J D Wetherspoon plc

ANNUAL REPORT AND FINANCIAL STATEMENTS 2024

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.

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Financial calendar

Year end
27 July 2025

Preliminary announcement for 2025
October 2025

Interim report for 2025
March 2025

Annual general meeting
21 November 2024

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Financial performance

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

Summary accounts for the years 1984-2024

Financial year	Total number of pubs (sites)	Total sales £000	Profit/(loss) before tax and separately disclosed items £000	Earnings per share before separately disclosed items pence[3]	Free cash flow £000	Free cash flow per share pence[2,3]
1984	1	818	(7)	-		
1985	2	1,890	185	0.2		
1986	2	2,197	219	0.2		
1987	5	3,357	382	0.3		
1988	6	3,709	248	0.3		
1989	9	5,584	789	0.6	915	0.4
1990	19	7,047	603	0.4	732	0.4
1991	31	13,192	1,098	0.8	1,236	0.6
1992	45	21,380	2,020	1.9	3,563	2.1
1993	67	30,800	4,171	3.3	5,079	3.9
1994	87	46,600	6,477	3.6	5,837	3.6
1995	110	68,536	9,713	4.9	13,495	7.4
1996	146	100,480	15,200	7.8	20,968	11.2
1997	194	139,444	17,566	8.7	28,027	14.4
1998	252	188,515	20,165	9.9	28,448	14.5
1999	327	269,699	26,214	12.9	40,088	20.3
2000	428	369,628	36,052	11.8	49,296	24.2
2001	522	483,968	44,317	14.2	61,197	29.1
2002	608	601,295	53,568	16.6	71,370	33.5
2003	635	730,913	56,139	17.0	83,097	38.8
2004	643	787,126	54,074	17.7	73,477	36.7
2005[4]	655	809,861	47,177	16.9	68,774	37.1
2006	657	847,516	58,388	24.1	69,712	42.1
2007	671	888,473	62,024	28.1	52,379	35.6
2008	694	907,500	58,228	27.6	71,411	50.6
2009	731	955,119	66,155	32.6	99,494	71.7
2010	775	996,327	71,015	36.0	71,344	52.9
2011	823	1,072,014	66,781	34.1	78,818	57.7
2012	860	1,197,129	72,363	39.8	91,542	70.4
2013	886	1,280,929	76,943	44.8	65,349	51.8
2014	927	1,409,333	79,362	47.0	92,850	74.1
2015	951	1,513,923	77,798	47.0	109,778	89.8
2016	926	1,595,197	80,610	48.3	90,485	76.7
2017	895	1,660,750	102,830	69.2	107,936	97.0
2018	883	1,693,818	107,249	79.2	93,357	88.4
2019	879	1,818,793	102,459	75.5	96,998	92.0
2020[6]	872	1,262,048	(44,687)	(35.5)	(58,852)	(54.2)
2021[3]	861	772,555	(154,676)	(119.2)	(83,284)	(67.8)
2022[3]	852	1,740,477	(30,448)	(19.6)	21,922	17.3
2023[3]	825	1,925,044	42,559	26.4	271,095	211.4
2024	800	2,035,500	73,875	46.8	33,037	26.4

Notes
Adjustments to statutory numbers
1. Where appropriate, the earnings/losses per share (EPS), as disclosed in the statutory accounts, have been recalculated to take account of share splits, the issue of new shares and capitalisation issues.
2. Free cash flow per share excludes dividends paid which were included in the free cash flow calculations in the annual report and accounts for the years 1995–2000.
3. EPS and free cash flow per share are calculated using dilutive shares in issue.
4. Before 2005, the accounts were prepared under UKGAAP. All accounts from 2005 to date have been prepared under IFRS.
5. Apart from the items in notes 1–4, all numbers are as reported in each year's published accounts.
6. From financial year 2020 data is based on post-IFRS 16 numbers following the transition from IAS17 to IFRS 16.
7. Free cash flow is defined in the alternative performance measures section within accounting policies on page 52. The free cash flow calculation can be found on the cash flow statement.

Continued Recovery

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

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

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

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

Increased Freehold Ownership

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

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

Continued Expansion

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

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

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

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

Trading summary

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

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

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

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

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

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

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

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

Franchises

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

Earnings

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

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

Separately disclosed items

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

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

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

Details of the separately disclosed items are given in note 4 of the accounts on page 21.

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

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

Free cash flow

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

Free cash flow was lower than profits due to:

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

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

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

Balance sheet

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

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

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

Dividends and return of capital

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

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

Financing

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

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

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

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

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

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

Taxation

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

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

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

You cannot be serious

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Scottish Business Rates

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

VAT equality

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

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

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

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

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

How pubs contribute to the economy

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

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

The table below shows the £6.2 billion of tax revenue generated in the last ten years.

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

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

	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m	2019 £m	2018 £m	2017 £m	2016 £m	2015 £m	TOTAL 2015 to 2024 £m
VAT	394.7	372.3	287.7	93.8	244.3	357.9	332.8	323.4	311.7	294.4	**3,013.0**
Alcohol duty	163.7	166.1	158.6	70.6	124.2	174.4	175.9	167.2	164.4	161.4	**1,526.5**
PAYE and NIC	134.7	124.0	141.9	101.5	106.6	121.4	109.2	96.2	95.1	84.8	**1,115.4**
Business rates	41.3	49.9	50.3	1.5	39.5	57.3	55.6	53.0	50.2	48.7	**447.3**
Corporation tax	9.9	12.2	1.5	-	21.5	19.9	26.1	20.7	19.9	15.3	**147.0**
Corporation tax credit (historic capital allowances)	-	-	-	-	-	-	-	-	-	-2.0	**-2.0**
Fruit/slot machine duty	16.7	15.7	12.8	4.3	9.0	11.6	10.5	10.5	11.0	11.2	**113.3**
Climate change levies	10.2	11.1	9.7	7.9	10.0	9.6	9.2	9.7	8.7	6.4	**92.5**
Stamp duty	1.1	0.9	2.7	1.8	4.9	3.7	1.2	5.1	2.6	1.8	**25.8**
Sugar tax	2.6	3.1	2.7	1.3	2.0	2.9	0.8	-	-	-	**15.4**
Fuel duty	2.0	1.9	1.9	1.1	1.7	2.2	2.1	2.1	2.1	2.9	**20.0**
Apprenticeship levy	2.5	2.5	2.2	1.9	1.2	1.3	1.7	0.6	-	-	**13.9**
Carbon tax	-	-	-	-	-	1.9	3.0	3.4	3.6	3.7	**15.6**
Premise licence and TV licences	0.5	0.5	0.5	0.5	1.1	0.8	0.7	0.8	0.8	1.6	**7.8**
Landfill tax	-	-	-	-	-	-	1.7	2.5	2.2	2.2	**8.6**
Insurance premium tax	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	-	**1.7**
Furlough tax	-	-	-4.4	-213.0	-124.1	-	-	-	-	-	**-341.5**
Eat Out to Help Out	-	-	-	-23.2	-	-	-	-	-	-	**-23.2**
Local government grants	-	-	-1.4	-11.1	-	-	-	-	-	-	**-12.5**
TOTAL TAX	**780.2**	**760.4**	**666.9**	**39.1**	**442.1**	**765.1**	**730.7**	**695.3**	**672.4**	**632.4**	**6,184.6**
TAX PER PUB (£m)	**0.98**	**0.92**	**0.78**	**0.05**	**0.51**	**0.87**	**0.83**	**0.78**	**0.71**	**0.67**	**7.10**
TAX AS % OF NET SALES	**38.3%**	**39.5%**	**38.3%**	**5.1%**	**35.0%**	**42.1%**	**43.1%**	**41.9%**	**42.1%**	**41.8%**	**36.7.%**
PROFIT/(LOSS) AFTER TAX	**58.5**	**33.8**	**-24.9**	**-146.5**	**-38.5**	**79.6**	**83.6**	**76.9**	**56.9**	**57.5**	**236.9**

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

Corporate Governance

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

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

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

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

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

Further progress

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

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

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

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

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

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

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

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

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

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

In January 2024, the company was awarded the highest rating by the Sustainable Restaurant Association – the world's largest accreditation scheme for pubs and restaurants. Please see **appendix 4** below.

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

LEAGUE TABLE

	RESTAURANTS	TOTAL SCORE /100
1	JD WETHERSPOON	73
2	WAHACA	67
3	ZIZZI	66
4	WAGAMAMA	64
5	HARVESTER	63
=6	NANDO'S	62
6	CHIQUITO	62
8	GIRAFFE	61
9	TGI FRIDAY'S	60
10	BREWERS FAYRE	59
11	PREZZO	57
12	FRANKIE & BENNY'S	57
13	LEON	55
14	PIZZA EXPRESS	54
15	BELLA ITALIA	52
16	LAS IGUANAS	51
17	IKEA	51
18	MCDONALD'S	50
19	HUNGRY HORSE	46
20	PIZZA HUT	43

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

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

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

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

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

Sustainability, recycling and the environment

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

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

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

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

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

Length of service

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

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

Bonuses and free shares

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

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

[1](IFRS-16 was implemented in the year ending 26 July 2020 (FY20). From this period all profit numbers in the above table are on a Post-IFRS-16 basis. Prior to this date all profit numbers are on a Pre-IFRS-16 basis.
[2] Excludes 2020, 2021 and 2022.

Food hygiene ratings

Wetherspoon has always emphasised the importance of hygiene standards.

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

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

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

Property litigation

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

Following the Van de Berg case, Wetherspoon instigated further legal actions against a number of individuals and companies who had freehold properties introduced to them by Van de Berg. Liability was denied by all. The cases were contested and settled out of court. Details can be found in **appendix 5** below.

Press corrections

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

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

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

Pubwatch

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

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

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

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

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

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

Current trading and outlook

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

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

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

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

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

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

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

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

Tim Martin
Chairman
3 October 2024

Business rates transmogrified to a sales tax

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

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

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

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

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

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

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

VAT equality

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

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

Pubs have lost 50% of their beer sales to supermarkets in the last 35 or so years. It makes no sense for supermarkets to be treated more leniently than pubs, since pubs generate far more jobs per pint or meal than do supermarkets, as well as far higher levels of tax. Pubs also make an important contribution to the social life of many communities and have better visibility and control of those who consume alcoholic drinks.
.
Tax equality is particularly important for residents of less affluent areas, since the tax differential is more important there – people can less afford to pay the difference in prices between the on and off trade.

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

Corporate Governance

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

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

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

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

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

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

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

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

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

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

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

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

THE SUSTAINABLE RESTAURANT ASSOCIATION

BARS AND STARS – COVETED TOP SCORE ACHIEVED IN FOOD MADE GOOD RATINGS

Wetherspoon given highest-possible three-star award by The Sustainable Restaurant Association

Wetherspoon has achieved a highly coveted three-star Food Made Good Standard rating, from The Sustainable Restaurant Association (The SRA).

The highest-possible three-star rating, a third-party certification standard, 'signals to staff, suppliers and customers that Wetherspoon is a progressive business which understands that doing the right thing for people and the planet is core to operations', according to The SRA's report.

Wetherspoon scored 70 per cent, seen by the process as 'an incredible accomplishment'. The three-star award is valid for two years.

Pillars

The score is determined across three separate categories, known as pillars. These are sourcing (Wetherspoon scored 60 per cent), society (75 per cent) and environment (where the highest score of 79 per cent was achieved).

Since 2010, The SRA has set the standard for sustainable food and drinks businesses around the world, connecting businesses across the globe to accelerate change towards a hospitality sector which is socially progressive and environmentally restorative.

One of the ways in which it does this is through the world's largest sustainability certification, specifically designed for the hospitality sector – its Food Made Good Standard rating.

The standard is awarded to restaurants and other food and beverage businesses, around the world, which meet a set of rigorous, measurable criteria across the three main focus areas of sourcing, society and environment.

Holistic

Originally launched in 2010 and updated in 2023, the Food Made Good Standard takes a holistic view of what sustainability should mean for the hospitality sector.

It is about not just minimising food waste, carbon emissions or water use, but also implementing sustainable sourcing, designing menus which are good for both people and the planet, treating staff well, with compassion and dignity, and getting involved in the local community.

To achieve the standard, a business must score 50 per cent or higher during the rigorous and evidence-based evaluation process.

The business is then recognised via a star system, once referred to by The Sunday Times as 'the Michelin stars of sustainability.'

Michelle Morris, Wetherspoon's quality assurance manager, said: "To achieve a three-star score on our evaluation, the highest-available award, is a huge achievement."

Footprint

"Our highlights include already completing a carbon footprint analysis and being ready to set reduction targets for the future.

"There's still room for improvement, notably within the 'sourcing' pillar, but this three-star score is an achievement to shout about."

Juliane Caillouette Noble, The SRA's managing director, said: "Congratulations on obtaining a three-star score on your Food Made Good evaluation.

"This result is testament to the great work you're doing for people and the planet.

"We hope that it will also serve as an encouragement to keep working to make a positive impact."

The star ratings

One star (50–59 per cent) Highly commendable achievement – you are well on your way.

Two stars (60–69 per cent) No easy feat and impossible without clear dedication to sustainability – you should be very proud of your admirable efforts.

Three stars (70 per cent and more) An incredible accomplishment – your hard work and commitment to continuous improvement place you firmly in the top tier.

The framework

Built on a 10-point framework and by evaluating impact across three pillars (sourcing, society and environment), Food Made Good answers the question: What does good look like for a food-service business?

It assesses behaviour, measures action, celebrates progress and provides a roadmap towards further improvement.

Sourcing: Celebrate provenance; support farmers and fishers; more plants and better meat; source seafood sustainably

Society: Treat staff fairly; feed people well; support the community

Environment: Reduce your footprint; waste no food; reduce, reuse, recycle

SUSTAINABLE RESTAURANT ASSOCIATION
FOOD MADE GOOD
2024 – 2026

The Sustainable Restaurant Association (The SRA)

The SRA was founded in 2008 by Simon Heppner, Giles Gibbons, Mark Sainsbury and Henry Dimbleby, with a vision of creating a clear intersection between the sustainable food movement and the hospitality industry.

With a group of 50 founding restaurants, The SRA set out to create a robust framework for what made a restaurant 'good', to clearly promote best practice across the industry and to inspire healthy competition to drive progressive action.

What started as a conversation among a few restaurants in London quickly grew to reach all corners of food service – from high end to high street, from street food staples to workplace and university canteens.

Raymond Blanc OBE, president of The SRA, said: "As chefs, we have huge power to influence what people eat – it is the single most effective action people can have on the planet.

"Now, for the very first time, with the Food Made Good Standard, we have a globally applicable definition of what a sustainable restaurant is and a way to assess it."

The SRA has led the way in accelerating change towards a hospitality sector which is socially progressive and environmentally restorative.

Wetherspoon's report's highlights

Sourcing
Pillar score: 60 per cent

At Wetherspoon, great care is paid to offering a diverse and accessible menu and ensuring that you work with suppliers which share your values.

Society
Pillar score: 75 per cent

Wetherspoon is clearly committed to having a positive impact on staff, diners and the wider community.

Wetherspoon's highest-scoring impact area in the 'society' pillar is 'treat staff fairly (83 per cent), reflecting the work being done to ensure that parents can have flexible working patterns and the training available to all staff.

Environment
Pillar score: 79 per cent

Wetherspoon has taken important steps to monitor and manage its use of natural resources to reduce its footprint, such as setting targets to manage and monitor electricity and gas use and conducting a carbon-footprint analysis of the menu.

Benefits of Food Made Good Standard

Action plan: Using the Food Made Good framework enables Wetherspoon to manage and prioritise its actions.

Businesses which have completed the standard receive a tailormade report, providing a ready-made action plan for how to keep improving from here. This keeps momentum and encourages a process of continuous improvement.

Enhanced reputation: Accreditation shows that the business is committed to environmental and social responsibility, which can enhance reputation with customers, staff, investors and other stakeholders.

Access to a network: Achieving the standard makes you part of a global movement for change.

As part of the Food Made Good community, you can share, learn and collaborate with a network of like-minded professionals committed to creating a positive future.

Positive impact: By implementing sustainable practices, your business can have a positive impact on the environment and local communities, helping to create a more sustainable food system for our shared future.

APPENDIX 5 Extract from Wetherspoon FY23 Annual report, Chairman's Statement

Property Litigation

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

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

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

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

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

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

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

INCOME STATEMENT for the 52 weeks ended 28 July 2024

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

[1] Separately disclosed items is a measure not required by accounting standards; a definition is provided in the accounting policies. Post separately disclosed items is a GAAP measure.

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

	Notes	52 weeks ended 28 July 2024 £000	52 weeks ended 30 July 2023 £000
Items which will be reclassified subsequently to profit or loss:			
Interest-rate swaps: gain taken to other comprehensive income	22	**38**	37,529
Interest-rate swaps: loss reclassification to the income statement	22	**(18,025)**	(13,310)
Tax on items taken directly to other comprehensive income	7	**–**	(6,055)
Currency translation differences		**(1,294)**	1,633
Net (loss)/gain recognised directly in other comprehensive income		**(19,281)**	19,797
Profit for the period		**48,785**	59,587
Total comprehensive profit for the period		**29,504**	79,384

CASH FLOW STATEMENT for the 52 weeks ended 28 July 2024

	Note	**52 weeks ended 28 July 2024 £000**	**Free cash flow[1] 52 weeks ended 28 July 2024 £000**	52 weeks ended 30 July 2023 £000	Free cash flow[1] 52 weeks ended 30 July 2023 £000
Cash flows from operating activities					
Cash generated from operations	9	**232,907**	**232,907**	270,686	270,686
Interest received	6	**1,765**	**1,765**	1,011	1,011
Interest paid	6	**(52,482)**	**(52,482)**	(50,545)	(50,545)
Cash proceeds on termination of interest-rate swaps		**14,783**	**14,783**	169,413	169,413
Corporation tax paid		**(9,940)**	**(9,940)**	(12,200)	(12,200)
Lease interest	23	**(14,471)**	**(14,471)**	(15,954)	(15,954)
Net cash flow from operating activities		**172,562**	**172,562**	362,411	362,411
Cash flows from investing activities					
Reinvestment in pubs		**(76,389)**	**(76,389)**	(41,646)	(41,646)
Reinvestment in business and IT projects		**(6,243)**	**(6,243)**	(5,315)	(5,315)
Investment in new pubs and pub extensions		**(11,933)**	**–**	(20,361)	–
Freehold reversions and investment properties		**(21,944)**	**–**	(11,202)	–
Proceeds of sale of property, plant and equipment		**17,872**	**–**	11,349	–
Net cash flow from investing activities		**(98,637)**	**(82,632)**	(67,175)	(46,961)
Cash flows from financing activities					
Purchase of own shares for cancellation		**(39,505)**	**–**	–	–
Purchase of own shares for share-based payments		**(12,738)**	**(12,738)**	(12,332)	(12,332)
Loan issue cost		**(4,948)**	**(4,948)**	–	–
Repayments under bank loans		**(4,000)**	**–**	(200,033)	–
Other loan receivables		**778**	**–**	889	–
Lease principal payments	23	**(39,207)**	**(39,207)**	(32,023)	(32,023)
Asset-financing principal payments		**(4,245)**	**–**	(4,911)	–
Net cash flow from financing activities		**(103,865)**	**(56,893)**	(248,410)	(44,355)
Net change in cash and cash equivalents		**(29,940)**		46,826	
Opening cash and cash equivalents	18	**87,173**		40,347	
Closing cash and cash equivalents	18	**57,233**		87,173	
Free cash flow[1]			**33,037**		271,095

[1] Free cash flow is a measure not required by accounting standards; a definition is provided in the accounting policies.

