified from the reserve to P&L in respect of continuing hedges	–	8,134
Amortisation to P&L of cash flow hedge reserve relating to discontinued hedge relationships	1,913	(3,802)
Deferred tax posted to comprehensive income	8,904	11,051
<b>Closing</b>	<b>(40,329)</b>	<b>(13,617)</b>

The company had eight designated hedge relationships at the beginning of the reporting period, which each, individually held a number of interest-rate swaps. As at 29 January 2023, the interest-rate swaps were in a liability position of £9,371k (31 July 2022: asset position £59,336k). The following changes have taken place during the six months to 29 January 2023:

On 14 October 2022, the company terminated the majority of the interest-rate swaps which it had in place with the exception of five individual interest-rate swaps sitting between two of its hedge relationships. Upon termination, the company received a cash inflow of £169,413k being proceeds less termination fees. The terminated interest-rate swaps which were previously subject to hedge accounting have been treated as discontinued and an assessment made to determine whether the hedged future cash flows will still occur.

The hedges terminated are as follows:

- Hedge relationship two contained six interest-rate swaps which were all terminated, two of which had been previously discontinued due to novation's. Hedge relationship three contained five interest-rate swaps, one of which had been previously discontinued due to novation. These interest-rate swaps were previously hedge accounted for and the future hedged cash flows are still expected to occur. The fair value in OCI was crystallised at termination and will be recycled to the P&L in line with the future hedged cash flows.
- Hedge relationships five, six and seven each contained one interest-rate swap. These hedge relationships were previously discontinued. Any fair value movements were previously recognised in the P&L and amounts in OCI recycled to profit or loss at the date of termination.
- Hedge relationship eight was previously not hedge accounted for. Any fair value movements were previously recognised in the P&L.

The two hedge relationships with active swaps remaining had previously been hedge accounted for:

- Hedge relationship one contained four interest-rate swaps, all of which have remained active. Previously the hedge relationship had been partially discontinued as two of these interest-rate swaps had been novated. The remaining two interest-rate swaps will be hedge accounted for until maturity.
- Hedge relationship four had two out of three interest-rate swaps terminated. On 14 October 2022, the maturity date of the remaining interest-rate swap was amended from 30 June 2028 to 31 July 2023. As a result of the above, the hedge has been fully discontinued given that the critical terms have materially changed.

On 24 October 2022, three new interest-rate swaps were enacted under one new hedge relationship (hedge relationship nine) with a total nominal value of £400m. Management elected not to apply hedge accounting to the hedge relationship from inception as it did not meet the risk strategy for the company.

Remaining in the hedging reserve, is £345k of fair value relating to continuing hedges (31 July 2022: -£14,516k) and -£40,674k of fair value relating to hedges which have been derecognised or discontinued (31 July 2022: £899k). The fair value of derecognised and discontinued hedges will be recycled to the income statement over the remaining period of maturity in line with the hedged cash flows.

## 10. Leases

The following amounts, relating to lease cash flows, were debited/credited to the income statement during the period:

	Unaudited 29 January 2023 £000	Unaudited 23 January 2022 £000
<b>Rent cash flow analysis</b>		
Cash outflows relating to capitalised leases	24,081	34,787
Expense relating to short term leases	194	375
Expense relating to variable element of concessions	7,665	2,196
<b>Total rent cash outflows for period</b>	<b>31,940</b>	<b>37,358</b>
Cash inflows relating to capitalised leases	(1,005)	(884)
Income relating to lessor sites	(1,188)	(757)
<b>Total rent cash inflows for period</b>	<b>(2,193)</b>	<b>(1,641)</b>

### (a) Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	£000
<b>Cost</b>	
As at 31 July 2022	557,262
Additions	11,344
Remeasurement	(17,053)
Transfer to property, plant and equipment	(5,243)
Disposals and derecognised leases	(204)
<b>At 29 January 2023</b>	<b>546,106</b>

### Accumulated depreciation and impairment:

As at 31 July 2022	(137,846)
Provided during the period	(18,238)
Exchange differences	147
Impairment loss	(1,376)
Transfer to property, plant and equipment	996
Remeasurement	10,858
Disposals and derecognised leases	92
<b>At 29 January 2023</b>	<b>(145,367)</b>

### Net book amount at 29 January 2023

**400,739**

During the period, additions related to six new signed lease contracts. 24 leases were remeasured as a result of changes in the agreed payments under the lease contracts and changes in the lease terms. Exchange differences occur as a result of translating the capitalised leases in the Republic of Ireland. Four freehold reversions took place during the period, while one lease was disposed of. In the year ended 31 July 2022, lease additions totalled £4,458k and depreciation £42,291k.

**10. Leases (continued)****(b) Lease liability**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Unaudited 29 January 2023 £000	Audited 31 July 2022 £000
<b>Lease liability as at commencement of period</b>	<b>(470,054)</b>	(523,815)
Additions	(11,344)	(4,458)
Freehold Reversions	–	15,740
Transfer to property, plant and equipment	4,623	–
Remeasurements of leases	7,146	(6,742)
Disposals	120	4,514
Cancelled principal payments (due to expedient)	–	4,726
Exchange differences	(159)	(67)
<b>Lease liabilities before payments</b>	<b>(469,668)</b>	(510,102)
<b>Interest payable in period:</b>		
Interest expense within period (discounting element)	(8,351)	(18,083)
Cancelled interest expense (due to expedient)	–	501
	(8,351)	(17,582)
<b>Total cash outflow for leases in period:</b>		
Lease payment commitments for period	24,081	62,857
Cancelled payment commitments (due to expedient)	–	(5,227)
	24,081	57,630
<b>Net principal payments</b>	<b>15,730</b>	40,048
<b>Lease liability as at closing of period</b>	<b>(453,938)</b>	(470,054)

**(c) Lease assets**

	Unaudited 29 January 2023 £000	Audited 31 July 2022 £000
<b>Recognition of Asset liability</b>	<b>11,264</b>	<b>11,528</b>
Additions of leases	225	447
<b>Lease assets before payments</b>	<b>11,489</b>	<b>11,975</b>
Interest due in period	179	228
Total cash Inflow for leases in period	(1,005)	(884)
<b>Net principal payments</b>	<b>(826)</b>	<b>(656)</b>
<b>Lease asset</b>	<b>10,663</b>	<b>11,319</b>

## 11. General information

J D Wetherspoon plc is a public limited company, incorporated and domiciled in England and Wales.

Its registered office address is: Wetherspoon House, Central Park, Reeds Crescent, Watford, WD24 4QL.

The company is listed on the London Stock Exchange.

This condensed half-yearly financial information was approved for issue by the board on 16 March 2023.

This interim report does not comprise statutory accounts within the meaning of sections 434 and 435 of the Companies Act 2006. Statutory accounts for the year ended 31 July 2022 were approved by the board of directors on 6 October 2022 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, and did not contain any statement under sections 498–502 of the Companies Act 2006.

There are no changes to the principal risks and uncertainties as set out in the financial statements for the 53 weeks ended 31 July 2022 which may affect the company's performance in the next 26 weeks. The most significant risks and uncertainties relate to supply chain disruption, business strategy and people risks. For a detailed discussion of the risks and uncertainties facing the company, refer to pages 52-53 of the 2022 annual report.

## 12. Basis of preparation

This condensed half-yearly financial information of J D Wetherspoon plc (the 'company'), which is abridged and unaudited, has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with International Accounting Standards (IAS) 34, Interim Financial Reporting, in accordance with the requirements of the Companies Act 2006. This interim report should be read in conjunction with the annual financial statements for the 53 weeks ended 31 July 2022 which were prepared in accordance with the International Accounting Standards in accordance with the requirements of the Companies Act 2006.

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.

The company has agreed with its lenders to replace normal financial covenant tests with relaxed leverage covenant tests for the second half of the current financial year to 30 July 2023. The company is confident that it will be in a position to return to normal financial covenant tests thereafter.

The company has modelled a base forecast in which, over the next 18 months, sales, profit and cash flow growth continues at a modest rate. The company has anticipated within this forecast continued high levels of inflation, particularly on food products, wages and repairs.

A more cautious scenario has been analysed, in which sales are 5% lower than the base case over the next 18 months. The company has reviewed, and is satisfied with, the mitigating actions it could take if such a sales decline were to occur. Such actions could include reducing discretionary expenditure and/or implementing price increases.

The company has also reviewed a 'reverse stress test', which has analysed the additional level of sales decline the company could withstand before covenant levels would be exceeded in October 2024, when agreed waivers expire.

The directors are satisfied that the company has sufficient resources (e.g. profitability/liquidity) to withstand adjustments to the base forecast, as well as the downside and stress test scenarios.

As a result, 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.

The financial information for the 53 weeks ended 31 July 2022 is extracted from the statutory accounts of the company for that year.

The interim results for the 26 weeks ended 29 January 2023 and the comparatives for 23 January 2022 are unaudited, yet have been reviewed by the independent auditor. A copy of the review report is included at the end of this report.

### 13. Accounting policies

The accounting policies adopted in the preparation of the interim report are consistent with those applied in the preparation of the company's annual report for the year ended 31 July 2022, with the same methods of computation and presentation used.