BALANCE SHEET as at 28 July 2024

J D Wetherspoon plc, company number: 1709784	Notes	28 July 2024 £000	Restated[1] 30 July 2023 £000
Assets			
Non-current assets			
Property, plant and equipment	13	**1,374,617**	1,377,816
Intangible assets	12	**5,933**	6,505
Investment property	14	**18,290**	18,740
Right-of-use assets[1]	23	**373,338**	395,353
Other loan receivable	16	**1,194**	1,986
Derivative financial instruments	22	**–**	11,944
Lease assets	23	**8,860**	8,450
Total non-current assets		**1,782,232**	1,820,794
Current assets			
Lease assets	23	**1,358**	1,361
Assets held for sale	17	**2,488**	400
Inventories	15	**28,404**	34,558
Receivables	16	**26,576**	27,267
Current income tax receivables		**6,079**	8,351
Cash and cash equivalents	18	**57,233**	87,173
Total current assets		**122,138**	159,110
Total assets		**1,904,370**	1,979,904
Current liabilities			
Borrowings	20	**–**	(4,200)
Derivative financial instruments	22	**(701)**	(78)
Trade and other payables	19	**(298,059)**	(329,098)
Provisions	21	**(3,047)**	(2,395)
Lease liabilities	23	**(49,582)**	(51,486)
Total current liabilities		**(351,389)**	(387,257)
Non-current liabilities			
Borrowings	20	**(719,134)**	(727,643)
Derivative financial instruments	22	**(4,073)**	–
Deferred tax liabilities[1]	7	**(59,487)**	(60,152)
Lease liabilities	23	**(368,660)**	(391,794)
Total non-current liabilities		**(1,151,354)**	(1,179,589)
Total liabilities		**(1,502,743)**	(1,566,846)
Net assets		**401,627**	413,058
Shareholders' equity			
Share capital	27	**2,472**	2,575
Share premium account		**143,170**	143,170
Capital redemption reserve		**2,440**	2,337
Other reserves		**195,074**	234,579
Hedging reserve	22	**13,794**	31,781
Currency translation reserve		**106**	2,148
Retained earnings[1]		**44,571**	(3,532)
Total shareholders' equity		**401,627**	413,058

[1]Restated 30 July 2023. See accounting policies page 52.

The financial statements on pages 15–46, approved by the board of directors and authorised for issue on 3 October 2024, are signed on its behalf by:

John Hutson
Director

Ben Whitley
Director

STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Other Reserves £000	Hedging reserve £000	Currency translation reserve £000	Restated[1] Retained earnings £000	**Total £000**
As at 31 July 2022 as previously reported		2,575	143,294	2,337	234,579	13,617	(144)	(74,373)	**321,885**
Effect of restatements[1]		-	-	-	-	-	-	13,600	13,600
Restated[1] as at 31 July 2022		**2,575**	**143,294**	**2,337**	**234,579**	**13,617**	**(144)**	**(60,773)**	**335,485**
Total comprehensive income		-	-	-	-	18,164	2,292	58,928	79,384
Profit for the period[1]		-	-	-	-	-	-	59,587	59,587
Interest-rate swaps: cash flow hedges	22	-	-	-	-	37,529	-	-	37,529
Interest-rate swaps: amount reclassified to the income statement	22	-	-	-	-	(13,310)	-	-	(13,310)
Tax on items taken directly to comprehensive income	7	-	-	-	-	(6,055)	-	-	(6,055)
Currency translation differences		-	-	-	-	-	2,292	(659)	1,633
Share capital expenses		-	(124)	-	-	-	-	-	(124)
Share-based payment charges		-	-	-	-	-	-	10,545	10,545
Tax on share-based payment	7	-	-	-	-	-	-	100	100
Purchase of own shares for share-based payments		-	-	-	-	-	-	(12,332)	(12,332)
As at 30 July 2023 as previously reported		**2,575**	**143,170**	**2,337**	**234,579**	**31,781**	**2,148**	**(17,132)**	**399,458**
Effect of restatements[1]								13,600	13,600
Restated[1] as at 30 July 2023		**2,575**	**143,170**	**2,337**	**234,579**	**31,781**	**2,148**	**(3,532)**	**413,058**
Total comprehensive income		-	-	-	-	(17,987)	(2,042)	49,533	29,504
Profit for the period		-	-	-	-		-	48,785	48,785
Interest-rate swaps: cash flow hedges	22	-	-	-	-	38	-	-	38
Interest-rate swaps: amount reclassified to the income statement	22	-	-	-	-	(18,025)	-	-	(18,025)
Currency translation differences		-	-	-	-	-	(2,042)	748	(1,294)
Purchase of own shares and cancellation		(103)	-	103	(39,505)	-	-	-	(39,505)
Share-based payment charges		-	-	-	-	-	-	11,021	11,021
Tax on share-based payment	7	-	-	-	-	-	-	287	287
Purchase of own shares for share-based payments		-	-	-	-	-	-	(12,738)	(12,738)
As at 28 July 2024		**2,472**	**143,170**	**2,440**	**195,074**	**13,794**	**106**	**44,571**	**401,627**

[1]Restated 30 July 2023. See accounting policies page 52.

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

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

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

See note 22 for details on the hedging reserve.

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

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

1. Revenue

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

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

This is stated after charging/(crediting):	52 weeks ended 28 July 2024 £000	52 weeks ended 30 July 2023 £000
Variable concession rental payments (note 23)	**16,905**	16,980
Short-term leases (note 23)	**593**	504
Repairs and maintenance	**114,544**	94,011
Net rent receivable (note 23)	**(2,711)**	(2,506)
Share-based payments (note 5)	**11,021**	10,546
Depreciation of property, plant and equipment (note 13)	**63,496**	70,173
Amortisation of intangible assets (note 12)	**1,937**	1,827
Depreciation of investment properties (note 14)	**176**	185
Amortisation of right-of-use assets (note 23)	**36,773**	37,556

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

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

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

3. Property losses and gains

	52 weeks ended 28 July 2024 Before separately disclosed items £000	52 weeks ended 28 July 2024 Separately disclosed items (note 4) £000	52 weeks ended 28 July 2024 After separately disclosed items £000	52 weeks ended 30 July 2023 Before separately disclosed items £000	52 weeks ended 30 July 2023 Separately disclosed items (note 4) £000	52 weeks ended 30 July 2023 After separately disclosed items £000
Disposals						
Fixed assets	**77**	**10,496**	**10,573**	–	8,136	8,136
Leases	**–**	**(1,519)**	**(1,519)**	–	(1,404)	(1,404)
Additional costs of disposal	**–**	**4,405**	**4,405**	42	2,693	2,735
	77	**13,382**	**13,459**	42	9,425	9,467
Impairments						
Property, plant and equipment (note 13)	**–**	**25,268**	**25,268**	–	35,966	35,966
Reversal of property plant and equipment	**–**	**(7,582)**	**(7,582)**	–	(5,430)	(5,430)
Investment properties (note 14)	**–**	**347**	**347**	–	4,448	4,448
Reversal of investment properties (note 14)	**–**	**(73)**	**(73)**	–	–	–
Reversal of intangible assets (note 12)	**–**	**–**	**–**	–	(74)	(74)
Right-of-use assets (note 23)	**–**	**2,161**	**2,161**	–	3,377	3,377
Reversal of right-of-use assets (note 23)	**–**	**(1,023)**	**(1,023)**	–	–	–
	–	**19,098**	**19,098**	–	38,287	38,287
Other						
Other property gains	**(88)**	**–**	**(88)**	(1,409)	–	(1,409)
Leases	**–**	**–**	**–**	(864)	–	(864)
	(88)	**–**	**(88)**	(2,273)	–	(2,273)
Total property (gains)/losses	**(11)**	**32,480**	**32,469**	(2,231)	47,712	45,481

4. Separately disclosed items

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

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

4. Separately disclosed items (continued)

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

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

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

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

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

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

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

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

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

5. Employee benefits expenses

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

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

[1]Restated 30 July 2023. See page 52.

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

For further details of directors' emoluments including the highest paid director and details on the number of directors accruing a pension, please see the directors' remuneration report on pages 72–80.

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

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

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

Share-based payments	**52 weeks ended 28 July 2024**	Restated[1] 52 weeks ended 30 July 2023
Shares awarded during the year (shares)	**3,937,892**	3,813,792
Average price of shares awarded (pence)	**701**	526
Market value of shares vested during the year (£000)	**5,660**	1,464
Share awards not yet vested (£000)	**21,617**	16,632

[1]Restated 30 July 2023. See page 52

5. Employee benefits expenses (continued)

For details of the share incentive plan and the deferred bonus scheme, refer to the directors' remuneration report on pages 72-80.

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

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

6. Finance income and costs

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

7. Income tax expense

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

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

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

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

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

7. Income tax expense (continued)

(b) Reconciliation of the total tax charge

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

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

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

7. Income tax expense (continued)

(c) Deferred tax

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

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

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

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

Deferred tax assets and liabilities have been offset as follows:

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

[1]Restated 30 July 2023. See accounting policies page 52.

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

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

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

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

8. Earnings and free cash flow per share

Weighted average number of shares

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

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

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

Earnings/(loss) per share

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

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

Free cash flow per share

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

9. Cash used in/generated from operations

	52 weeks ended 28 July 2024 £000	52 weeks ended 30 July 2023 £000
Profit for the period	**48,785**	59,587
Adjusted for:		
Tax (note 7)	**11,835**	30,924
Share-based charges (note 5)	**11,021**	10,545
Loss on disposal of property, plant and equipment (note 3)	**14,978**	10,871
Disposal of capitalised leases and lease premiums (note 3)	**(1,519)**	(2,273)
Net impairment charge (note 3)	**19,098**	38,287
Interest receivable (note 6)	**(1,765)**	(1,011)
Interest payable (note 6)	**52,482**	50,234
Lease interest receivable (note 6)	**(267)**	(340)
Lease interest payable (note 6)	**14,738**	22,796
Separately disclosed Interest (note 6)	**(16,131)**	(96,686)
Amortisation of bank loan issue costs (note 6)	**439**	1,246
Depreciation of property, plant and equipment (note 13)	**63,496**	70,173
Amortisation of intangible assets (note 12)	**1,937**	1,827
Depreciation on investment properties (note 14)	**176**	185
Aborted properties costs	**336**	1,719
Foreign exchange movements	**(1,294)**	1,633
Amortisation of right-of-use assets (note 23)	**36,773**	37,556
	255,118	237,273
Change in inventories	**6,154**	(8,157)
Change in receivables	**707**	2,133
Change in payables	**(29,072)**	39,437
Cash generated from operations	**232,907**	**270,686**

10. Analysis of change in net debt

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

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

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

The movement in interest-rate swaps relates to the change in the 'mark to market' valuations for the year for swaps subject to hedge accounting. See note 22 for further detail.

Non-cash movement in net lease liabilities	28 July 2024 £000
Recognition of new leases (note 23)	**(8,617)**
Recognition of new lease assets (note 23)	**1,900**
Remeasurements of existing leases liabilities (note 23)	**(22,458)**
Remeasurements of existing leases assets (note 23)	**(516)**
Disposals and derecognised leases (note 23)	**2,081**
Lease transfers to property, plant and equipment	**14,179**
Exchange differences (note 23)	**(330)**
Non-cash movement in net lease liabilities	**(13,761)**

10. Analysis of change in net debt (continued)

Analysis of changes in net debt for 52 weeks ended 30 July 2023	31 July 2022 £000	Cash flows £000	Other changes £000	30 July 2023 £000
Borrowings				
Cash and cash equivalents	40,347	46,826	–	**87,173**
Other loan receivable – due before one year	803	–	–	**803**
Asset-financing obligations – due before one year	(5,137)	889	48	**(4,200)**
Current net borrowings	36,013	47,715	48	**83,776**
Bank loans – due after one year	(828,616)	200,033	(1,201)	**(629,784)**
Asset-financing obligations – due after one year	(3,974)	4,019	(45)	**–**
Other loan receivable – due after one year	2,739	(753)	–	**1,986**
Private placement – due after one year	(97,814)	–	(46)	**(97,860)**
Non-current net borrowings	(927,665)	203,299	(1,292)	**(725,658)**
Net debt	(891,652)	251,014	(1,244)	**(641,882)**
Derivatives				
Interest-rate swaps asset – due after one year	61,367	(169,413)	119,990	**11,944**
Interest-rate swaps liability – due before one year	–	–	(78)	**(78)**
Interest-rate swaps liability – due after one year	(2,031)	–	2,031	**–**
Total derivatives	59,336	(169,413)	121,943	**11,866**
Net debt after derivatives	(832,316)	81,601	120,699	**(630,016)**
Leases				
Lease assets – due before one year	2,001	(1,677)	1,037	**1,361**
Lease assets – due after one year	9,264	–	(813)	**8,451**
Lease obligations – due before one year	(48,471)	32,926	(35,941)	**(51,486)**
Lease obligations – due after one year	(421,582)	–	29,788	**(391,794)**
Net lease liabilities	(458,788)	31,249	(5,929)	**(433,468)**
Net debt after derivatives and lease liabilities	(1,291,104)	112,850	114,770	**(1,063,484)**

Non-cash movement in net lease liabilities 52 weeks ended 30 July 2023	30 July 2023 £000
Recognition of new leases (note 23)	**(16,820)**
Remeasurements of existing leases liabilities (note 23)	**2,450**
Remeasurements of existing leases assets (note 23)	**223**
Disposal of lease (note 23)	**2,969**
Lease transfers to property, plant and equipment	**5,333**
Exchange differences (note 23)	**(84)**
Non-cash movement in net lease liabilities	**(5,929)**

11. Dividends paid and proposed

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

12. Intangible assets

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

	Computer software and development £000	Assets under construction £000	Total £000
Accumulated amortisation and impairment			
At 31 July 2022	(30,626)	–	(30,626)
Provided during the period	(1,827)	–	(1,827)
Reversal of impairment losses	74		74
At 30 July 2023	(32,379)	–	(32,379)
Provided during the period	(1,937)	–	(1,937)
Exchange differences	4	–	4
Disposals	1,275	–	1,275
At 28 July 2024	**(33,037)**	**–**	**(33,037)**
Net book amount at 28 July 2024	**5,833**	**100**	**5,933**
Net book amount at 30 July 2023	4,392	2,113	6,505
Net book amount at 31 July 2022	4,976	433	5,409

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

13. Property, plant and equipment

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

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

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

14. Investment property

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

	Total £000
Cost	
At 31 July 2022	24,535
Additions	9
At 30 July 2023	24,544
At 28 July 2024	**24,544**
Accumulated depreciation and impairment	
At 31 July 2022	(1,171)
Provided during the period	(185)
Impairment loss	(4,448)
At 30 July 2023	(5,804)
Provided during the period	(176)
Impairment loss	(347)
Reversal of impairment loss	73
At 28 July 2024	**(6,254)**
Net book amount at 28 July 2024	**18,290**
Net book amount at 30 July 2023	18,740
Net book amount at 31 July 2022	23,364

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

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

15. Inventories

Bar, food and non-consumable stock held at pubs and the national distribution centre.

	28 July 2024 £000	30 July 2023 £000
Goods for resale at cost and non consumables	**28,404**	34,558

16. Receivables

This category relates to situations in which third parties owe the company money. Examples include rebates from suppliers (volume related discounts on certain products) and refunds from councils and governing bodies.

Prepayments relate to advance payments for certain services, eg insurance and TV licences.

	28 July 2024 £000	30 July 2023 £000
Current (due within one year)		
Other loan receivables	**716**	803
Other receivables	**7,115**	2,556
Rebate receivable	**1,015**	1,909
Prepayments	**17,730**	21,999
	26,576	**27,267**
Non-current (due after one year)		
Other loan receivables	**1,194**	1,986
Total other non-current assets	**1,194**	**1,986**

Credit risk	28 July 2024 £000	30 July 2023 £000
Due from suppliers – not due	**6,648**	2,250
Due from suppliers – overdue	**447**	302
	7,095	**2,552**

Credit risk is the risk that a counterparty does not settle its financial obligation with the company. At the period's end, the company has assessed the credit risk on amounts due from suppliers, based on historic experience, meaning that the expected lifetime credit loss was immaterial. Cash and cash equivalents are also subject to the impairment requirements of IFRS9 – no impairment loss was identified.

17. 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 28 July 2024, four sites were classified as held for sale (2023: one site).

	28 July 2024 £000	30 July 2023 £000
Property, plant and equipment	**2,488**	400

18. Cash and cash equivalents

	28 July 2024 £000	30 July 2023 £000
Cash and cash equivalents	**57,233**	87,173

Cash at bank earns interest at floating rates, based on daily bank deposit rates.

19. Trade and other payables

This category relates to money owed by the company to third parties.

	28 July 2024 £000	30 July 2023 £000
Trade payables	**137,281**	141,547
Other payables	**16,019**	15,321
Other tax and social security	**66,698**	75,466
Accruals	**77,102**	95,513
Deferred income	**959**	1,251
	298,059	329,098

Trade payables are obligations to pay for goods and services which are of a trade nature while other payables are of a non-trade nature.

Other tax and social security includes VAT and other liabilities due to HMRC.

Accruals and other payables relate to allowances made by the company for future anticipated payments,eg payments to suppliers, employees' wages and interest payments due to lenders.

Deferred income comprises money received in advance for future marketing materials and services.

20. Borrowings

	28 July 2024 £000	30 July 2023 £000
Current (due within one year)		
Other		
Lease liabilities	**49,582**	51,486
Asset-financing obligations	**–**	4,200
Total current borrowings (including lease liabilities)	**49,582**	55,686
Non-current (due after one year)		
Bank loans		
Variable-rate facility	**626,000**	630,000
Unamortised bank loan issue costs	**(4,771)**	(217)
	621,229	629,783
Private placement		
Fixed-rate facility	**98,000**	98,000
Unamortised private placement issue costs	**(95)**	(140)
	97,905	97,860
Other		
Lease liabilities	**368,660**	391,794
	368,660	391,794
Total non-current borrowings (including lease liabilities)	**1,087,794**	1,119,437
Total borrowings (including lease liabilities)	**1,137,376**	1,175,123

Lease liabilities
The carrying amounts of lease liabilities and the movements during the period are outlined in note 23.

Asset-financing obligations
These relate to asset finance leases of equipment in pubs.

Variable-rate facility
The company refinanced during the year and now has a combined revolving credit facility of £529 million and term loan of £311 million (30 July 2023: £875 million revolving credit facility). There was no cash flow impact on refinancing, given that the new agreement was a continuation of the previous facility. As at 28 July 2024, £626 million was drawn down (2023: £630 million). There are 13 participating lenders. The current facility of £840 million matures in June 2028. The company has hedged its interest-rate liabilities to its banks by swapping the floating-rate debt into fixed-rate debt (see note 22).

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 £98 million. The notes mature in August 2026.

The company has an overdraft facility of £10 million, which is undrawn as at 28 July 2024.

21. Provisions

	28 July 2024 £000	30 July 2023 £000
Opening	2,395	2,661
Charged to the income statement:		
– Additional charges	2,947	2,187
– Unused amounts reversed	(2,225)	(2,437)
– Used during year	(70)	(16)
Closing	**3,047**	**2,395**

Legal claims
The amounts represent a provision for ongoing legal claims brought against the company in the normal course of business, by customers and employees. Owing to the nature of the business, the company expects to have a continuous provision for outstanding employee and public liability claims. All claim provisions are considered current and are therefore not discounted.

22. Financial instruments

Fair values
The company has the following financial instruments. IFRS13 requires disclosure of fair value measurements for each instrument, using the following fair value measurement hierarchy, known as levels:

- Level 1: Quoted prices in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included in level 1 which are observable for the asset or liability, either directly or indirectly
- Level 3: Inputs for the asset or liability which are not based on observable market data

	Hierarchy	28 July 2024 Book value £000	28 July 2024 Fair value £000	30 July 2023 Book value £000	30 July 2023 Fair value £000
Financial assets at amortised cost					
Cash and cash equivalents[1]	1	**57,233**	**57,233**	87,173	87,173
Trade and other receivables (excluding prepayments)[1]	1	**10,040**	**10,040**	7,254	7,254
Lease assets	3	**10,218**	**10,218**	9,811	9,811
		77,491	**77,491**	104,238	104,238
Financial liabilities at amortised cost					
Trade and other payables (excluding deferred income and other taxes)[1]	1	**(230,402)**	**(230,402)**	(252,381)	(252,381)
Asset-financing obligations	2	**-**	**-**	(4,200)	(4,367)
Private placement	2	**(97,905)**	**(92,335)**	(97,860)	(95,508)
Borrowings	2	**(621,229)**	**(620,357)**	(629,783)	(618,018)
		(949,536)	**(943,094)**	(984,224)	(970,274)
Derivatives – cash flow hedges					
Current derivative financial liability	2	**(701)**	**(701)**	(78)	(78)
Non-current derivative financial liability	2	**(4,073)**	**(4,073)**	–	–
Non-current derivative financial asset	2	**–**	**–**	11,944	11,944
		(4,774)	**(4,774)**	11,866	11,866

[1]Fair value determined to be in line with book value – this is considered to be a reasonable approximation.

22. Financial instruments (continued)

The fair value of derivatives has been calculated by discounting all future cash flows by the market yield curve. The fair value of borrowings and the private placement has been calculated by discounting the expected future cash flows at the year end's prevailing interest rates. The borrowings are deemed to be short-term for the purposes of the fair value calculations (see note 20 for split), given the draw down nature of the revolving credit facility. The fair value of investment properties has been disclosed in note 14 (hierarchy level 3).

Maturity profile of financial liabilities
The table below presents the maturity profile of the company's financial liabilities using the contractual undiscounted cash flows.

	Within 1 year £000	1–2 years £000	2–5 years £000	More than 5 years £000	Total £000
At 28 July 2024					
Borrowings	45,542	45,542	711,203	–	802,287
Private placement	3,645	3,645	98,250	–	105,540
Trade and other payables	230,402	–	–	–	230,402
Derivatives	1,334	3,887	5,979	–	11,200
Lease liabilities	49,582	46,018	125,626	335,859	557,085
As at 30 July 2023					
Borrowings	66,232	654,589	–	–	720,821
Private placement	3,645	3,645	101,896	–	109,186
Trade and other payables	253,633	–	–	–	253,633
Derivatives	(1,088)	(1,081)	(13,833)	–	(16,002)
Lease liabilities	51,486	46,107	124,927	363,399	585,919
Asset-financing obligations	4,324	–	–	–	4,324

Capital risk management
The company's capital structure comprises shareholders' equity and loans. The objective of capital management is to ensure that the company is able to continue as a going concern and provide shareholders with returns on their investment, while managing risk.

The company does not have a specific measure for managing capital structure; instead, the company plans its capital requirements and manages its loans, dividends and share buy-backs accordingly. The company measures loans using a ratio of net debt to EBITDA.

Liquidity rate risk management
Outlined in note 20 are the facilities entered into to meet the short and long-term liquidity needs of the business. The objective is to ensure that the company has sufficient financial resources to meet working capital requirements as well as funds for reinvestment and development. The company's borrowings depend on the meeting of financial covenants, which if breached, could result in funding being withdrawn.

Credit risk management
The company does not have a significant concentration of credit risk, as the majority of its revenue is in cash. There is little associated credit risk assigned to derivative financial assets as contracts are held with commercial bank counterparties.

Interest rate risk management
The company is exposed to interest rate risk through variable rates on external borrowings. The company's interest-rate swap agreements are in place to mitigate this risk. Under these agreements, the company pays a fixed interest charge and receives variable interest income which matches the variable interest payments made on the company's borrowings.

The company has hedged its interest-rate liabilities to its banks by swapping the floating-rate debt into fixed-rate debt and has currently fixed £200 million of these borrowings at 5.67%. These interest rate swaps are accounted for at fair value through profit or loss. The effective weighted average interest rate of the swap agreements used during the year is 4.71% (2023: 4.28%), fixed for a weighted average period of 2.5 years (2023: 2.9 years). In addition, the company has entered into forward-starting interest-rate swaps, detailed in the table below.

22. Financial instruments (continued)

Weighted average interest-rate swap

From	To	Total swap value £m	Weighted average interest %
23/08/2023	06/02/2025	200	5.67
06/02/2025	06/02/2028	400	4.23

Interest-rate sensitivity
The amounts drawn under this agreement can be varied, depending on the requirements of the business. The floating-rate borrowings are interest-bearing borrowings at rates based on SONIA, fixed for periods of up to one month. During the 52 weeks ending 28 July 2024, if the interest rates on UK-denominated borrowings had been 1% higher, with all other variables constant, the interest charge would have increased by £5.5 million and therefore reduced the pre-tax profit for the year. Similarly, the change in fair value of interest-rate swaps would have increased by £5.5 million (2023: £15.7 million increase in equity as hedge accounting was applied) and therefore increased the post-separately disclosed profit for the year. This assumes that no hedge accounting is applied. The movement in the P&L arises from a change in the 'mark to market' valuation of the interest-rate swaps into which the company has entered, calculated by a 1% shift of the market yield curve. The company notes that an increase in borrowings of 1% would also increase interest charges. The company considers that a 1% movement in interest rates represents a reasonable sensitivity to potential changes. However, this analysis is for illustrative purposes only.

An analysis of the interest-rate profile of financial liabilities is set out below:

	2024 £000	2023 £000
Analysis of interest-rate profile of financial liabilities		
Floating rate due after one year	**621,229**	629,783
	621,229	629,783
Asset-financing obligations		
Fixed rate due in one year	**–**	4,200
	–	4,200
Private placement		
Fixed rate due after one year	**97,905**	97,860
	97,905	97,860
	719,134	731,843

Obligations under asset-financing
The minimum payments under asset-financing fall due as follows:

	28 July 2024 £000	30 July 2023 £000
Within one year	**–**	4,245
In the second to fifth year, inclusive	**–**	–
	–	4,245
Less future finance charges	**–**	(45)
Present value of obligations	**–**	4,200
Less amount due for settlement within one year	**–**	(4,200)
Amount due for settlement during the second to fifth year, inclusive	**–**	–

22. Financial instruments (continued)

Hedging interest-rate swaps
The below table outlines the movements during the year in fair value among the hedging reserve, comprehensive income and the income statement.

Interest-rate swaps	**28 July 2024 £000**	**30 July 2023 £000**
Carrying value of derivative financial instruments liability	**(4,774)**	(78)
Carrying value of derivative financial instruments asset	**–**	11,944
Change in fair value of continuing derivatives	**4,774**	1,147
Change in fair value of discontinued derivatives	**11,866**	(48,617)
Hedge gains recognised in comprehensive income in respect of continuing hedges	**(38)**	(50,819)
Losses/(gains) recognised in P&L in respect of hedges held at fair value through the profit or loss	**1,894**	(71,124)
Transaction proceeds received in respect of terminated hedges (net of termination fees)	**14,783**	169,413
Hedge ineffectiveness	**–**	(13,290)
Amortisation to P&L of cashflow hedge reserve relating to discontinued hedge relationship	**(18,025)**	(13,310)
Hedging reserve balance in respect of continuing hedges	**–**	346
Hedging reserve balance in respect of discontinued hedges	**(13,794)**	(32,127)

Hedging reserve		**£000**
Opening	**(31,781)**	(13,617)
Hedging gains recognised in comprehensive income	**(38)**	(50,819)
Hedge ineffectiveness reclassified from the reserve to P&L in respect of terminated swaps	**–**	13,290
Amortisation to P&L of cashflow hedge reserve relating to discontinued hedge relationships	**18,025**	13,310
Deferred tax posted to comprehensive income	**–**	6,055
Closing	**(13,794)**	(31,781)

At the beginning of the reporting period, the company had four designated hedge relationships, each of which held several interest-rate swaps. Hedge relationships refer to interest-rate swaps entered into at the same time. Hedge accounting was applied to two of these hedge relationships. The following changes have taken place during the 52 weeks ended 28 July 2024:

- On 31 July 2023, the two hedge relationships for which hedge accounting applied matured (hedge relationships one and four).

- On 22 August 2023, the company terminated the remaining two of its interest-rate swaps (hedge relationships nine and 10). On termination, the company received a cash inflow of £14.8 million, being proceeds less termination fees. Hedge accounting did not apply to either interest-rate swap, so their fair value was realised in the P&L.

- On 23 August 2023, a new interest-rate swap was entered into (hedge relationship 11), with a total nominal value of £200 million. On 25 September 2023, a further interest-rate swap was entered into (hedge relationship 12), with a nominal value of £400 million. Management elected not to apply hedge accounting to the hedge relationships from inception, as they did not meet the company's risk strategy.

The liability of £4.8 million (30 July 2023: £0.1 million) comprises the two remaining active interest-rate swaps (11 and 12) for which hedge accounting does not apply. The hedge reserve of £13.8 million is made up of fair value relating to hedges which have previously been derecognised/discontinued (30 July 2023: £0.3 million of fair value relating to continuing hedges and £32.1 million relating to those which have been derecognised/discontinued).

23. Leases

The following amounts, relating to lease cashflows, were debited/credited to the income statement during the period.

	28 July 2024 £000	30 July 2023 £000
Cash outflows relating to capitalised leases	**54,921**	49,994
Expense relating to short-term leases	**593**	504
Expense relating to variable element of concessions	**16,905**	16,980
Total rent cash outflows for period	**72,419**	67,478
Cash inflows relating to capitalised leases	**(1,243)**	(2,017)
Income relating to lessor sites	**(2,711)**	(2,506)
Total rent cash Inflows for period	**(3,954)**	(4,523)

The balance sheet shows the following amounts relating to leases. These have been reconciled in sections (a) to (d) below:

	28 July 2024 £000	Restated[3] 30 July 2023 £000
Right-of-use asset[1,3] (a)	**373,338**	395,353
Non-current lease asset	**8,860**	8,450
Current lease assets	**1,358**	1,361
Total lease assets[2] (b) (d)	**10,218**	9,811
Current lease liability	**(49,582)**	(51,486)
Non-current lease liability	**(368,660)**	(391,794)
Total lease liability[1] (c) (d)	**(418,242)**	(443,280)

[1]Right-of-use assets and lease liabilities relate to leasehold properties occupied by J D Wetherspoon.
[2]Lease assets relate to leasehold properties sublet by J D Wetherspoon.
[3]Restated 30 July 2023. See accounting policies page 52.

23. Leases (continued)

(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
Restated net book amount as at 30 July 2023[1]	**395,353**
Adjustments within the period:	
Additions	8,617
Disposals due to new subleases	(1,760)
Remeasurement	22,710
Freehold reversions transfered to property, plant and equipment	(12,425)
Disposals and derecognised leases	(1,201)
Impact of lease adjustments	**15,941**
Amortisation and Impairment	
Provided during the period	(36,773)
Exchange differences	(45)
Impairment loss	(2,161)
Reversal of impairment losses	1,023
Amortisation and Impairment	**(37,956)**
Net book amount at 28 July 2024	**373,338**

[1]Restated 30 July 2023. See accounting policies page 52.

During the period, additions related to six new signed lease contracts and four new signed sublease contracts. Seventeen 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. Ten freehold reversions took place in the year, while disposals and derecognised leases totalled 15. In the year ended 28 July 2024, lease additions totalled £8,617,000 and depreciation £36,773,000.

(b) Sublet properties

	£000
Lease asset as at commencement of period	**9,811**
Additions	**1,900**
Remeasurements of leases	**(516)**
Interest due in period	**267**
Total cash inflow for leases in period	**(1,243)**
At 28 July 2024	**10,219**

The incremental borrowing rate applied to lease liabilities and assets was 1.9 – 5.7% depending on the lease's length.

Set out below are the carrying amounts of the lease assets recognised and the movement during the period. The company sublets several of its leases, with lease assets being the capitalised future rent receivable from sublet sites.

23. Leases (continued)

(c) Lease liability

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

	28 July 2024 £000	30 July 2023 £000
Lease liability as at commencement of period	**(443,280)**	(470,054)
Additions	**(8,617)**	(16,820)
Freehold reversions transfered to property, plant and equipment	**14,179**	5,333
Remeasurements of leases	**(22,458)**	1,676
Disposals and derecognised leases	**2,081**	2,969
Exchange differences	**(330)**	(84)
Lease liabilities before payments	**(458,425)**	(476,980)
Interest payable in period:		
Interest expense within period (discounting element)	**(14,738)**	(16,294)
Total cash outflow for leases in period:		
Lease payment commitments for period	**54,921**	49,994
Net principal payments	**40,183**	33,700
Lease liability as at closing of period	**(418,242)**	(443,280)

Future rent payments could change as a result of open-market rent reviews or options being exercised to terminate a lease early. Any changes in the minimum unavoidable lease payments will be included as a remeasurement of the lease liability. The accounting policies (page 49) further describe the policy in relation to the termination of leases.

23. Leases (continued)

(d) Lease maturity profile

Set out below are the remaining maturities (period between the balance sheet date and the end of the lease) of the lease liabilities and lease assets, which are undiscounted:

	Lease liabilities		Lease assets	
	28 July 2024 £000	30 July 2023 £000	**28 July 2024 £000**	30 July 2023 £000
Within one year	**49,582**	51,486	**(1,358)**	(1,361)
Between one and two years	**46,018**	46,107	**(1,339)**	(1,169)
Between two and three years	**45,749**	43,472	**(1,342)**	(1,157)
Between three and four years	**41,208**	43,028	**(1,248)**	(1,154)
Between four and five years	**38,669**	38,427	**(1,201)**	(975)
After five years	**335,859**	363,399	**(5,270)**	(5,668)
Lease commitments payable/receivable	**557,085**	585,919	**(11,758)**	(11,484)
Discounting	**(138,843)**	(142,639)	**1,540**	1,672
Lease liability/lease asset	**418,242**	443,280	**(10,218)**	(9,812)

24. Government support

	28 July 2024 £000	30 July 2023 £000
Local government grants (note 4)	**(14)**	(54)
Employee support grants (note 5)	**(289)**	(768)
	(303)	(822)

The government support in the table above should be viewed in context of the contribution to the economy as on page 5.

Local government grants
This represents the final COVID-19 grants, received in 2024, relating to the LRSG sector.

Employee support grants
This represents the final EWSS claim for Republic of Ireland in 2024.

25. Capital commitments

At 28 July 2024, the company had £2.8 million (2023: £4.7 million) of capital commitments, relating to the purchase of two (2023: three) sites, for which no provision had been made in respect of property, plant and equipment.

The company had some other sites in the property pipeline; however, any legal commitment is contingent on planning and licensing. Therefore, there are no commitments at the balance sheet date.

26. Related party disclosures

J D Wetherspoon is the owner of the share capital of the following companies:

Company name	Country of incorporation	Ownership	Status
J D Wetherspoon (Scot) Limited	Scotland	Wholly owned	Dormant
J D Wetherspoon Property Holdings Limited	England	Wholly owned	Dormant
Moon and Spoon Limited	England	Wholly owned	Dormant
Moon and Stars Limited	England	Wholly owned	Dormant
Moon on the Hill Limited	England	Wholly owned	Dormant
Moorsom & Co Limited	England	Wholly owned	Dormant
Sylvan Moon Limited	England	Wholly owned	Dormant
Checkline House (Head Lease) Limited	Wales	Wholly owned	Dormant

All of these companies are dormant and contain no assets or liabilities and are, therefore, immaterial. As a result, consolidated accounts have not been produced. The company has an overseas branch in the Republic of Ireland.

With the exception of J D Wetherspoon (Scot) Limitied, whos registed office is stated below,the registered office of all of the above companies is the same as that for J D Wetherspoon plc, as disclosed on the final page of these accounts, ,
J D Wetherspoon (Scot) Limited
Brunton Miller,
22 Herbert Streeet
Glasgow
Scotland
G20 6NB

As required by IAS 24, the following information is disclosed about key management compensation.

Key management compensation	2024 £000	2023 £000
Short-term employee benefits	**3,580**	3,305
Post-employment pension benefits	**347**	335
Share-based payment	**1,248**	869
	5,175	4,509

Key management comprises the executive directors, non-executive directors and management board, as detailed on page 68.

For additional information about directors' emoluments, please refer to the directors' remuneration report on pages 72–80.

Directors' interests in employee share plans
Details of the shares held by executive members of the board of directors' are included in the remuneration report on pages 72–80 which forms part of these financial statements.

27. Share capital

	Number of shares 000s	Share capital £000
Balance at 30 July 2023 (audited)	128,750	2,575
Repurchase of shares	(5,128)	(103)
Balance at 28 July 2024 (audited)	**123,622**	**2,472**

The total authorised number of 2p ordinary shares is 500,000,000 (2023: 500,000,000). All issued shares are fully paid.

During the year, the company purchased 5,127,959 shares for cancellation.

While the memorandum and articles of association allow for preferred, deferred or special rights to attach to ordinary shares, no shares carried such rights at the balance sheet date.

28. Events after the balance sheet date

There were no significant events after the balance sheet date.

ACCOUNTING POLICIES

Authorisation of financial statements and statement of compliance with IFRSs
The financial statements of J D Wetherspoon plc (the 'Company') for the 52 weeks ended 28 July 2024 were authorised for issue by the board of directors on 3 October 2024, and the balance sheet was signed on the board's behalf by John Hutson and Ben Whitley.

J D Wetherspoon plc is a public limited company, incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on the London Stock Exchange.

Basis of preparation
The Company's financial statements have been prepared in accordance with UK-adopted international accounting standards and have been prepared in accordance with the requirements of the Companies Act 2006.

The financial statements have been prepared on the going-concern basis, using the historical cost convention, except for the revaluation of financial instruments.

The principal accounting policies adopted by the Company are set out on pages 47–52. The accounting policies which follow set out those policies which apply in preparing the financial statements for the 52 weeks ended 28 July 2024.

These policies have been consistently applied to all of the years presented, unless otherwise stated.

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

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

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

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

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

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

Important judgements
The key judgements made in preparing the financial statements are detailed below.

Separately disclosed items
A degree of judgement is required in determining whether certain transactions merit separate presentation to allow shareholders to further understand financial performance in the year, when compared with that of previous years and trends.

Important estimates
The areas in which the Company has made significant estimates are listed below.

Impairment of property, plant and equipment and right of use assets
The Company recognised impairment charges of £19,934,000 (2023: £35,966,000) relating to property, plant and equipment and £2,161,000 (2023: £3,377,000) relating to right of use assets. There were impairment reversals of £7,582,000 relating to property, plant and equipment (2023: £5,430,000) and £1,023,000 relating to right of use assets (2023: nil). Assets under construction were impaired by £5,334,000 (2023: nil) and investment properties by £274,000 (2023: £4,448,000).

Impairment tests are performed at the end of each reporting period, when there are indicators to do so. Impairments are made at the higher of future cash flows less carrying value of assets or fair value less costs of disposal for trading pubs. Assets under construction and investment properties are impaired using fair value less costs of disposal.

For the purposes of calculating value in use, each pub is treated as a separate cash generating unit. Management exercises judgement in determining the key assumptions used to calculate value in use, being historic performance and Company average sales growth. Management also considers the following information when determining whether a pub should be impaired:
- Historic sales and profit growth;
- Operational changes;
- Recent reinvestment scheme; and
- Prospects of the local town/city.

In some instances, management recognises impairment through determining the fair value less costs of disposal for an individual pub. Fair value less costs of disposal is estimated internally taking the location of the pub, type of building and comparable local property transactions. These are unobservable inputs in line with level 3 of the fair value hierarchy, as outlined in IFRS 13.

Impairment reversals are made if future cash flows are higher than the carrying value of assets and the previous impairments made.

Cash flows are discounted by the Company's weighted average cost of capital (WACC) of 12% (2023: 12%). For leasehold pubs, a combination is used of both the WACC and the internal borrowing rate (IBR) per specific lease. Both WACC and IBR are calculated independently.

Sensitivity analysis has been performed to determine the theoretical impact on impairment should scenarios occur which are alternative to those included in the impairment workings. These sensitivities have been applied to the properties impaired during the period:

- A 19% reduction of profit would result in a potential increase to the impairment charge made in the year by £2.3 million. There would be a further potential impairment charge £37.5 million, dependent on further management review, as a result of further pubs flagging for impairment.
- An increase of 1% in the WACC would increase the impairment charge made in the year by £0.8 million. There would be a further potential impairment charge of £33.5 million to be reviewed as a result of further pubs flagging for impairment.

If a previously recognised impairment charge is reversed, the value of the pub will be increased to the lower of the book value as if the asset had not been impaired and the future cash flows which the pub would generate.

Management continually considers the impact of climate change, through analysis of pubs at risk of flood, as outlined in the environmental report on pages 57–59. There is not expected to be a material risk.

Accounting policies

Segmental reporting

The Company operates predominantly one type of business (pubs) in the United Kingdom and the Republic of Ireland. The Company does not separately disclose the results of the hotel business or Republic of Ireland trading given the size, nature and level of review by the board.

Separately disclosed items

The Company presents, on the face of the income statement, those items of income and expense which, because of the nature and magnitude of the event giving rise to them, merit separate presentation to allow shareholders to further understand the elements of financial performance in the year. This helps to facilitate comparison with previous years and to further assess trends in financial performance. Impairment charges, reversals of fixed assets and fair value movements in interest-rate swaps are reported as separately disclosed, regardless of magnitude, to provide consistency of treatment with previous years and a further understanding for the financial statement's users.

Property gains and losses

The Company defines property gains and losses as those items of income and expenditure which are the result of owning and leasing assets which are non-recurring in nature. These include the impairment of fixed assets, along with the proceeds and costs from the disposal of assets. These items are presented on the face of the income statement to more clearly show the Company's underlying performance. The Company does not consider these costs to be operating in nature.

Fixed assets

Fixed assets include property, plant and equipment, intangible assets and investment properties. These are all stated at cost, less accumulated depreciation and any impairment in value.

Cost of assets includes acquisition costs, as well as other directly attributable costs in bringing the asset into use.