#### Income tax

Taxes on income in the interim periods are accrued using the tax rate which would be applicable to expected total annual earnings.

#### Separately disclosed items

During the 26 weeks ended 29 January 2023, management reviewed its process for the recognition of income/expense items as 'exceptional'. During this review, the following accounting policy changes were made:

- 'Exceptional' items will now be known as 'separately disclosed' items. International Financial Reporting Standards (IFRSs) do not recognise exceptional items, and
- The nature of items included as 'separately disclosed' has been reviewed. From the start of the financial period, all property gain/losses have now been included as 'separately disclosed'. Previously management split property gains/losses between exceptional and non-exceptional depending on whether a pub was part of a disposal programme or not. Including all property gains/losses as 'separately disclosed' provides users of the financial statements greater clarity behind the underlying business performance as opposed to one off property transactions.

#### Restatement

The income tax credit in the Income Statement for the 52 weeks ended 25 July 2021 has been restated from £13,581k to £17,630k, therefore impacting the brought forward balances for the 26 weeks ended 23 January 2022. This is due to deferred tax on hedges being incorrectly allocated between the other comprehensive income and the Income Statement.

The disclosures impacted have been identified throughout the financial statements. The effect on specific financial statement line items in the Income Statement, Statement of Comprehensive Income and Balance Sheet for both financial periods is as follows:

	Reported in 52 weeks ended 25 July 2021 £000	Restatement £000	Restated 52 weeks ended 25 July 2021 £000	Reported in 26 weeks ended 23 January 2022 £000	Restatement £000	Restated 26 weeks ended 23 January 2022 £000
<b>Income Statement<sup>1</sup></b>						
Income tax credit	13,581	4,049	17,630	-	-	-
Loss for the period	(181,055)	4,049	(177,006)	-	-	-
Loss per ordinary share – basic (p)	(147.4)	3.3	(144.1)	-	-	-
Loss per ordinary share – diluted (p)	(147.4)	3.3	(144.1)	-	-	-
<b>Statement of Comprehensive Income</b>						
Tax on items taken to OCI	(5,084)	(4,049)	(9,133)	-	-	-
Net gain recognised directly in OCI	47,664	(4,049)	43,615	-	-	-
<b>Balance Sheet</b>						
Hedging reserve	(15,403)	(4,049)	(19,452)	(4,224)	(4,049)	(8,273)
Retained earnings	(91,256)	4,049	(87,207)	(106,205)	4,049	(102,158)

<sup>1</sup> After separately disclosed items

### 14. Contingent liability

The company is in an on-going contractual dispute with a large supplier. The outcome of the dispute is yet to be determined and will be resolved by a legal process. Disclosing any further information at this stage about the ongoing contractual dispute, its financial effect (if any) and uncertainties relating to the amount or timing of any outflow might be prejudicial to the company's position.

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors confirm that this condensed interim financial information has been prepared in accordance with IAS 34 and the requirements of the Companies Act 2006, and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events which have occurred during the first 26 weeks and their impact on the condensed set of financial statements, plus a description of the changes in principal risks and uncertainties for the remaining 27 weeks of the financial year.
- material related-party transactions in the first 26 weeks and any material changes in the related-party transactions described in the last annual report.

The directors of J D Wetherspoon plc are listed in the J D Wetherspoon annual report as at 31 July 2022.

A list of current directors is maintained on the J D Wetherspoon plc website: [jdwetherspoon.com](http://jdwetherspoon.com)

By order of the board

**John Hutson**  
Director  
23 March 2023

**Ben Whitley**  
Director  
23 March 2023

# INDEPENDENT REVIEW REPORT TO J D WETHERSPOON PLC

## Introduction

We have reviewed the condensed set of financial statements in the half-yearly financial report of J D Wetherspoon plc (the 'company') for the 26 week period ended 29 January 2023 which comprises the Income statement, Statement of comprehensive income, Cash flow statement, Balance sheet, Statement of changes in equity and the notes to the financial statements. We have read the other information contained in the half-yearly financial report which comprises the Chairman's Statement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

## Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of Financial Services Authority.

As disclosed in note 12, the annual financial statements of the company are prepared in accordance with UK-adopted international accounting standards and have been prepared in accordance with the requirements of the Companies Act 2006.

## Our responsibility

Our responsibility is to express a conclusion to the company on the condensed set of financial statements in the half-yearly financial report based on our review.

## Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of

financial statements in the half-yearly financial report for the 26 week period ended 29 January 2023 is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

## Use of our report

This report is made solely to the company, as a body, in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company as a body, for our review work, for this report, or for the conclusion we have formed.

Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London  
23 March 2023

# GLOSSARY

- **AGM** = “annual general meeting”. Annual assembly of a company’s stakeholders.
- **APM** = “alternative performance measure”. Financial measure of historical/future financial performance, other than a financial measure defined or specified in the applicable financial reporting framework.
- **CAMRA** = “Campaign for Real Ale”. Organisation which promotes real ales, ciders and perries as well as traditional UK pubs and clubs.
- **CEO** = “chief executive officer”. Individual responsible for making managerial decisions in the company to which he or she is contracted to.
- **CJRS** = “Coronavirus job retention scheme”. Initiative introduced by the UK Government allowing employers to access financial support to pay part of their employees’ wages.
- **CLBILS** = “Coronavirus large business interruption loan scheme”. Financial support created by the UK Government during the COVID-19 pandemic.
- **EBITDA** = “earnings before interest, taxes, depreciation and amortisation”. An alternative performance measure (APM).
- **ESG** = “environmental, social and governance”. Set of standards measuring a business’s impact on society.
- **FRC** = “Financial Reporting Council”. Independent regulator in the UK and Ireland responsible for regulating auditors, accountants and actuaries. It also sets the UK corporate governance and stewardship codes.
- **FTSE** = “Financial Times Stock Exchange”. Index tracking the largest companies trading on the London Stock Exchange (by market capitalization).
- **FY** = “financial year”. For Wetherspoon, the year being reported is 26 July 2021 - 31 July 2022.
- **GHG** = “greenhouse gas”. A gas which absorbs and emits the radiant energy which causes the greenhouse effect. (Trapping heat in the atmosphere, therefore warming up the planet).
- **HMRC** = ‘Her Majesty’s Revenue and Customs’. Non-ministerial UK Government department responsible for collecting taxes and paying some forms of state support.
- **IAS** = ‘international accounting standard’. Older accounting standard issued by the International Accounting Standards Board. IASs were replaced in 2001 by IFRSs.
- **IASB** = ‘International Accounting Standards Board’. Private-sector body developing and approving the international financial reporting standards (IFRSs).
- **IBOR** = ‘inter-bank offered rate’. Basic rate of interest used in lending among banks on the financial market and as a reference in setting interest rates on other loans.
- **IBR** = ‘incremental borrowing rate’. Rate of interest which a lessee would have to pay to borrow the funds necessary to obtain an asset.
- **IFRIC** = ‘international financial reporting standards interpretations committee’. Body which reviews accounting issues, on a timely basis, which have arisen within the context of current international reporting standards.
- **IFRS** = ‘international financial reporting standards’. Accounting standards issued by the International Accounting Standards Board.
- **ISA** = ‘international standards on auditing’. Regulatory standards to be followed when auditing financial information, issued by the International Auditing and Assurance Standards Board.
- **KPI** = ‘key performance indicators’. Measures which companies use to evaluate a company’s success in a particular activity in which it engages.
- **LGBTQIA+** = ‘lesbian, gay, bisexual, transgender, queer/questioning, intersex, asexual, pansexual and allies’. An inclusive term for people of various genders and sexualities.
- **LIBOR** = ‘London inter-bank offered rate’. Basic rate of interest used in lending among banks on the financial market.
- **LLP** = ‘limited liability partnership’. Type of ownership in which some or all partners have limited liabilities.
- **NIC** = ‘national insurance contributions’. Type of income tax paid by both employees and employers.
- **PAYE** = ‘pay-as-you-earn tax’. Type of income tax paid by an employer on behalf of an employee, after being deducted from the employee’s salary.
- **RNS** = ‘Regulatory News Service’. Service which transmits regulatory and non-regulatory information published by companies and organisations (e.g. Share Award) to the local market.
- **SAP** = Accounting software used by Wetherspoon.
- **SIPs** = ‘share incentive plan’. An approved, tax-efficient plan which employers can provide to employees to award their workforce in shares.
- **SONIA** = ‘sterling overnight interbank average rate’. Interest rate paid by banks on unsecured transactions in the UK market – an alternative measure to LIBOR.
- **UK GAAP** = ‘UK generally accepted accounting practice’. Body of accounting standards published by the UK’s Financial Reporting Council.
- **VAT** = ‘value-added tax’. Form of tax paid to HMRC on a product/service at each stage of production, distribution and sale to the end customer.
- **WACC** = ‘weighted average cost of capital’. Rate which a company is expected to pay, on average, to all of its security holders to finance its assets.

**J D Wetherspoon plc**  
**Wetherspoon House, Central Park**  
**Reeds Crescent, Watford, WD24 4QL**

01923 477777  
[jdwetherspoon.com](http://jdwetherspoon.com)