Within notes 12 and 13: intangible assets and property, plant and equipment, fixed assets are categorised as:

Asset category	Description	Depreciation policy (straight line)
Freehold and long-leasehold property	Land, buildings and structural/building improvement assets at freehold and long-leasehold pubs.	The acquisition value is split 70:30 between buildings and land. Buildings are depreciated over 50 years. Land is not depreciated.
Short-leasehold property	Structural/building improvement assets at leasehold pubs.	Depreciated over the shorter of the lease period and estimated useful life.
Equipment, fixtures and fittings	Assets within pubs including kitchen, bar and cellar equipment, furniture, IT software and IT hardware.	Depreciated over three to 10 years.
Assets under construction	Assets at sites which are not yet trading and/or extension works to existing pubs.	Assets are not depreciated until they are ready for use.

Residual values and useful economic lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Profits and losses on disposal of fixed assets reflect the difference between the net selling price and the carrying amount at the date of disposal and are recognised in the income statement.

The carrying value of fixed assets is reviewed annually when there is an indicator of impairment, with any impairment losses recognised in the income statement.

Assets held for sale
Where the value of an asset will be recovered through a sale transaction, rather than continuing use, the asset is classified as held for sale. It is the view of management that the Company is not committed to selling a site until a contract for sale has been exchanged. Assets held for sale are valued at the lower of book value and fair value, less any costs of disposal, and are no longer depreciated.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is calculated on a weighted average basis, with net realisable value being the estimated selling price, less any costs of disposal. Provision is made for obsolete, slow-moving or damaged inventory, where appropriate.

Bar and food inventory is recognised as an expense when sold.

Provisions
Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of that obligation's amount.

Revenue recognition
Revenue is recognised when bar and food products are served to customers, after deducting discounts and sales-based taxes.

Slot/fruit machine sales are recognised as the net proceeds taken from the machines, after deducting gaming duty.

Revenue from hotel rooms is recognised when rooms are occupied and services provided, after deduction of discounts and sales-based taxes.

The Company operates a gift card scheme – revenue from these cards is deferred until the card is redeemed in pubs.

Except for hotel revenue, which is generally received in advance of occupation, all other payments for goods and services are received at the point of sale.There are no significant judgements or estimations made in calculating and recognising revenue. Revenue is not materially accrued or deferred between one accounting period and the next.

Government grants
Monetary and non-monetary resources transferred to the Company by government, government agencies or similar bodies are recognised at fair value, when the Company receives the grant. Grants will be recognised net in the income statement, on a systematic basis, over the same period during which the expenses, for which the grant was intended to compensate, are recognised. See note 24.

Leases
The Company has leases for properties across the UK and the Republic of Ireland. There are no other material leases recognised under other IFRS 16 categories.

Lessee accounting
On completion of a contract (the point at which a contract becomes legally binding), the Company assesses whether the contract is or contains a lease. A lease is present where the contract conveys, over a period of time, the right to control the use of an identified asset in exchange for consideration.

The lease liability is measured initially at the present value of lease payments over the term of the lease which is determined as the end of the lease, unless the Company is reasonably certain that a break clause or purchase option will be exercised. These payments are discounted at the Company's incremental borrowing rate. For sites at which rent is payable as a percentage of revenue, the lease liability is measured at the present value of the unavoidable minimum guarantee payments over the term of the lease, while any amounts above this minimum amount will be expensed to the income statement.

Where a lease is identified, the Company recognises a right-of-use asset and a corresponding lease liability. The lease assets are presented as a separate line in the balance sheet. Leases with terms of under one year are not capitalised.

Lessor accounting
Leases, where the lessor retains substantially all of the asset's risks and benefits of ownership, are classified as operating leases. If the operating lease is subject to fixed uplifts over the term of the lease, rental payments are charged to the income statement on a straight-line basis, over the period of the lease, in line with adopted accounting standards. If the operating lease is subject to open-market rents, rental payments are charged at the prevailing rates.

Leases where the lessor transfers substantially all of the asset's risks and benefits of ownership are classified as lease assets. This occurs when the Company sublets a leasehold site. The lease asset is measured initially at the present value of lease receipts, discounted at the Company's incremental borrowing rate. The lease assets are presented as a separate line in the balance sheet.

Modifications
When the Company agrees to a term extension or there is a change in consideration which is not part of the original terms of the lease, the lease liability or asset will be remeasured on that date; the resulting increase or decrease to the asset or liability will be accounted for with an offsetting adjustment to the right-of-use asset.

Modifications are completed at the new incremental borrowing rate. Any adjustment which reduces the right-of-use asset below zero will be credited to the income statement.

Right-of-use asset
The right-of-use asset comprises the initial measurement of the corresponding lease liability, any initial direct costs and the cost of any obligation to restore the site at the end of the lease. It is subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the term of the lease.

Termination and break of leases
Where the Company notifies the landlord to purchase the freehold of a leasehold site, the lease is derecognised at a nil gain/nil loss. Where the Company notifies the landlord of the intention to terminate (break) a lease early, the lease is remeasured.

Borrowing costs
These are recognised as an expense in the period in which they are incurred, unless the requirements by the adopted accounting standards for the capitalisation of borrowing costs relating to assets are met. For the purpose of cash flow reporting, interest paid and received is considered to be operating cash flows.

Income taxes
Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities, based on tax rates and laws which are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- Where the temporary difference arises from an asset or liability in a transaction which, at the time of the transaction, affects neither accounting nor taxable profit or loss.
- Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried-forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured at the tax rates which are expected to apply when the related asset is realised or liability settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited directly to the income statement, comprehensive income or equity. The income tax charged or credited will follow the accounting treatment of the underlying item which has given rise to the income tax charged or credited.

Financial instruments
Financial assets and liabilities are recognised on the date on which the Company becomes party to the contractual provisions of the instrument giving rise to the asset or liability.

Financial assets held at amortised cost
Financial assets held at amortised cost are non-derivative financial assets which are held within a business model where the objective is to collect the contractual cash flow at the same time as the contractual terms give rise to cash flows which are solely payments of principal and interest. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Other receivables
Other receivables are recognised initially at transaction value and carried at amortised cost less any expected credit losses. The Company has a small number of receivables at any one time; these are generally with companies with which the Company has an established trading relationship.

Cash and cash equivalents
Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits. For the purpose of the cash flow statement, cash and cash equivalents comprise cash and short-term deposits as defined above. Bank overdrafts are shown within current financial liabilities on the balance sheet. Cash and cash equivalents include recognition of amounts for cash in transit, including electronic card payments not yet receipted as these are highly liquid and low credit risk.

Credit risk
Credit risk losses arise when debtors fail to pay their obligation to the Company. The Company assesses credit risk, based on historic experience. The Company has no significant history of non-payment; as a result, the expected credit losses on financial assets are not material.

Financial liabilities
The Company classifies its financial liabilities as other financial liabilities. These are measured at fair value on initial recognition and subsequently measured at amortised cost, using the effective-interest method.

Trade and other payables
These are recognised initially at fair value and subsequently at amortised cost, using the effective-interest method.

Bank loans and borrowings
Interest-bearing bank loans and other borrowings are recorded initially at fair value of consideration received, net of direct issue costs. Borrowings are subsequently recorded at amortised cost, with any difference between the amount recorded initially and the redemption value recognised in the income statement over the period of the bank loans, using the effective- interest method.

Bank loans and loan notes are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Derivative financial instruments and hedging activities
Derivative financial instruments used by the Company are stated at fair value on initial recognition and at subsequent balance sheet dates.

Hedge accounting is used to mitigate the Company's exposure to variable interest rate risks on borrowings. Derivatives qualify for hedge accounting only where, at inception, there is formal designation and documentation of the hedging relationship, there is an economic relationship between the item being hedged and the hedging derivative and credit risk does not dominate the economic relationship.

The Company classifies certain interest-rate swap derivatives as cash flow hedges, on the basis that they hedge the exposure to variable cash flows. A hedging ratio of 1:1 is adopted between the interest-rate swaps and the Company's floating-rate borrowings, meaning that floating interest rates paid should be identical to those amounts received for a given amount of borrowings.

The Company tests hedge effectiveness prospectively, at reporting periods, using the hypothetical derivative method and compares the changes in the fair value of the hedging instrument with those in the fair value of the hedged item attributable to the hedged risk.

As disclosed in note 22, there are no swaps designated for hedge accounting. For those swaps terminated, an assessment is made to determine the future cashflows of the hedged item and the amount to be recycled from other comprehensive income to the income statement.

Management makes judgements in forecasting drawdowns of future borrowings, as well as future interest rates. These forecasts affect the rate at which the fair value previously recognised and frozen in other comprehensive income is recycled to the income statement.

Hedges could be deemed ineffective if the:

- period over which the borrowings were drawn were changed. This could result in the borrowings being made at a different floating rate than the interest-rate swap.
- gross amount of borrowings were less than the value swapped.
- impact of LIBOR reform were to cause a mismatch between the interest rate of the swaps and that of the Company's debt.

The effective element of any gain or loss from remeasuring the derivative designated as the hedging instrument is recognised in other comprehensive income with the ineffective element recognised immediately in the income statement.

Hedge accounting is discontinued when the hedge expires, is sold, terminated or no longer meets the Company's risk management objective.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

When the Company repurchases its own shares, the cost of the shares purchased and associated transaction costs are taken directly to equity and deducted from retained earnings. The nominal value of shares purchased is transferred from share capital to the capital redemption reserve.

Foreign currencies
Transactions denominated in foreign currencies are recorded at the rates of exchange prevailing at the transaction date. Monetary assets and liabilities are translated at year-end exchange rates, with the resulting exchange differences taken to the income statement.

The Irish branch's results are translated at the average exchange rate for the reporting period; the balance sheet is translated at the year-end exchange rate. Resulting exchange differences are recognised in comprehensive income.

Revaluation gains and losses on the long-term financing of the Irish branch are recognised in comprehensive income.

Retirement benefits
Contributions to personal pension schemes are recognised in the income statement in the period in which they fall due. All contributions are in respect of a defined contribution scheme. Once the contributions have been paid, the Company has no future payment obligations.

Dividends
Dividends recommended by the board, but unpaid at each period end, are not recognised in the financial statements until they are paid (in the case of the interim dividend) or approved by shareholders at the annual general meeting (in the case of the final dividend).

Changes in net debt
These are both the cash and non-cash movements of the year, including movements in asset-financing, borrowings, cash and cash equivalents.

Share-based charges
The Company has an employee share incentive plan which awards shares to qualifying employees; there is also a deferred bonus scheme which awards shares to directors and senior managers, subject to specific performance criteria.

The cost of the awards in respect of these plans is measured by reference to the fair value at the date at which they are granted and is amortised as an expense over the vesting period. In assessing the initial fair value, no account is taken of any vesting conditions, other than market conditions linked to the price of the shares of the Company.

The Company currently has no other share-based transactions.

Shares purchased for share-based payment awards are held in equity at historic cost, until the awards vest, when they are transferred to employees.

New accounting standards adopted in the year
The adoption of these standards has not had a significant impact on the Company's results, financial position or disclosures:

- International Tax Reform – Pillar Two Model Rules
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments to IAS 12)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- IFRS 17 Insurance Contracts, Amendments to IFRS 17 and Initial Application of IFRS17 and IFRS 9 – Comparative Information

New accounting standards in issue, but not yet effective
New accounting standards and interpretations which are in issue but not yet effective are listed below. The Company is assessing the impact of the following new and amended standards, which have been issued or are awaiting endorsement by the UK Endorsement Board. The Company has chosen not to adopt these early:

- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information.
- IFRS S2 Climate-related Disclosures
- IFRS 18 Presentation and disclosure in financial statements
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 – Non-Current Liabilities with covenants)
- Supplier financing arrangements (Amendments to IAS 7 and IFRS 7)
- Lack of exchangeability (Amendments to IAS 21)
- Classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7)
- Lease Liability in a sale and lease back (Amendments to IFRS 16)

Alternative performance measures
The Company uses several alternative performance measures (APMs) throughout the annual report and accounts which are not defined by International Financial Reporting Standards (IFRS). APMs are used in conjunction with IFRS measures in reporting financial information and assessing performance, but are not given greater prominence. Management believes that APMs provide a helpful comparison of performance from one period to another. The APMs used have been defined below, alongside reconciliations to IFRS measures:

- Free cash flow - the calculation of free cash flow is based on the net cash generated by business activities and available for investment in new pub developments and extensions to current pubs, after funding interest, corporation tax, lease principal payments, loan issue costs, all reinvestment in information technology, head office and pubs trading at the start of the period (excluding extensions) and the purchase of own shares under the employee share incentive plan. See reconciliation on page 16.
- Like for like – compares year on year performance of pubs and hotels which were trading in the equivalent weeks in both FY24 and FY23.
- Before separately disclosed items – this measure excludes separately disclosed items, which are presented separately to allow shareholders to further understand financial performance in the year, when compared with that of previous years and trends. See separately disclosed items reconciliation on page 21.
- Net debt excluding derivatives and lease liabilities – excluding both derivatives and lease liabilities allows shareholders to understand the core debt held by the Company. A reconciliation is provided on page 30 and 31.

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

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

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

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

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

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

Strategy
The Company's strategy is to seek a return on capital in excess of the cost of the capital which will provide funds for developments, dividends and reinvestment.

Business model
The Company operates pubs in the UK and the Republic of Ireland and aims to sell high-quality products, at reasonable prices, in well-maintained premises.

Business review and future trends
A review of the Company's business and the key measures of its performance, sometimes called key performance indicators (KPIs), can be found in the chairman's statement under the financial performance section. The chairman's statement also discusses those trends and factors likely to affect the future development, and performance of the Company. Environmental KPIs can be found on page 58.

Social matters
Wetherspoon provides jobs for over 42,000 people, paying a reasonable percentage of its profits as bonus for those working in the pubs and head office, training large numbers of staff and paying a significant percentage of our sales as taxes to the government.

Further information about these policies are published on: jdwetherspoon.com

Human rights
The Company is committed to respecting human rights across the business by complying with all relevant laws and regulations. The Company prohibits any form of discrimination, forced, trafficked or child labour and is committed to safe and healthy working conditions for all individuals, whether employed by the Company directly or by a supplier.

Legal and ethical conduct
The Company has comprehensive measures to meet its statutory requirements across all areas of its operation and also those expected by customers and employees, as necessary, for the long-term success of the business. Risks in this area can occur from corruption, bribery and human rights abuses, including discrimination, harassment and bullying.

The Company has training programmes for all employees. It also has a documented whistleblowing programme, written processes and procedures and a supply chain audit programme.

Employees
All employees are encouraged to participate in the business, with some examples being:

- Several Company initiatives to encourage employees to suggest small and continuous improvements to the running of their pubs
- 'Tell Tim' suggestion scheme for all employees allowing them to be involved in the decision-making process for key business issues
- Pub managers, area managers and other pub employees attending and contributing to weekly operations meetings, hosted by the chairman or chief executive
- Area managers invited to meet the board of directors (before each board meeting)
- Regular liaison meetings held with employees, at all levels, to gain feedback on aspects of the business and ideas for improvement
- Directors and senior management completing regular visits to pubs
- The appointment last year of two employee directors to the full board of the Company and two associate employee directors
- Weekly e-mail from the chief executive to all employees
- Head-office staff completing regular pub and kitchen shifts (both front of house and in the kitchen) to help in understanding any staff/customer issues

Employee diversity
The table below shows the breakdown of directors, senior managers and employees as at the reporting date.

	Male	Female
Directors	11	1
Senior managers	515	360
All employees	20,660	21,649

The Company recognises that it does not yet meet all of the board diversity targets as set out by the Financial Conduct Authority (FCA), in that, at the Company's reference date of 28 July 2024 (its year end), under 40% of the board members are female and there is not a female in one of the senior board positions.

Wetherspoon values the experience of its current board directors and has strengthened this experience in recent years by appointing four worker directors. Two of the worker directors sit on the board, one of whom is female and one of whom is from a minority ethnic background. The other two worker directors are associate directors who attend all board meetings, one of whom is female.

No board appointments have been made since the FCA's targets came into force. When making future recruitment decisions, the Company will continue to consider the FCA's targets and related guidance.

Section 172 statement

Section 172 of the Companies Act 2006 requires that directors of a Company act in good faith to promote the success of the Company for all stakeholders.

In the period, all directors of the Company have acted in a manner most likely to achieve the long-term success of the business for its shareholders, employees, customers, suppliers and the wider community in which the Company operates.

In the period, the directors have made decisions in several areas, often after comprehensive consultation with pub teams and the wider management teams. Examples include the various pricing and promotion decisions taken, the share buybacks made in the year, the timing around hedging utility costs, the investment decisions relating to new and existing pubs, and the extent to which pay rates were increased throughout the year. Further risks have been outlined in the risk section on pages 55–56.

Examples of the Company's engagement with stakeholders are:

- Wherever practical, directors consult widely among the Company's employees, about decisions made about the Company. The directors believe that wide consultation and a management team with extensive industry experience are likely to result in the best long-term decisions. The Company's senior management team regularly engages with pub-based employees through meetings and pub visits.
- Most of the Company's employees are customers and many are shareholders. The Company encourages its employees to feed back their views, as well as those of their friends and family. The Company operates a suggestion scheme through the 'Tell Tim' initiative whereby any employee can send in ideas and/or make a recommendation for improving the Company.
- Details of the Company's employment policy are disclosed on page 86. Information on employee engagement can be found above.
- Where possible, the Company forms long-term relationships with suppliers, so that all parties have a more certain environment in which to operate. The Company's responsible retailing policy is published on the website.
- The Company communicates with its customers through its website and Wetherspoon News.
- Information on human rights, environmental and social matters, food safety, cyber security and reputational matters is provided in this strategic report, while further information is published on our website.

Non-financial and sustainability information statement

The climate-related risks and opportunities of the Company are outlined on pages 57–59 and have been considered as part of the going concern review. All other required information is included in relevant sections of the annual report and accounts.

Principal risks and uncertainties facing the Company

In the course of normal business, the Company continually assesses significant risks, categorised based on impact and likelihood. The following risks, while not intended to be a comprehensive analysis, constitute (in the opinion of the board) the principal risks and uncertainties currently facing the Company.

Business strategy

Risk's description
The Company is aware that, in operating in a consumer-facing business, its business reputation, established over many years, can be damaged in a significantly shorter time frame. The Company faces further risks through the competitive nature of the industry and wider retail markets and believes it's important to stay 'in fashion'.

Changes during the year
- The industry is becoming increasingly competitive.
- Supermarkets pay zero VAT on food and are able to use that saving to sell alcohol to customers at a discounted price.
- Changing consumer habits, as a result of high inflation and living costs.
- Change of government.

Residual risk and impact on the business
Failure to execute the right strategy could lead to lower sales and/or damage reputation and adversely affect profitability.

Risk's mitigation
- Challenging incorrect publications about the Company.
- Tax Equality Day advertising the tax disparity which exists between pubs and restaurants.
- Staying relevant through innovation of offerings in pubs.
- Monitoring main competitors' offerings and pricing.
- Regular management review of strategic positioning and performance.

Supply chain disruption

Risk's description
Being unable to supply our pubs with products, when required, at a competitive price.

Changes during the year
- Inflationary pressures across the sector.
- Availability of products owing to disruptions in global supply chains.

Residual risk and impact on the business
Reduced profits resulting from higher product prices.
The Company's reputation could be damaged if menu items were unavailable.
Negative consumer reaction to increasing prices.

Risk's mitigation
- The Company works closely with its supply chain to maintain product' availability.
- Dual supply of key menu items.
- The Company conducts regular audits of its supply chain.
- Long-term contracts with suppliers provide certainty of supply and low pricing.

Health and safety

Risk's description
The safety of customers, employees and contractors is at risk if correct processes are not followed in relation to food-handling, equipment usage, maintaining a safe working environment and the use of hazardous substances.

Changes during the year
- There have been no material changes during the year.

Residual risk and impact on the business
Ineffective health and safety practices could result in harm to individuals, prosecution, closure of pubs and reputational damage.

Risk's mitigation
- Focus on food hygiene ratings.
- Internal audits are performed.
- All employees are provided with training in health and safety, allergens and food hygiene matters.
- Pubs are provided with the necessary resources and support to ensure that safe working practices are maintained.
- Buildings are well maintained to ensure a safe operating environment.

Legal and compliance

Risk's description
Failure to comply with legislative requirements and taxation policies, including environmental legislation, where applicable.

Changes during the year
- Minimum wage rate changes.
- New government.
- Changes to extended producer responsibilities.
- EU and UK deforestation legislation.

Residual risk and impact on the business
Non-compliance could result in financial penalties, criminal prosecution and reputational damage.

Risk's mitigation
- In-house legal team has regular meetings with the management team.
- Continued professional development through training, completion of qualifications and communication with third-party specialists.
- Environment group meets regularly.
- The Company is a member of Zero Carbon Forum and the Sustainable Restaurant Association.
- Net-zero targets in place, approved by SBTi.

Technology, cyber security, data security

Risk's description
Loss of key information or business disruption through system failures, cyber-attacks and data breaches.

Changes during the year
- There have been no material changes during the year.

Residual risk and impact on the business
Any prolonged or significant failure of these systems could pose a risk to trading, eg reduced profits, reputational damage and loss of personal information.

Risk's mitigation
- Ensuring appropriate technologies, policies and procedures, including disaster-recovery plans, system backups and external hardware and software.
- The Company continually assesses the risks posed by cyber threats and makes changes to its technologies, policies and procedures to mitigate identified risks.

People

Risk's description
Not attracting the right people with sufficient experience to ensure the Company's future success.

Changes during the year
- Top Employer award for 2024
- Managerial length of service has continued to increase.

Residual risk and impact on the business
Failure to retain or attract the right people would lead to a diminished customer experience, higher staff turnover rates, lesser experience among the workforce, higher recruitment costs and lower productivity levels.

Risk's mitigation
- The Company offers a comprehensive remuneration package (eg staff discounts, bonuses and free shares), as well as genuine opportunities to progress within the business.
- The Company's policy is to recruit from within, where possible.

Business continuity, crisis management and disaster recovery

Risk's description
Unexpected events such as fires, floods and pandemics will affect the Company's ability to operate.

Changes during the year
- There have been no material changes during the year.

Residual risk and impact on the business
These risks are outside of the Company's control, therefore without sufficient disaster-recovery plans, the impact could be material.

Risk's mitigation
- Mitigating actions taken by the Company will depend on the nature of the event, how much forewarning the Company has and the reaction of the wider economic community.
- Comprehensive disaster-recovery plans are in place which seek to minimise such incidents' impact.
- Effective and efficient communication platforms to send messages to the workforce population.

Liquidity and financing

Risk's description
Inability to maintain cash flows to meet the needs and/or the debt covenants of the business.

Changes during the year
- Improvement in overall Company performance.
- First share buy backs since the pandemic.
- Loans refinanced in June 2024.

Residual risk and impact on the business
Insufficient funding or breaches of financing arrangements could affect the Company's ability to trade.

Risk's mitigation
- Sales, profitability, debt requirements and cash flow are reviewed weekly by the management team.
- Hedges in place relating to interest rates and energy supply.
- Maintenance of sufficient levels of cash headroom to sustain periods of economic uncertainty.

Climate change risk discussed on pages 57–59.

Risk change year on year:

increased unchanged decreased

By order of the board

Nigel Connor
Company Secretary
3 October 2024

J D Wetherspoon recognises the risk of climate change and is committed to incorporating the recommendations outlined by the Task Force on Climate-related Financial Disclosure (TCFD).

This report outlines the assessment performed by the Wetherspoon management team in establishing the key climate-related risks and opportunities identified to date, split by the four TCFD pillars. This disclosure is deemed to be compliant with TCFD's recommendations.

Governance

Wetherspoon's board of directors is responsible for the Company's overall climate-change strategy. The company's risk register, which includes a section for climate change is reviewed regularly in board meetings.

The Company's audit committee is responsible for providing oversight of the financial reporting, audit and internal control processes, ensuring that these comply with the law and various applicable regulations. The Company's risk register is reviewed regularly at audit committee meetings. This TCFD disclosure and supporting documentation are reviewed annually.

The environment and energy group meets regularly and is chaired by the Company's finance director Ben Whitley. The group tracks the Company's progress against environmental targets, included carbon-reduction targets approved by the Science Based Target initiative (SBTi). Initiatives discussed by the group are communicated to the business via environment champions assigned to each pub. The champions are responsible for communicating energy, environment, waste and recycling best-practice. All Company employees receive training and regular updates on environmental matters.

Risk management

The Company's internal audit department is responsible for the day-to-day management of the risk register, including identifying and assessing new and current risks. Eight of the Company's identified risks are reported on pages 55–56. TCFD forms part of the climate change risk. Each risk area is owned by a particular department, which alongside the internal audit team, identifies any changes which have occurred in the period under review. Risks are categorised according to the probability of occurrence and severity of impact. As mentioned above, the board and the audit committee have overall responsibility for continually approving and reviewing the risk register.

The company is a member of Zero Carbon Forum, whose purpose is to support the hospitality sector in meeting its carbon-reduction targets. Progress towards achieving 'net zero' has been detailed in the metrics and targets section below.

Strategy

The Company recognises that it faces both risks and opportunities relating to climate change. To date, discussions and analysis have focused on, but are not limited to, the following effects on the business: carbon taxes; availability of electricity; changes to transport networks; changes in customers' behaviour; coastal erosion; flooding; supply chain disruption; product availability / pricing.

In the section below, the Company has expanded on three of the risks and one opportunity. All of the above risks have however been analysed in full for the board of directors via an internal memorandum. The management team assesses the effect of climate charge over the short, medium and long term and estimates the financial impact.

This is the Company's third TCFD disclosure. As climate change evolves, management will continue to assess new risks and opportunities, and measure these against those already identified, exploring potential mitigations, incorporating anything new into its strategic and financial planning. The Company deems the current energy-saving and consumption-reduction initiatives to be a resilient and a positive start.

Risks and opportunities

Risk	Time horizon	Impact	Mitigations	Risk type	Chronic or acute	Financial impact
Lack of product availability in the supply chain due to drought or rising temperatures.	Medium	A lack of product availability may increase costs and lower profitability. It may also affect offerings to customers and sales.	Seek alternate suppliers and ensure that contingency plans are in place.	Physical/ transitional	Chronic	High
Increased likelihood of flooding from more rain and rising sea levels.	Medium	Pub closures would affect the profitability of the Company, through lower sales, potential rising insurance premiums and the relocation of staff.	Use of flood defenses, where necessary.	Physical	Acute	Medium
Negative stakeholder perception if the Company is seen not to be doing enough to tackle climate change.	Short	Reputational damage could result in fewer customers visiting the pubs and hence lower sales. The Company may struggle to attract investors, affecting its ability to access finance.	Publications such as Wetherspoon News communicate progress made in these areas.	Transitional	N/A	High

Opportunity	Time horizon	Impact	Mitigations	Risk type	Chronic or acute	Financial impact
UK heat waves may result in produce typically grown in warmer climates being grown closer to home.	Long	If temperatures were to rise by 2°C or more, produce such as tomatoes, oranges and grapes for wine could be grown in the UK. This could lower the Company's carbon footprint, while reducing produce costs through lower transportation and import fees.	N/A	N/A	N/A	N/A

Key

Risk type[1]

Physical	Risks due to longer-term shifts in climate patterns, such as weather disruption.
Transitional	Risks in transitioning to a lower-carbon economy, eg new policies or regulations.

[1]Risk categories defined by the TCFD

Chronic or acute

Chronic physical risks refer to longer-term shifts in climate patterns (eg sustained higher temperatures) which may cause sea levels to rise or chronic heat waves.
Acute physical risks refer to those which are event driven, including increased severity of extreme weather events, eg cyclones/hurricanes/floods.

Time horizon

Long	25 years +
Medium	10–25 years
Short	0–10 years

Financial Impact[2]

High	>£25m
Medium	£5–25m
Low	<£5m

[2]Annual impact

Metrics and targets

The above risks have been categorised according to their predicted financial impact and time horizon, both of which have been determined through performing internal risk analysis across all climate-related risks and opportunities.

The Company has been recognised for reducing its greenhouse gas emissions and is listed in the 2024 FT-Statista Europe's Climate Leaders list, highlighting companies which, over a five-year period, have achieved the greatest reduction in emissions.

During the financial year, the Company's near-term, long-term and science-based net-zero targets were validated by the SBTi. These are now listed on the SBTis website. Our key targets are:

Overall net-zero target	J D Wetherspoon commits to reach net-zero greenhouse gas emissions across the value chain by FY2050.
Near-term targets	J D Wetherspoon commits to reduce absolute scope 1 and 2 GHG emissions 80% by FY2033 from a FY2019 base year. J D Wetherspoon commits to reduce absolute scope 3 GHG emissions 59% by within the same timeframe.
Long-term targets	J D Wetherspoon commits to reduce absolute scope 1,2 and 3 GHG emissions 90% by FY2050 from a FY2019 base year.
Other targets not approved by the SBTi	Recycle 95% of recyclable waste. Zero waste to landfill.

The Company has reported its greenhouse gas (GHG) emissions since 2014.

GHG emissions	Scope 1[1]	Scope 2[1,4]	Scope 3[2]	Fuel (car)	Intensity[3]	Scope 1	Scope 2	Fuel (car)	Total
Unit	Tonnes CO_2e	Tonnes CO_2e	Tonnes CO_2e	Tonnes CO_2e	Tonnes CO_2e/£m revenue	kWh	kWh	kWh	kWh
2024	33,636	60,152	761,240	967	420.6	184,276,242	189,760,390	4,197,694	378,234,326
2023	35,839	79,044		948	60.2	196,311,302	249,058,142	4,056,075	449,425,519
2022	41,324	65,971		454	61.9	226,818,295	205,342,472	1,917,037	434,077,804
2021	24,726	57,079		33	105.9	134,994,694	178,260,013	139,138	313,393,845
2020	45,012	68,297		745	90.4	244,801,679	292,946,271	3,138,550	540,886,500
2019	47,358	94,016		1,034	78.3	257,589,099	308,430,989	4,277,561	570,297,649
2018	50,725	115,315			98.0				
2017	50,805	138,864			114.2				
2016	51,342	157,190			130.7				
2015	52,510	170,048			147.0				
2014	49,251	163,930			151.3				

[1]Scope 1 (combustion of gas) and Scope 2 (purchase of electricity) data have been provided by a third party since 2014 and calculated by taking consumption data and converting it using conversion factors published by the Department for Energy Security and Net Zero.
[2]Scope 3 data is based on an assessment performed by Zero Carbon Company in 2024, this represents 89% of total output. This is the first year the Company has reported Scope 3 data. The Company will continue to review and refine the quality and integrity of the data as at improves each year.
[3]Scope 3 figures have been included in the 2024 intensity calculation.
[4]Refrigerant emissions from pubs are currently not reported as they are immaterial.

Scope 3 emissions are the largest contributor to the Company's overall carbon emissions. As our starting point we are allocating carbon emissions to every product which we sell, including food, drinks and hotel rooms. An initial assessment was performed in 2024 and over time, the quality of this data will improve. Reducing our scope 3 emissions will ultimately rely on a partnership approach with our UK and worldwide suppliers and on their own plans to reduce carbon emissions.

Contribution to the environment

The Company has contributed £11.0 million (2023: £11.8 million) to government environmental schemes as outlined below:

	2024	**2023**
	£000s	£000s
Climate change levies	10,243	11,100
Landfill tax	2	2
Fuel duty	222	215
Plastic packaging tax	510	449

The Company works continuously to reduce its impact on the environment.

Below, we have drawn out two areas which support our progress:

Recyclable waste

The pubs and head office segregate waste into a minimum of seven streams: glass, tin/cans, cooking oil, paper/cardboard, plastic, lightbulbs and general waste. In addition, food waste is also separated and sent for anaerobic digestion. Any remaining non-recyclable waste is sent to waste-to-energy power plants which reduce CO2 and the use of fossil fuels. The Company aims to send no waste to landfill and remove all unnecessary single-use plastics.

The Company has a national distribution centre for food, some bottled drinks and non-consumable products. This also includes a recycling centre. When making deliveries to pubs, lorries collect mixed recycling, used cooking oil, textiles and aluminium for return to the recycling centre for processing.

5,069 tonnes
of cardboard and paper, including packaging and boxes

275 tonnes
of metal, including drinks cans and baked beans tins

234 tonnes
of plastic, including milk bottles and packaging

2,006 tonnes
of cooking oil, collected in the original reused containers and converted to biodiesel for agricultural use

55 tonnes
of waste electrical and electronic equipment (WEEE)

9,039 tonnes
of food waste collected, 100% diverted from landfill

21,687 tonnes
of glass waste collected, 100% diverted from landfill

22,055 tonnes
of general waste collected, 99.8% diverted from Landfill

Biodiesel conversion

Biodiesel is a renewable fuel created from refining used cooking oil. It is used in transportation and machinery and has a lower kg CO_2e than regular diesel. If used cooking oil is not collected, it can harm the environment by polluting rivers, blocking drains and sewers and could lead to flooding. Approximately 50% of cooking oil purchased during the financial year, was collected by the Company's distribution centre, and processed at its outsourced recycling plant. This had the potential to generate 370,910 kg CO_2e of biodiesel, resulting in 93% less kg CO_2e than regular diesel.

29,071 tonnes
of cooking oil collected since 2012

50% (est.) of cooking oil purchased sent for conversion to biodiesel in 2024

5.2m kg CO_2e potentially saved by using biodiesel instead of regular diesel based on 2024 collections

Next steps
The company has made good progress to date in both reducing and reporting its carbon footprint, but recognises there is still a long way to go.

The company continues to look for new ideas and, in doing so, will trial new equipment, with a view to reducing energy consumption and carbon emissions, including:

- solar panels
- rainwater-harvesting systems
- ground-source-heat pumps
- LED lighting with movement sensor detection
- free-air cellar-cooling systems (cools the cellar by bringing in outside air, when external temperatures are low enough)
- building energy management systems (BMS)
- voltage-optimising equipment

TCFD will remain a prominent part of the annual report in the future. The Company hopes to be in a position to include strategic and financial modelling in the future.

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of J D Wetherspoon plc (the 'company') for the 52 weeks ended 28 July 2024, which comprise the Income statement, the Statement of comprehensive income, the Cash flow statement, the Balance sheet, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 July 2024 and of its profit for the 52 weeks then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease or continue as a going concern.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's base case, downside scenario and reverse stress test scenario for the period until 31 October 2025, together with supporting evidence for all key trading, working capital and cashflow assumptions and challenging the reasonableness of those key assumptions;
- Assessing the robustness and accuracy of forecasts prepared by comparison to forecasts made in prior periods, including assessing management's historic ability to forecast, in light of our understanding of the company's operations;
- Assessing reverse stress tests performed by management and determining if they are plausible;
- Obtaining the relevant supporting documentation for the loan refinancing entered into in the period and checking the terms in line with future cash requirements for the business;
- Assessing forecast compliance with financial covenants within the facilities for the period to 31 October 2025 and assessing available headroom in the forecast period;
- Performing arithmetical accuracy procedures on each of management's forecast scenarios, including forecast liquidity and covenant calculations; and
- Assessing the disclosures made within the financial statements for consistency with management's assessment of going concern and whether they are in line with the accounting standards.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as the ongoing cost of living crisis. We also assessed and challenged the reasonableness of estimates made by the directors and the related disclosures, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our approach to the audit

Overview of our audit approach

Overall materiality: £7,000,000, which represents 0.36% of the company's revenue at the planning stage of the audit.

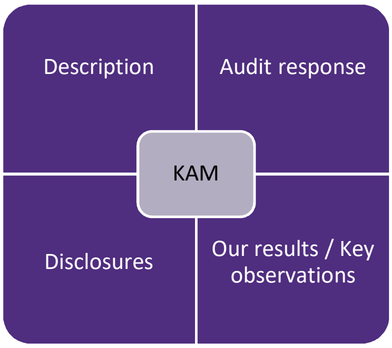
Key audit matters were identified as:

- The impairment of property, plant and equipment and right of use assets (same as previous period).

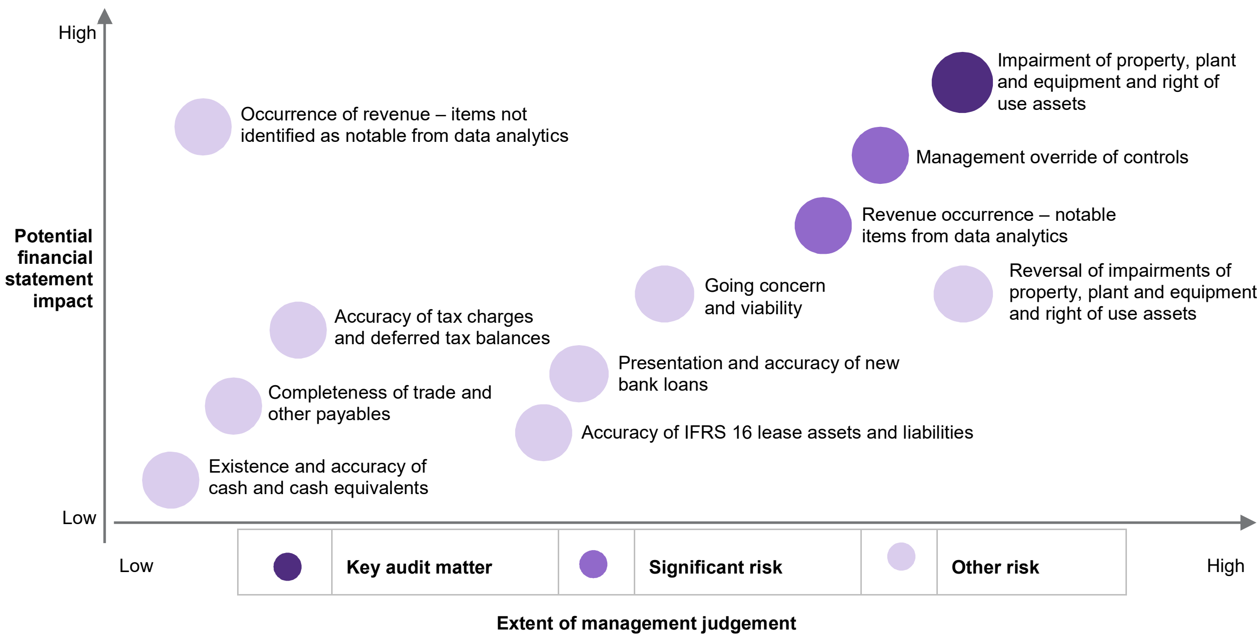
Our auditor's report for the 52 weeks ended 30 July 2023 included a key audit matter in relation to going concern. This prior period key audit matter has not been identified as a key audit matter in the current period following the company's successful refinancing in the period and the continuing improvement in financial performance since the end of the Covid-19 impacted trading periods.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



In the graph below, we have presented the key audit matters, significant risks and other risks relevant to the audit



<table>
<tr><th>Key Audit Matter</th><th>How our scope addressed the matter</th></tr>
<tr><td>

The impairment of property, plant and equipment ("PPE") and right of use assets ("ROU assets")

We identified the impairment of PPE and ROU assets as one of the most significant assessed risks of material misstatement due to fraud and error.

As at 28 July 2024, the carrying value of PPE was £1.4bn (28 July 2023: £1.4bn), which represented the largest account in the balance sheet. Additionally, the carrying value of the ROU assets was £0.4bn (28 July 2023: £0.4bn).

The directors consider each individual pub to be a separate cash generating unit ("CGU"). The directors are required to undertake an impairment assessment where events indicate that the carrying value of the cash generating unit may not be recoverable.

The process for measuring and recognising impairment under International Accounting Standard 36 'Impairment of Assets' ("IAS 36") is complex and requires significant judgement, including assumptions within management's assessment of the impact of the geopolitical and cost of living factors on future trading activity for each pub, the determination of the appropriate discount rate to be applied to those cashflows, as well as management's projections for the future financial performance of each pub and where appropriate, the underlying market value of the pub.

Management identifies pubs which have an indicator of impairment (management's "Watchlist" of pubs).

We have pinpointed our significant risk on pubs with a net book value above the median of the Watchlist and where their profit has increased by less than the average increase in profit across the pub estate. This is on the basis that the risk of material misstatement on these sites is higher, with a larger potential quantum of impairment and with performance being behind that of the rest of the pub estate.

</td><td>

In responding to the key audit matter, we performed the following audit procedures:

- Challenged the accounting policy for compliance with IAS 36 and checking that the application of the policy by the company is consistent with the stated policy;
- Updated our understanding of the impairment process and controls and performed walkthroughs to evaluate the design and implementation of relevant controls;
- Verified the arithmetic accuracy and integrity of the impairment model, ensuring all pubs were included in the assessment and validating the inputs to source documents; and
- Challenged the appropriateness of the methodology employed by management to identify indicators of impairment in reference to IAS 36.

For those pubs with indicators of impairment, we performed the following audit procedures:

- Challenged the appropriateness of key assumptions, such as discount rate, growth rate, and cash flow assumptions such as sales, gross margin, and cost base;
- Compared management's assumptions against uncertainties inherent within the current economic environment and industry data;
- Engaged our auditors' valuation experts to assess the reasonableness of the discount rate applied by management;
- Obtained corroborative evidence supporting management's judgements used, with specific additional consideration on pubs identified in the significant risk categories, including fixed supplier contracts, historical and current financial performance of the pubs, discussions with pub or area managers, consideration of pub space and plans, and evidence of operational changes made to the pubs;
- Assessed the sensitivity analysis performed by management and performed our own sensitivity analysis to consider the impact of changes in the key assumptions such as discount rate, sales price increase and inflation rates on cost elements of the pubs;
- Where the impairment assessment was based on a fair value approach, we obtained the property valuation from management and corroborated the valuation using external market data, including recent market transactions, recent desktop valuations from external parties and indicative offers from third parties; and
- Checked that appropriate disclosures have been included in the financial statements, especially those regarding key estimates, and challenged management where necessary.

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<tr><td>

Relevant disclosures in the Annual Report and Financial Statements 2024

- Financial Statements, Note 4, Separately disclosed items
- Financial Statements, Note 13, PPE
- Accounting Policies: Important estimates, impairment of PPE & ROU assets
- Corporate Governance: Significant financial reporting items

</td><td>

Key observations

We identified that additional impairments and impairment reversals were required in relation to PPE and ROU assets. Management reviewed the impairments and impairment reversals identified and made appropriate adjustments.

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Our application of materiality

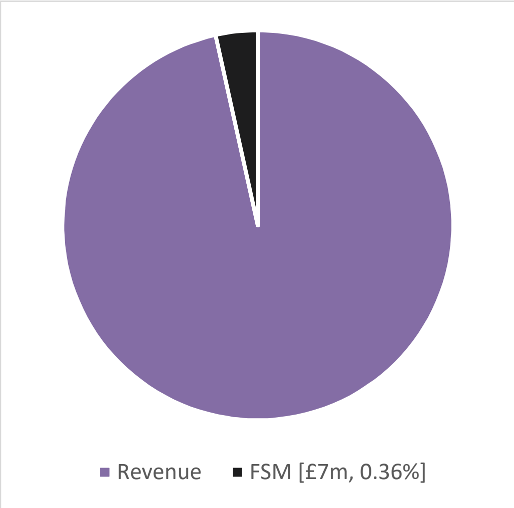
We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

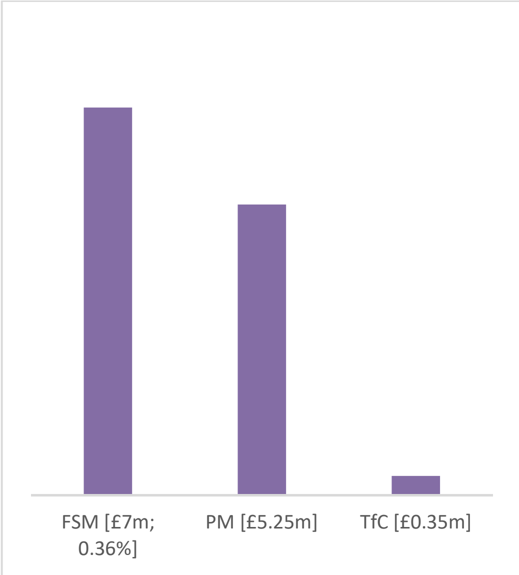
Materiality was determined as follows:

Materiality measure	Company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.
Materiality threshold	£7,000,000, which represents 0.36% of revenue at the planning stage of the audit.
Significant judgements made by auditor in determining the materiality	In determining materiality, we made the following significant judgements: • We evaluated a range of benchmarks, including revenue, profit before tax and total assets. Consistent with the prior year we disclose materiality as a percentage of revenue above. • The benchmark in determining materiality has been selected taking into account the industry as a whole and the comparison with competitors in terms of size and business model. We consider revenue to be the most appropriate benchmark in the current period due to its prominence in the financial statements. It is the best reflection of the business trading level's return since the pandemic, making it a focus of the financial statement's key users. Additionally, revenue serves as a stable benchmark and provides a consistent basis for comparison across different companies in the industry. Materiality for the current period is higher than the level that we determined for the 52 week period ended 30 July 2023 to reflect the fact revenue is at record levels in the current year (£2.040bn)
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.
Performance materiality threshold	£5,250,000, which is 75% of financial statement materiality.
Significant judgements made by auditor in determining the performance materiality	In determining performance materiality, we made the following significant judgements: • Whether there were any significant adjustments made to the financial statements in prior periods; • Whether there were any significant control deficiencies identified in prior periods or changes to the control environment; • Whether there were any changes in senior management during the period; and • Whether there were any significant changes in business objectives / strategy.
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.
Specific materiality	We determined a lower level of specific materiality for the following areas: • Directors' remuneration; and • Related parties
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.
Threshold for communication	£350,000 (FY23: £255,000), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Overall materiality

The graph below illustrates how performance materiality interacts with our overall materiality and the threshold for communication to the audit committee.





An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the company's business and in particular matters related to:

Understanding the company and its environment, including controls

- The engagement team obtained an understanding of the company and its environment, including the controls and the assessed risks of material misstatement. We performed interim and advanced audit procedures as well as an evaluation of the internal control environment, including the company's IT systems and controls.

Work to be performed on financial information of the company (including how it addressed the key audit matters)

- An audit of the financial information of the Company has been completed to financial statement materiality (full-scope audit), with specific focus on impairment of property, plant and equipment and right of use assets, which was identified as key audit matter.

Performance of our audit

- We performed the majority of our work on-site and undertook substantive testing on significant transactions and material account balances, including the procedures outlined above in relation to key audit matters.

Changes in approach from previous period

- The scope of the audit for the current period in broadly consistent with the scope applied in the previous period's audit. The following scope changes have been made to reflect changes within the Company:

Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinions on other matters prescribed by the Companies Act 2006 are unmodified

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in:

- the strategic report or the directors' report; or
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a corporate governance statement has not been prepared by the company

Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules. Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified as set out on page 69;
- the directors' explanation as to their assessment of the company's prospects, the period this assessment covers and why the period is appropriate as set out on page 69;
- the directors' statement on whether they have a reasonable expectation that the company will be able to continue in operation and meets its liabilities as set out on page 69;
- the directors' statement on fair, balanced and understandable as set out on page 69;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks as set out on page 55;
- the section of the annual report that describes the review of the effectiveness of risk management and internal control systems as set out on page 85; and

- the section describing the work of the audit committee as set out on page 84.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 69, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and determined that the following laws and regulations were most significant: UK-adopted international accounting standards, IFRIC Interpretations, Companies Act 2006, Listing Rules and the UK Corporate Governance Code;
- Additionally, we conducted enquiries with management, the board of directors, the finance team, the Head of Legal and the Audit Committee regarding known or suspected fraud and assessed the company's policies and procedures for compliance with laws, detection of fraud risks, and the establishment of internal controls. We corroborated our enquiries through our review of Board minutes, review of legal costs and discussion with those outside of finance responsible for legal matters.
- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making enquiries of management, those responsible for legal and compliance procedures and the company secretary. Our findings were corroborated by review of the board minutes and papers provided to the Audit Committee;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
    - Obtaining an understanding of how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
    - Challenging assumptions and judgements made by management in its significant accounting estimates;
    - Identifying and testing journal entries with a focus on journals indicating large or unusual transactions or account combinations based on our understanding of the business, including material journal entries impacting the profit and loss accounts as well as journal entries posted by key management personnel;
    - Applying audit data analytics techniques across the revenue population to match revenue recorded to cash receipts and investigating and corroborating any unexpected exceptions;
    - Applying audit data analytics techniques across the costs of goods sold population to match revenue recorded to cost of goods sold and investigating and corroborating any unexpected exceptions;
    - Assessing matters reported through the company's whistleblowing programme and the results of management's investigation of such matters; and
    - Identifying and assessing the design and implementation of controls management has in place to prevent and detect fraud.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional

misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- The engagement partner assessed the appropriateness of the collective competence and capabilities of the engagement team, by considering the engagement team's understanding of, and practical experience with, audit engagements of a similar nature and complexity. We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the board on 31 May 2024 to audit the financial statements for the 52 weeks 28 July 2024.

The period of total uninterrupted period of engagement including previous renewals and reappointments of the firm is 7 years, covering the periods ended 29 July 2018 to 28 July 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Marc Summers BSc (Hons) FCA
Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
3 October 2024

DIRECTORS AND OFFICERS

EXECUTIVE BOARD DIRECTORS

Tim Martin, Chairman, aged 69
Founded the Company in 1979, having previously studied law at Nottingham University and qualified as a barrister. He became chairman in 1983.
Ⓑ

James Ullman, Personnel and Retail Auditor Director, aged 53
Joined in 1994 and was appointed to the board in 2022. He is a graduate of Brighton University and Birmingham City University. He became a chartered internal auditor in 2011.
Ⓑ Ⓜ

John Hutson, Chief Executive Officer, aged 59
Joined in 1991 and was appointed to the board in 1996. He is a graduate of Exeter University.
Ⓑ Ⓜ

Ben Whitley, Finance Director, aged 46
Joined in 1999 and was appointed to the board in 2015. He is a graduate of Durham University and qualified as a chartered management accountant in 2012.
Ⓑ Ⓜ

EMPLOYEE DIRECTORS

Hudson Simmons, Employee Director, aged 52
Joined in 1997 and was appointed to the board in 2021 and is area manager for the Sheffield area. He is a graduate of Nottingham Trent University.
Ⓑ

Deborah Whittingham, Employee Director, aged 55
Joined in 1992 and was appointed to the board in 2021. She is regional manager for the West Midlands.
Ⓑ

NON-EXECUTIVE DIRECTORS

Ben Thorne, Senior Independent Director, aged 65
Appointed to the board in 2020. He is a graduate of Westminster University. He qualified as a solicitor in 1985. He is a consultant to WH Ireland.
Ⓑ Ⓐ Ⓝ Ⓡ

Harry Morley Non-Executive Director, aged 59
Appointed to the board in 2016 and is chair of the audit committee. He is a graduate of Oxford University. He is a non-executive director of TheWorks.co.uk plc, Cadogan Group Limited and of Schroder Mid Cap Fund plc. He is a trustee of the Ascot Authority. He qualified as a chartered accountant in 1991.
Ⓑ Ⓐ Ⓝ Ⓡ

Debra van Gene, Non-Executive Director, aged 70
Appointed to the board in 2006 and is chair of the remuneration committee. She is a graduate of Oxford University. She has previously been a partner at Heidrick and Struggles Inc and a commissioner with the Judicial Appointments Commission.
Ⓑ Ⓐ Ⓝ Ⓡ

MANAGEMENT BOARD

Nigel Connor, Company Secretary and Legal Director, aged 55
Joined in 2009 and was appointed Company secretary in 2014. He is a graduate of Newcastle University and qualified as a solicitor in 1997.
Ⓑ Ⓜ

Michael Barron, Commercial Director, aged 38
Joined in 2011 and was appointed to the management board in 2022. He is a graduate of Sheffield University and qualified as a chartered accountant in 2010.
Ⓜ

Paul Brimmer, Purchasing Director, aged 49
Joined in 2006 and was appointed to the management board in 2022. He became a member of the Chartered Institute of Procurement and Supply in 2002.
Ⓜ

Jonanthan Yates, Marketing Director, aged 49
Joined in 2004 and was appointed to the management board in 2024. He is a graduate of the University of Manchester and postgraduate of Leeds University Business School.
Ⓜ

David Capstick, IT and Property Director, aged 63
Joined in 1998 and was appointed to the management board in 2003. He is a graduate of the University of Surrey.
Ⓜ

Martin Geoghegan, Operations Director, aged 55
Joined in 1994 and was appointed as operations director in 2004.
Ⓜ

Tom Ball, People Director, aged 48
Joined in 2009 and was appointed to the management board in 2022. He is a graduate of Bournemouth University.
Ⓜ

Hannah Young, Deputy Finance Director, aged 43
Joined in 2013 and was appointed to the management board in 2022. She is a graduate of Bristol University and qualified as a chartered management accountant in 2006 and a chartered secretary in 2023.
Ⓜ

ASSOCIATE EMPLOYEE DIRECTOR

Will Fotheringham, Associate Employee Director, aged 49
Joined in 1998. Appointed as an associate employee director in 2021. He is general manager for northwest England and north Wales.

Emma Gibson, Associate Employee Director, aged 37
Joined in 2004. Appointed as an associate employee director in 2021. She is pub manager of The Imperial, Exeter.

Key

Ⓑ Board member Ⓜ Management board Ⓐ Audit committee Ⓝ Nomination committee Ⓡ Remuneration committee

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements are listed on page 68.

Dividends

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

Return of capital

At the annual general meeting of the Company, held on 18 November 2021, the Company was given authority to make market purchases of up to 19,312,523 of its own shares. During the year to 28 July 2024, 1,770,514 shares were purchased for share-based payments and 5,127,959 purchased for cancellation.

Directors' interest in contracts

No director has any material interest in any contractual agreement, other than an employment contract, subsisting during or at the end of the year, which is, or may be, significant to the Company.

Takeover directive disclosures

The Company has an authorised share capital comprising 500,000,000 ordinary shares of 2p each. As at 28 July 2024, the total issued share capital comprised 123,622,196 fully paid-up shares of 2p each. The rights to these shares are set out in the Company's articles of association. There are no restrictions on the transfer of these shares or their attached voting rights. Details of significant shareholdings at year end and as at 28 July 2024 are given on page 87.

No person holds shares with specific rights regarding control of the Company.

The Company operates an employee share incentive plan. However, no specific rights with respect to the control of the Company are attached to these shares. In addition, the Company operates a deferred bonus scheme, whereby, should a takeover occur, all shares held in trust would be transferred to the employee immediately.

The Company is not aware of any agreements among holders of securities known to the Company which may result in restrictions on the transfer of securities or voting rights.

The Company has the power to issue and buy back shares as a result of resolutions passed at the annual general meeting in 2022. It is the Company's intention to renew these powers; the resolutions approving them are found in the notice of the annual general meeting for 2023.

In the event of a change of control, the Company is obliged to notify its main bank lenders. The lenders shall not be obliged to fund any new borrowing requests; facilities will lapse 10 days after the change of control, if the terms on which they can continue have not been agreed on.
Any borrowings, including accrued interest, will become immediately repayable on such lapse.

There are no other significant agreements to which the Company is party which may be subject to change-of-control provisions.

There are no agreements with the Company's directors or employees which provide for compensation for loss of office or employment which occurs because of a takeover bid.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report, the directors' remuneration report and the financial statements, in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and accounting estimates which are reasonable and prudent.
- state whether applicable UK-adopted international accounting standards (IASs) in accordance with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going-concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records which are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements and the directors' remuneration report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware.
- they have taken all the steps which they ought to have, as directors, to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. The directors consider that the annual report and financial statements, taken as a whole, provide the information necessary to assess the Company's performance, business model and strategy and are fair, balanced and understandable.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

To the best of our knowledge, the:

- the financial statements, prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the strategic report and directors' report include a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties which they face.

Business relations
Information on the Company's relations with customers and suppliers is disclosed in the strategic report on page 54.

Employment policies
Information on the Company's employment policies, Including the appointment and replacement of directors',is disclosed in the corporate governance report on pages 85–86.

Streamlined energy and carbon reporting (SECR)
Environmental disclosures can be found on pages 57–59.

Articles of association
The Company's articles of association may be amended only by special resolution at a general meeting of the shareholders.

Directors' indemnities
As permitted by the articles of association, the directors have the benefit of an indemnity which is a qualifying third-party indemnity provision, as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. Throughout the financial year, the Company also purchased and maintained, directors and officers' liability insurance, in respect of itself and its directors.

Viability statement
In accordance with provision 31 of the UK Corporate Governance Code 2018, the directors confirm that they have a reasonable expectation that the Company will continue to operate and meet its liabilities, as they fall due, until the financial year in 2027.

The directors have determined that a three-year period is an appropriate time over which to assess viability, as it aligns with the Company's capital investment plans and gives a greater certainty over the forecasting assumptions used.

The directors' assessment has been made with reference to the Company's current position, financial plan and its principal risks and uncertainties set out on pages 55–56, specifically economic, regulatory, reputational and interest-rate risks. The details of these risks and uncertainties are the result of internal risk management and control processes, with further details set out in the audit committee's report on pages 84–85.

To assess the impact of the Company's principal risks and uncertainties on its long-term viability, scenarios were applied to the Company's financial forecasts in the form of reduced like-for-like sales compared with those of FY24. It is assumed that the Company's financial plans would be adjusted in response. Such actions could include reducing discretionary expenditure and/or implementing price increases.

The directors have determined that, over the period of the viability assesment, there is not expected to be a significant impact resulting from climate change.

The Company refinanced during the year and now has a revolving credit facility in place of £529 million and term loan of £311 million until June 2028. A £98-million private placement is in place until August 2026.

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

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

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

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

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

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

Financial instruments
The Company's policy on the use of financial instruments is set out in note 22.

Overseas branches
The Company has an overseas branch in the Republic of Ireland.

Listing Rule 9.8.6 R
Information required by this rule to be disclosed (starting on page indicated, if applicable):

- Details of long-term incentive schemes, pages 73-74,
- Provision of services by a controlling shareholder pages 72–80,
- Agreements with controlling shareholders (as complied with LR 6.2.3), page 46,
- Corporate governance (DTR 7.2.9 R), pages 81–86.

Future developments
The Company intends to continue to operate pubs and hotels throughout the UK and Ireland. The Company aims to continue to provide customers with good-quality food and drinks, served by well-trained and friendly staff, at reasonable prices.

Events after the reporting period
There were no significant events after the balance sheet date.

By order of the board

Nigel Connor
Company Secretary
3 October 2024

DIRECTORS' REMUNERATION REPORT

Annual statement
Dear shareholder

Salary increases and awards made to executive board members this year are in accordance with the remuneration policy approved by shareholders at the Company's Annual General Meeting (AGM) in November 2023.

Salary
In the year ending 28 July 2024 the salary of the CEO was increased by 6%. The salary of the finance director was increased by 7.8% and that of the personnel and retail audit director by 11.1%.

For the coming year the committee is proposing an increase of 2.5% for the CEO. This compares with a 7.3% increase for the general workforce.

The committee also proposes increases of 5% for the finance director and 10% for the personnel and retail audit director.

The salaries of both of these executives are still well below the median of their peer group.

Annual cash bonus
An annual bonus of 1.5% will be awarded based on profit growth.

Deferred bonus scheme
Last year the committee agreed that deferred bonus scheme (DBS) awards for the year ending July 2024 would be based solely on growth in earnings per share relative to FY2019. As a result, there will be no DBS award this year.

Company share incentive plan (SIP)
The Company SIP is open to all employees in the Company, at varying levels, according to each individual's seniority and length of service.

Executive directors received an amount equivalent to 25% of their salary in shares. The CEO and Personnel & Retail Audit director received additional awards equivalent to 10% and 5% respectively of their salaries, because of their lengths of service. These additional awards are available to all employees with over 25 years' service with the Company.

Pension
Under the aligned all-employee pension scheme introduced in 2022, executive directors received pension contributions of 12%. The CEO and personnel and retail audit director received additional contributions because of their service lengths. These additional contributions are available to all employees with over 25 years' service with the Company.

In setting remuneration for the executive board, the committee takes into account wider workforce remuneration policies throughout the Company. Many of the elements of executive board remuneration outlined above extend throughout much of the Company, at varying levels.

Debra van Gene
Chair of the Remuneration Committee
3 October 2024

Remuneration policy
The committee reviews the executive directors' remuneration packages at least annually. The aim of the remuneration policy is to:

- provide attractive and fair remuneration for directors
- align directors' long-term interests with those of shareholders, employees and the wider community
- incentivise directors to perform to a high level

In agreeing on remuneration, account is taken of the pay levels at Wetherspoon, as well as those in the hospitality industry in general, along with other comparisons and reports. The committee aims to take a fair and commonsense approach.

This statement of our remuneration policy was approved by shareholders at the Company's AGM on 16 November 2023. The policy is put forward to shareholders' for approval every three years.

Component	Reason	Operation, maximum achievable and performance criteria
Base salary	Provide attractive and fair remuneration for directors.	Salaries are reviewed at least annually, with any changes normally taking effect from 1 August each year. Salary increases are awarded at the discretion of the remuneration committee. When considering salary levels and whether an increase should be offered, the committee takes account of a variety of factors, including Company performance, individual performance, experience and responsibilities, market information and the level of increase being offered to other employees.
Benefits	Provide attractive and fair remuneration for directors.	A range of taxable benefits is available to executive directors. These benefits comprise principally the provision of a car allowance, life assurance, private medical insurance and fuel expenses. In addition, an allowance equivalent to 5% of salary is paid for a set number of calls to monitor service and standards in pubs, predominantly in the evening and at weekends. This is paid quarterly. The cost of benefits provided changes in accordance with market conditions. The committee monitors the overall cost of the package periodically.
Pension	Provide attractive and fair remuneration for directors.	The Company does not operate any defined benefit pension schemes. The Company's pension contributions are based on length of service. The contributions detailed below are applicable to all scheme members, in pubs and head-office positions, including directors, subject to minimum employee contributions being satisfied.

Length of service	Company pension contribution (%)
Less than one year	3
Over one year	4
Over five years	5
Over 10 years	6
Over 15 years	8
Over 20 years	12

Component	Reason	Operation, maximum achievable and performance criteria
		After 25 years' service, all employees in the Company, including executive directors, receive additional pension payments of 2% of their salary. This rises by a further 2% after each additional five years' service. Executive directors may receive a salary supplement in lieu of pension, at the discretion of the remuneration committee.
Annual bonus plan	Incentivise Directors to perform to a high level.	Annual bonus payments are paid in cash, at the discretion of the remuneration committee. The bonus is based on profit growth, multiplied by a factor of 1.5 and paid to a maximum of 45% of salary. Profit growth is calculated on profit before tax, property gains/losses and separately disclosed items.

Component	Reason	Operation, maximum achievable and performance criteria
Share incentive plan (SIP)	Align directors' interests with those of shareholders, employees and the wider community.	The SIP allocates shares equivalent to 5% of salary to all Company employees after an 18-month qualifying period. Shares do not vest for at least three years under this plan – and tax-free returns are possible, if shares are held for five years or more. The Company offers extra shares under this scheme to some employees: pub managers receive an extra 5% annual award; head-office staff 10–15%; directors, including executive board directors, 20%. After 25 years' service, all employees, including directors, receive additional SIPs of 5% of their salary. This rises by a further 5% after each additional five years' service. Awards under this scheme are not based on financial or other targets. The Company believes that excessive use of financial targets can lead to distortions in companies' behaviour and that it is important for there to be some share awards which can be accumulated gradually, the value of which depends on the overall success of the Company. The aim is for all employees to be able to accumulate shares over time, to encourage loyalty and joint purpose. Awards are made twice yearly throughout the Company. Directors must be in office when the shares vest. If changes are made to SIPs which apply to all employees in the schemes, these may be applied to executive directors, at the discretion of the remuneration committee.
Deferred bonus scheme (DBS)	Align directors' interests with those of shareholders, employees and the wider community	The Company does not operate a shareholding scheme with a minimum vesting or holding period of five years. The deferred bonus scheme may award shares to all senior managers, including executive directors. Bonus awards are made under the scheme, annually, at the discretion of the remuneration committee. Bonus awards are satisfied in shares. One-third of a participant's shares will immediately vest to the participant on calculation of the initial award (and can be paid in cash), one-third will vest after one year and the remaining third will vest after two years. In each case, vests will be subject to the participant being employed by the Company at the release date. Performance criteria for the scheme have been simplified to be based purely on growth in earnings per share. The performance criteria for executive directors are the same as those for senior managers eligible for the scheme. Awards are made using a multiple based on an employee's grade. The maximum bonus to be earned under the scheme is 100% of annual salary. Awards for the year ending July 2024 will be based on earnings per share performance relative to the year ending July 2019 rather than July 2023. That target will remain in place until it is surpassed, at which point the target becomes the previous year's performance. Any changes made to the deferred bonus scheme for eligible senior managers may be applied to executive directors, at the discretion of the remuneration committee.
Non-executive directors' fees	Provide attractive and fair remuneration for directors.	The fees paid to non-executive directors are determined by the executive board, taking account of the level of fees for similar positions in the market and the time commitment which each non-executive director makes. The non-executive directors receive no other remuneration or benefits from the Company.

Shareholdings
Executive directors are required to maintain a minimum shareholding. Minimum holding requirements, which include shares awarded which have not yet vested, are set by the remuneration committee for each director and reviewed every three years, when the remuneration policy is reviewed.

To the extent that any executive director holds under the required number of shares, at least 50% of any vested free share (SIP) awards must be retained, until the required shareholding is attained.

On ceasing to be an executive director, a minimum holding of 50% of the previous requirement must be maintained for a minimum period of 12 months.

This guideline applies to shares which vest following the adoption of this guideline. Any shares purchased by executives would not be subject to the guideline.

The application of the minimum shareholding requirement is at the discretion of the remuneration committee.

The current minimum shareholding requirements are 200% of base salary, calculated on a £15.71 share price at the start of FY19, when this holding requirement was introduced.

	Number of shares	
	Minimum Requirement	Shares held as 28 July 2024[1]
B Whitley	35,010	73,795
J Hutson	86,145	352,864
J Ullman	25,461	70,839
T Martin	41,305	30,382,253

[1]As per directors and connected persons' interests in shares table below.

Difference between the policy for directors and that for employees
Members of the wider management team may receive each of the components of remuneration awarded to the executive directors, although the amounts due for each component may vary, depending on their level of seniority.

Non-executive directors are not entitled to any component, other than fees.

The wider employee population of the Company will receive remuneration which is considered appropriate to their level of responsibility and performance.

Withholding and recovery of awards
Awards made under the bonus scheme and the deferred bonus scheme may be reclaimed, in separately disclosed circumstances of misstatement or misconduct.

In the event of serious misstatement or misconduct, the remuneration committee can stop bonuses from being paid and prevent share awards from vesting. The remuneration committee will make reasonable judgement, based on the facts at hand. Any actions taken will be at the discretion of the remuneration committee.

Approach to recruitment remuneration
The aim, when agreeing on components of a remuneration package, including any variable pay for incoming directors, in accordance with the table above. Account is taken of the individual's experience, the nature of the role being offered and his or her existing remuneration package. Relocation expenses or allowances may be paid, as appropriate.

The committee may, at its discretion, offer cash, share-based elements or additional pension contributions, as necessary, to secure an appointment, although it does not usually do so. Shareholders will be informed of any such payments at the time of appointment.

Our main principle is that payments made to prospective directors as compensation for loss of benefits at a previous Company are inherently unfair, since it would be extremely rare for anyone below board level to receive this sort of compensation.

Chairman and directors' service contracts
The executive directors are employed on rolling contracts, requiring the Company to give up to one year's notice of termination, while the director may give six months' notice.

In the event of termination of employment with the Company, without the requisite period of notice, executive directors' service contracts provide for the payment of a sum equivalent to the net value of salary and benefits to which the executive would have been entitled during the notice period.

The executive is required to mitigate his or her loss and such mitigation may be taken into account in any payment made. The Company's policies on the duration of directors' service contracts, notice periods and termination payments are all in accordance with industry best practice.

The commencement dates for executive directors' service contracts are as follows:

Tim Martin – 20 October 1992
John Hutson – 4 September 1996
Ben Whitley – 2 November 2015
James Ullman – 4 May 2022

All executive directors will be standing for re-election at the AGM. Their current service contracts do not have an explicit expiry date.

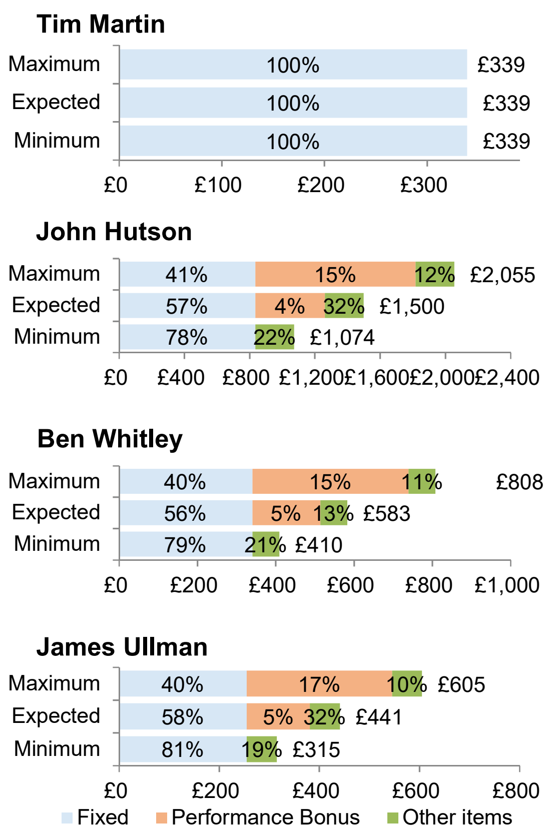
Non-executive directors
The non-executive directors hold their positions, pursuant to letters of appointment dated 1 November 2023, with a term of 12 months.

If their appointment is terminated early, non-executive directors are entitled to the fees to which they would have been entitled up to the end of their term. They do not participate in the Company's bonus or share schemes. Their fees are determined by the executive directors, following consultation with professional advisers, as appropriate.

Employee directors
The employee directors hold their positions, pursuant to letters of appointment dated 9 December 2021, with a term of three years.

External appointments
Executive directors are not allowed to take external appointments without the prior consent of the Company. The Company has not released any executive directors to serve as non-executive director elsewhere.

Illustration of the application of the remuneration policy
The charts below set out the composition of the chairman and executive directors' remuneration packages in £000, at a minimum, a reasonable expectation target and as a possible maximum:



The fixed annual values include:

- Fixed annual salary, benefits and allowances, in line with those outlined in the policy section, and based on the salaries applicable as at 28 July 2024.

The performance bonus values include:

- the cash bonus which may be achievable.
- an average achieved in respect of the deferred bonus scheme over the last five years In the case of 'expected', an average percentage achieved over the seven years before FY20, FY23 and FY24 have been used.

The other items value is the Company's share incentive plan, as outline on page 74.

Payments for loss of office
The Company's policy is that the period of notice for executive directors will not exceed 12 months; accordingly, the executive directors' employment contracts are terminable on 12 months' notice by the Company or six months' notice by a director.

In the event of gross misconduct, the Company may terminate a director's employment without notice or compensation.

In the event of a director's departure, the Company's policy on termination payments is as follows:

- The Company will seek to ensure that no more is paid than is warranted in each individual case.
- Salary payments will be limited to notice periods.
- There is no entitlement to bonus paid (or associated deferred shares or SIPs) following notice of termination.
- The committee's normal policy is that, where the individual is considered a 'good leaver', a prorated bonus may be paid.
- The Company may enable the provision of outplacement services to a departing director.

Retirement policy
The Company does not have a mandatory retirement age. Employees wishing to retire should be aged at least 55 years at the date of leaving (the minimum age a person can access a workplace pension) and serve their contractual notice period. Retiring employees are permitted to retain any unvested shares held in any Company scheme.

Consideration of employment conditions elsewhere in the Company
The committee receives information on salary increases, bonus payments and other benefits available at the Company. These are taken into consideration when conducting the review of executive remuneration, although no formal consultation with employees is undertaken in this regard.

Consideration of shareholders' views
Any views in respect of directors' remuneration expressed to the Company by shareholders have been, and will be, taken into account in the formulation of the directors' remuneration policy.

Details of votes cast for and against the resolution to approve last year's remuneration report and any matters discussed with shareholders during the year are provided in the annual report on remuneration.

Annual report on remuneration

The table below sets out in a single figure the total amount of remuneration awarded to each director for the year ended 28 July 2024.

Single-figure table – audited

	Salary/fees		Taxable benefits[1]		Performance bonus[2]		Other Items[3]		Pension contributions[4]		Total		Total Fixed		Total Variable	
	2024 £000	2023 £000	2024 £000	2023 £000	2024 £000	2023^ £000	2024 £000	2023^ £000	2024 £000	2023 £000	2024 £000	2023 £000	2024 £000	2023^ £000	2024 £000	2023^ £000
Executive directors																
J Hutson	677	638	52	53	53	639	230	223	108	104	1,120	1,657	837	795	283	862
S Cacioppo	–	67	–	10	–	–	–		–	11	–	88	–	88	–	30
B Whitley	275	255	31	30	21	254	66	64	35	33	428	636	341	318	87	318
J Ullman	200	180	27	26	15	180	57	52	28	25	327	463	255	231	72	232
	1,152	1,140	**110**	119	**89**	1,073	**353**	339	**171**	173	**1,875**	2,844	**1,433**	1,432	**442**	1,412
Non-executive directors and chairman																
T R Martin	324	324	15	14	–	–	–	–	–	–	339	338	339	338	–	–
B Thorne	56	54	–	–	–	–	–	–	–	–	56	54	56	54	–	–
D van Gene	56	54	–	–	–	–	–	–	–	–	56	54	56	54	–	–
R Beckett	–	16	–	–	–	–	–	–	–	–	–	16	–	16	–	–
H Morley	56	54	–	–	–	–	–	–	–	–	56	54	56	54	–	–
D Whittingham	8	8	–	–	–	–	–	–	–	–	8	8	8	8	–	–
H Simmons	8	8	–	–	–	–	–	–	–	–	8	8	8	8	–	–
	508	518	15	14	–	–	–	–	–	–	523	532	523	532	–	–
Total	**1,660**	1,658	**125**	133	**89**	1,073	**353**	339	**171**	173	**2,398**	3,376	**1,956**	1,964	**442**	1,412

^Restated 30 July 2023, see point 5 below.

1) Taxable benefits include car allowances and a contribution towards rail travel for Tim Martin, as well as private health and fuel expenses for executive directors. In respect of the element for pub calls made to monitor standards, 5% was paid, in line with policy.

2) The resultant percentages against each of the bonus measures achieved are shown below. Details of targets applicable during the year are disclosed in the directors' remuneration policy statement. These items are only awarded to the executive directors only and not to the employee directors, Hudson Simmons and Deborah Whittingham.

	Maximum	Awarded	B Whitley £	J Hutson £	J Ullman £
Profit growth	45%	1.5%	4,125	10,150	3,000
Total performance bonus	45%	1.5%	4,125	10,150	3,000
Employee share scheme	25%	25%	66,232	164,367	47,483
Employee share scheme – long service[1]	5%	5%	-	-	9,497
Employee share scheme – long service[2]	10%	10%	-	65,747	-
Deferred Bonus scheme[3]	100%	0%	-	-	-
Total performance bonus and other items			**70,357**	**240,264**	**59,980**

[1]James Ullman received an additional 5% as he has completed 25 years' service with the company.
[2]John Hutson received an additional 10%, as he has completed 30 years' service with the company.
[3]As per the remuneration policy on page 74, the DBS vests in three tranches.

The final amount received by executive directors for DBS awards will be affected by future changes in the Company's share price. A 50% increase in the share price between the award date and the vesting date would increase the value of the award by 50%. Conversely, a 50% reduction would reduce the award's value by 50%.

3). Other items refer to SIPs awarded during the period. Further information can be found within the remuneration policy on page 74.

4) Existing executive directors receive either pension contributions, equivalent to 12% of salary, to the stakeholder pension plan or salary in lieu of pension contributions. Additional pension payments are made, equivalent to 2% of salary for 25–29 years' service, a further 2% for 30–34 years' service and so on for every additional five years' service. John Hutson, Ben Whitley and James Ullman took, in salary, the portion of their Company pension contribution which was above the annual cap.

5). In previous periods SIP and DBS awards were treated as long-term incentives. There are no elements of the remuneration policy that meet the definition of long term incentive schemes. Therefore, the presentation of the period ended 30 July 2023 has been restated to present DBS as a performance bonus and SIP awards as an other item. DBS in the prior year was based on a 'cash basis' and has since been restated to be based on award.

Share scheme awards in the year – audited

	Number of shares			Fair value in £		
	Share incentive plan[1]	Deferred bonus scheme	Total	Share incentive plan	Deferred bonus scheme	Total
J Hutson	31,965	–	31,965	230,114	–	230,114
B Whitley	9,193	–	9,193	66,232	–	66,232
J Ullman	7,898	–	7,898	56,980	–	56,980
	49,056	–	**49,056**	**353,325**	–	**353,325**

[1]Share incentive plan includes shares granted in October 2023 and March 2024. These where awarded at an average share price of £7.24, three days before grant; shares will vest three years after grant.

All awards have no further performance conditions attached, except to be employed by the Company at the vesting date.

Directors and connected persons' interests in shares: audited:

The total interests of the directors in the shares of the Company, as at 28 July 2024, were as follows:

Ordinary shares of 2p each, held beneficially

	Shares[1]	Share Incentive Plan[2]	Deferred Bonus Scheme[3]	2024
T R Martin	**30,382,253**	**-**	**-**	**30,382,253**
J Hutson	**177,373**	**98,627**	**76,864**	**352,864**
B Whitley	**15,238**	**27,943**	**30,614**	**73,795**
J Ullman	**27,429**	**22,228**	**21,182**	**70,839**
H Simmons	**1,502**	**4,065**	**-**	**5,567**
D Whittingham	**5,051**	**9,010**	**-**	**14,061**
B Thorne	**2,050**	**-**	**-**	**2,050**
D van Gene	**3,777**	**-**	**-**	**3,777**
H Morley	**15,000**	**-**	**-**	**15,000**

[1]Shares included are all those vested as at 28 July 2024.
[2]Share incentive plan includes unvested awarded shares under the company Share Incentive Plan.
[3]Deferred bonus scheme Includes tranche three of the 2022 award which has been accrued but not yet granted and the remaining two tranches of 2023 award currently unvested.

Partnership shares

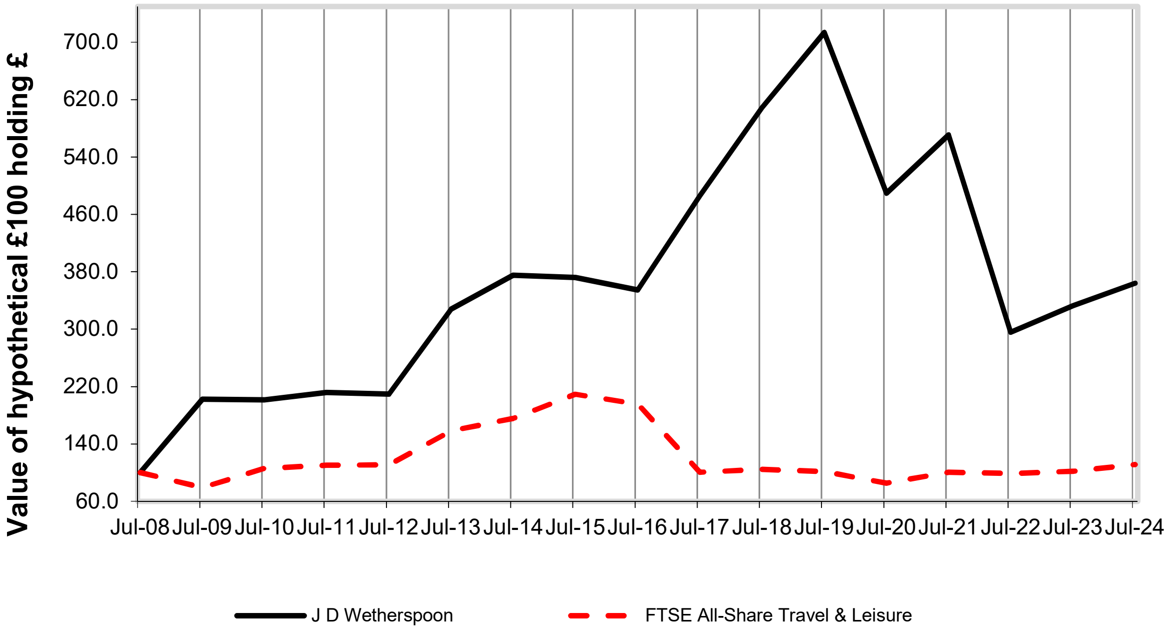
John Hutson, Ben Whitley and Deborah Whittingham are participants of the partnership share scheme, each acquiring 242 shares in the year.The market price of the shares purchased ranged 635.0–752.9p.

Partnership shares are shares which can be purchased by individuals who work in the Company for a duration of time. Participants can elect to purchase these shares which come out of each employee's payroll.

Performance graph – non-audited information

This graph shows the total shareholder return (with dividends reinvested) of a holding of the Company's shares against a hypothetical holding of shares in the FTSE All-Share Travel & Leisure sector index. The directors selected this index, as it contains most of the Company's competitors and is considered to be the most appropriate index for the Company.

Growth in the value of a hypothetical £100 holding since July 2008, based on 30-trading-day average values



Chief executive officer's remuneration

John Hutson	Single figure of total remuneration £000	Performance bonus payment achieved against maximum possible %	scheme shares vesting against maximum possible* %
2024[1]	1,120	3	100
2023[1]	1,657	18	100
2022	1,017	-	100
2021	813	-	100
2020	738	-	100
2019	1,035	10	100
2018	1,490	29	100
2017	1,698	85	100
2016	1,187	21	100
2015	1,202	10	100
2014	741	19	100
2013	1,079	43	100

*See employee share scheme details on page 74.
[1]Restated 30 July 2023, see point 5 of single figure table above.

The following table compares the change in remuneration of all the directors, non-executive directors and chairman with that of all employees

	Change in annual salary %	Change in taxable benefits %	Change in annual bonus %
Ben Whitley	7.8	3.9	(6.5)
John Hutson	6.0	(2.1)	(6.5)
James Ullman	11.1	6.5	(6.5)
Tim Martin	-	6.5	-
Ben Thorne	4.5	-	-
Debra Van Gene	4.5	-	-
Harry Morley	4.5	-	-
Deborah Whittingham	-	-	-
Hudson Simmons	-	-	-
All employees	7.3	7.5	43.9

Change in total employees' salary is calculated based on the amounts paid to all employees adjusted for redundancy and employer's national insurance payments, divided by the number of hours worked by employees.

Chief executive's pay ratios
The table below shows the chief executive's total remuneration, as disclosed in the single-figure table, compared with that of full-time equivalent employees' median (50th), 25th and 75th percentiles in the UK.

Pay ratios table

Year	Method	25th	50th	75th
2024	Option B	67:1	65:1	58:1
2023	Option B	54:1	49:1	41:1

The Company has used the same data used for gender pay reporting to determine the median, 25th and 75th percentile employees. This method is called option B in The Companies (Miscellaneous Reporting) Regulation 2018.

It is believed that using a methodology consistent with that of gender pay reporting will produce the most understandable ratios.

There has been no comparison between dividends and share buy-backs this year, as there have been no such events in the current and previous financial year.

Remuneration committee
The remuneration committee comprises the following independent directors: Debra van Gene (chair), Ben Thorne and Harry Morley.

The committee meets regularly and considers executive directors' remuneration annually. It approves all contractual and compensation arrangements for the executive directors, including performance-related payments.

Shareholders' vote on 2023 directors' remuneration policy
The table below shows the voting outcomes at the 16 November 2023 AGM for the directors' remuneration policy.

	Number of votes	% of votes
For	81,130,088	90.56
Against	8,454,641	9.44
Abstentions	336,550	0.03
Total cast	89,921,279	100.00

The resolution at last year's AGM seeking the re-election of Debra van Gene received less than 80% of the total votes cast.

The Company has stated, on numerous occasions, its view that it benefits from the experience of directors who have served more than nine years and does not agree that it affects the individual's independence.

The Company has continued to engage with shareholders regarding its views on board composition and intends doing so in the future.

Shareholders' vote on 2022 directors' remuneration report
The table below shows the voting outcomes at the 17 November 2022 AGM for the directors' remuneration report.

	Number of votes	% of votes
For	94,480,039	95.91
Against	4,001,408	4.06
Abstentions	31,781	0.03
Total cast	98,513,228	100.00

All votes at the AGM were passed with at least 85% of the cast votes.

By order of the board

Nigel Connor
Company Secretary
3 October 2024

Introduction
This section of the report sets out how the Company has applied the relevant principles and provisions of the 2018 code and identifies and explains where it has not.

1. Board leadership and Company purpose (page 81)
2. Division of responsibilities (page 82-83)
3. Composition, succession and evaluation (page 85)
4. Audit, risk and internal control (pages 84-85)
5. Remuneration (pages 72–80).

Statement of compliance
The board believes that the Company has been compliant with the code throughout the 52 weeks ended 28 July 2024, except as described below.

3 – Dialogue with shareholders

The code indicates that the chairman should discuss governance and strategy with major shareholders. The chairman has had many discussions with shareholders since the Company's flotation in 1992, although corporate governance has rarely been raised. The majority of discussions with major shareholders now takes place among the CEO, finance director and shareholders. These discussions are relayed to, and considered by, the board. The chairman is available for discussion with major shareholders, when requested.

10 – Non-executive directors' independence

Debra van Gene has served more than nine years on the board and so may not be considered independent under the code. The board considers that her performance as a non-executive director continues to be effective.

She contributes significantly as a director through her individual skills, considerable knowledge and experience of the Company. She demonstrates strong independence in how she discharges her responsibilities. Consequently, the board has concluded that, despite the length of tenure, there is no association with management which could compromise her independence.

19 – Chairman's term

Tim Martin has served more than nine years as chairman of the board. The board considers that his considerable knowledge and experience from founding the Company and leading it for over 40 years have had a positive effect on its performance.

The board believes that it is in the interest of the Company and its shareholders for Tim Martin to remain as chairman.

21 – External board evaluation

A requirement of corporate governance is a recommendation for a third party to evaluate the functioning of the board. Delegation of a key task of the chairman and of the directors of the board itself to a third party, often with little or no connection with the Company's business and with a very limited knowledge of the directors, may be a dangerous step for a board to take. It is the function of the board itself to evaluate its own performance – and that performance is most evident from the results of the underlying business.

For this reason, it is believed best for the Company to continue with its current system of 'self-evaluation'.

36 – Long-term shareholdings

To promote long-term shareholdings by executive directors and to align their interests with shareholders, the code requires that any share awards given to executive directors should have a minimum vesting period of five years. The executive directors receive shares under schemes which are open to other employees and have vesting periods of under five years. The Company has disclosed details of the share award schemes in the remuneration policy on pages 73–74. To promote long-term shareholding by executive directors, the Company requires directors to hold a minimum number of shares as disclosed on page 75. Restrictions are in place on the sale of shares, if directors have not achieved the minimum holding.

38 – Alignment of pension contribution rates of executive directors with wider workforce

The code states that pension contribution rates for executive directors and payments in lieu, should be aligned with those available to the workforce. As set out in the 2020 remuneration policy, the company took the decision that existing executive directors would continue to receive 12% of base salary on the basis that it had never been excessive, is lower than the average for a FTSE 250 company and is not disproportionate to that of the wider workforce. In August 2022, the Company changed its employee pension policy to reward long service, rather than being based on rank/job title. As the relevant executive directors have the required long-service entitlements, their existing pension contributions are now aligned with the policy applicable to the wider workforce.

A full version of the code is available on the official website of the Financial Reporting Council: frc.org.uk

Board leadership and Company's purpose

The board of directors
- Tim Martin, Chairman
- John Hutson, Chief Executive Officer
- Ben Whitley, Finance Director
- James Ullman, Personnel and Retail Auditor Director
- Debra van Gene, Non-Executive Director
- Harry Morley, Non-Executive Director
- Ben Thorne, Non-Executive and Senior Independent Director
- Deborah Whittingham, Employee Director
- Hudson Simmons, Employee Director

Will Fotheringham and Emma Gibson attend board meetings in their capacity as associate employee directors.

The board considers each of Debra van Gene, Ben Thorne and Harry Morley to be independent.

Biographies of all board directors are on both page 68 and on the Company's website: jdwetherspoon.com

The chairman meets non-executive directors regularly and evaluates the performance of the board, its committees and its individual directors.

The Company's purpose and how it establishes its values and culture through engagement with employees are disclosed on page 53.

Directors' conflicts of interest

The board expects the directors to declare any conflicts of interest and does not believe that any material conflicts of interest exist.

Relations with shareholders

The board ensures that all of its members are kept aware of both the views of major shareholders and changes in the major shareholdings of the Company. Efforts made to accomplish effective communication include:

- Annual general meeting, considered to be an important forum for shareholders to raise questions with the board
- Regular feedback from the Company's stockbrokers
- Interim, full and ongoing announcements circulated to shareholders
- Any significant changes in shareholder movement being notified to the board by the company secretary, when necessary
- The company secretary maintaining procedures and agreements for all announcements to the stock market
- A programme of regular meetings between investors and Company directors

Matters reserved for the board

The following matters are reserved for the board:

- **Board and management**
  - Structure and senior management responsibilities
  - Nomination of directors
  - Appointment and removal of chairman and company secretary
- **Strategic matters**
  - Strategic, financing or adoption of new business plans, in respect of any material aspect of the Company
- **Business control**
  - Agreement of code of ethics and business practice
  - Internal audit
  - Authority limits for heads of department
- **Operating budgets**
  - Approval of a budget for investments and capital projects
  - Changes in major supply contracts
- **Finance**
  - Raising new capital and confirmation of major facilities
  - The entry into asset-financing transactions
  - Specific risk-management policies, including insurance, hedging and borrowing limits
  - Final approval of annual and interim accounts and accounting policies
  - Appointment of external auditors
- **Legal matters**
  - Institution of legal proceedings, where costs exceed certain values
- **Secretarial**
  - Call of all shareholders' meetings
  - Delegation of board powers
  - Disclosure of directors' interests
- **General**
  - Board framework of executive remuneration and costs

Culture and values

The board monitors the culture and the values of the Company in several ways:

- Appointing employee directors to the board
- Meeting and talking to employees from the pubs during pub visits, regional meetings and at weekly head-office meetings
- Area managers attending the opening section of board meetings to discuss issues relating to pub operations and the Company generally
- Reviewing the outcome of weekly discussion meetings of selected pub and area managers led by senior Company employees
- Reviewing whistleblowing reports and outcomes via the audit committee

Division of responsibilities

It is not helpful, in a company like Wetherspoon, for there to be high barriers or exaggerated distinctions between the role of chairman and that of chief executive officer.

However, some general distinctions are outlined overleaf

Chairman's responsibility	Chief executive officer's responsibility
The chairman is responsible for the smooth running of the board and ensuring that all directors are fully informed of matters relevant to their roles	The chief executive officer is responsible for the smooth daily running of the business
Delegated responsibility of authority from the Company to exchange contracts for new pubs and to sign all contracts with suppliers	Developing and maintaining effective management controls, planning and performance measurements
Providing support, advice and feedback to the chief executive officer	Maintaining and developing an effective organisational structure
Supporting the Company's strategy and encouraging the chief executive officer with that strategy's development	External and internal communications, in conjunction with the chairman, on any issues facing the Company
Chairing general meetings, board meetings, operational meetings and agreeing on board agendas and ensuring that adequate time is available for discussion of agenda items	Implementing and monitoring compliance with board policies
Management of the chief executive officer's contract, appraisal and remuneration, by way of making recommendations to the remuneration committee	Timely and accurate reporting of the above to the board
Providing support to executive directors and senior managers of the Company	Recruiting and managing senior managers in the business
Helping to provide the 'ethos' and 'vision' of the Company, after discussions and debates with employees of all levels, customers and shareholders.	Developing and maintaining effective risk-management and regulatory controls
Helping to provide information on customers and employees' views by calling on pubs	Maintaining primary relationships with shareholders and investors
Helping to make directors aware of shareholders' concerns	Chairing the management board responsible for implementing the Company's strategy
Helping to ensure that a culture of openness and debate exists in the Company	
Ensuring compliance with the London Stock Exchange and legal and regulatory requirements, in consultation with the board and the Company's external advisers	

The board has several established committees as set out below. The board met nine times during the year ending 28 July 2024. Attendance of the directors,non-executives, employee and associate employee directors where appropriate, is shown below.

	Board	Audit	Remuneration	Nomination
Number of meetings held in the year	9	4	1	**1**
Tim Martin	6	N/A	N/A	N/A
John Hutson	9	N/A	N/A	1
Ben Whitley	9	4	N/A	1
Debra van Gene	9	4	1	1
Harry Morley	8	4	1	1
Nigel Connor	9	4	N/A	N/A
Ben Thorne	9	4	1	1
James Ullman	9	4	N/A	1
Deborah Whittingham	8	N/A	N/A	N/A
Will Fotheringham	9	N/A	N/A	N/A
Hudson Simmons	9	N/A	N/A	N/A
Emma Gibson	9	N/A	N/A	N/A

Audit, risk and internal control

Audit committee

The committee's primary role is to assist the board in the provision of effective governance over the Company's financial reporting, risk management and internal control; in particular, it performs the following activities:

- Assumes direct responsibility for the appointment, compensation, resignation and dismissal of the external auditors, including review of the external audit, its cost and effectiveness
- Reviews the independence of the external auditors, including consideration of the level of non-audit work carried out by them
- Reviews the scope and nature of the work to be performed by the external auditors, before the audit commences
- Reviews the half-year and annual financial statements
- Ensures compliance with accounting standards and monitors the integrity of the financial statements and formal announcements relating to the financial performance of the Company and supports the board in its responsibility to ensure that the annual financial statements are fair, balanced and understandable
- Reviews the internal audit plan, which is updated to reflect the changing needs of the business and the concerns of management and the audit committee
- Reviews and raises questions on all internal audit reports and requests management to adjust the prioritisation of mitigating actions, as needed. Areas reviewed this year included supply chain and distribution centre, pub closures, system security, IT, cyber-crime, changes in business environment, decline in like-for-like sales volume and escalating labour costs
- Reviews, with the support of specialists as required, controls over access to the IT systems used around the business and agrees with management on the timing of any mitigating actions to be carried out
- Reviews and monitors procedures in relation to the Company's whistleblowing policy
- Reviews and questions the effectiveness of

all risk-management and internal control systems

- Reviews the retail audit director's statement on internal controls on completed audits
- Considers the overall impact on the business of the matters arisen from the various reviews described above and any other matters which the auditors, internal or external, may bring to the attention of the committee
- Ensures that all matters, where appropriate, are raised and brought to the attention of the board

Significant financial reporting items

The accounting policies of the Company and the estimates and judgements made by management are assessed by the committee for their suitability. The following areas are those considered by the committee, to be the most significant:

- The provision for the impairment of fixed assets – several judgements are used in making this calculation, primarily on expected future sales and profits. The committee received reports and questioned management on the calculations made and the assumptions used
- Significant one-off items of expense or income are reported as separately disclosed on the face of the income statement. All separately disclosed items are reviewed by the committee
- The committee reviewed the financial plans, modelled scenarios and assumptions made by the Company in support of the presentation of the financial statements on a going concern basis
- The committee reviewed and raised questions on the calculations made by the Company in relation to the hedge accounting and effectiveness for interest-rate swaps. The committee is satisfied that the judgements made by management are reasonable and that appropriate disclosures have been included in the accounts.

Non-audit services

During the year, the Company made no use of specialist teams from Grant Thornton UK LLP, relating to accounting or tax services. The fees paid to Grant Thornton UK LLP for non-audit services were £72,000 (2023: £82,000), relating to interim review procedures. The use of Grant Thornton UK LLP for non-audit work is monitored regularly, to achieve the necessary independence and objectivity of the auditors. Where the auditors provide non-audit services, their objectivity and independence are safeguarded by the use of different teams. See note 2 on page 19, for a breakdown of the auditor's remuneration for audit and non-audit services.

External auditors

The audit committee is responsible for making recommendations to appoint, reappoint or remove external auditors. Following a review by the audit committee, the board agreed to recommend, at the AGM in November 2024, the reappointment of Grant Thornton UK LLP as external auditors.

Audit-tendering and rotation

The audit committee keeps under review the regulatory requirements on audit-tendering and rotation.
The Company will be required to change its audit firm for the year ending 25 July 2038, at the latest. The audit was last tendered in 2018 – and Grant Thornton UK LLP has been in place as the Company's auditor for seven years.

The disclosures provided in this report constitute the Company's statement of compliance with the requirement of the statutory audit services for large companies market investigation (mandatory use of competitive tender processes and audit committee responsibilities) order 2014.

Effectiveness of external auditors

The audit committee assesses the ongoing effectiveness of the external auditors and audit process, on the basis of meetings and internal reviews with finance and other senior executives.

In reviewing the independence of the external auditors, the audit committee considers several factors. These include the standing, experience and tenure of the external auditors, the nature and level of services provided and confirmation from the external auditors that they have complied with relevant UK independence standards. The terms of reference of the audit committee are available on the Company's website.

Risk management
The board is responsible for the Company's risk-management process.

The internal audit department, in conjunction with feedback from senior management of the business functions, produces a risk register annually.

The identified risks are assessed, based on the likelihood of a risk occurring and the potential impact to the business, should the risk materialise.

The retail audit director determines and reviews the risk-assessment process and will communicate the timetable annually.

The audit committee reviews the risk register at each meeting, with a schedule of audit work agreed on, on a rolling basis. The purpose of this work is to review, on behalf of the Company and the board, those key risks and the systems of control necessary to manage such risks.

Where recommendations are made for changes in systems or processes to reduce risk, internal audit will follow up regularly to ensure that those recommendations are implemented.

No significant failings of internal control were identified during these reviews.

A summary of the financial risks and treasury policies can be found on pages 55–56, together with other risks and uncertainties.

Emerging risks
The Company monitors emerging risks through the receipt of advice and feedback from head office and pub staff, customers, suppliers, and several external advisers and by maintaining an awareness of the wider economic, political and social environment.

Any potential risks identified will be discussed in the relevant internal meetings, where any potential impact on the business will be considered. Any significant risks identified will be added to the Company's risk register.

Internal control
During the year, the Company provided an internal audit and risk-management function. The creation of a system of internal control and risk mitigation is a key part of the Company's operations and culture. The board is responsible for maintaining a sound system of internal control and reviewing its effectiveness.
The function can only manage, rather than entirely eliminate, the risk of failure to achieve business objectives. It can provide only reasonable, and not absolute, assurance against material misstatement or loss.

Ongoing reviews, assessments and management of significant risks took place throughout the year under review and up to the date of the approval of the annual report.

The Company has an internal audit function which is discharged as follows:

- Regular audits of the Company's stock
- Unannounced visits to pub sites
- Monitoring systems which control the Company's cash
- Health and safety visits, ensuring compliance with Company procedures
- Reviewing and assessing the impact of legislative and regulatory change
- Risk-management process, identifying key risks facing the business

The Company has key controls, as follows:

- Authority limits and controls over cash-handling, purchasing commitments and capital expenditure
- A budgeting process, with a detailed 12-month operating plan and a mid-term financial plan, both approved by the board
- Business results reported weekly, with a report compared with budget and the previous year
- Forecasts prepared regularly throughout the year, for review by the board
- Complex treasury instruments are not used. The Company, from time to time, as stated in this report and accounts, enters into swap arrangements which fix interest rates at certain levels for a number of years and enters into supply arrangements with fixed prices for electricity and gas, for example, which run for between one and three years
- An annual review of the amount of external insurance which it obtains, bearing in mind the availability of such cover, its costs and the likelihood of the risks involved
- Regular evaluation of processes and controls, in relation to the Company's financial reporting requirements

The directors confirm that they have reviewed the effectiveness of the system of internal control.

Remuneration and nomination

Remuneration committee
The committee is responsible for determining the remuneration received by executive directors and senior managers. When setting levels of remuneration, the committee seeks to ensure that they are sufficient to attract and retain people with the necessary skills and experience. The committee seeks to ensure that remuneration is not excessive and is in line with amounts paid by comparable companies. In setting executive directors' remuneration, the committee takes into account wider workforce remuneration policies throughout the Company, with many elements extending throughout much of the Company at varying levels according to seniority and service length.

The remuneration policy operated as intended during the year – no changes were made and normally no discretion is applied.

The directors' report on remuneration is set out on pages 72–80.

Directors' remuneration is clearly presented in the accounts. The remuneration policy is clearly stated, with the calculation of performance measures explained. The remuneration policy does not rely overly on target-based incentives, with share awards usually given based on profits, earnings per share and owners' earnings growth, as well as some shares awarded without performance targets as part of a Companywide scheme. However, during the current year no such award was given based on such targets.

Awards made are predictable and within a range of values. The remuneration committee can apply discretion in the application of awards.

The terms of reference of the remuneration committee are available on the Company's website.

Nomination committee
The committee meets at least annually and:

- reviews the board structure, size, diversity (including gender), composition and successional needs, keeping under review the balance of membership between executive and non-executive and the required blend of skills, experience, knowledge and independence on the board.

- formally proposes any new executive or non-executive directors for the approval of the whole board, following a reasonable process for such an appointment. This includes a review of skill set, industry knowledge and experience to meet the strategic needs of the business.

- reviews the leadership and successional needs of the organisation, with a view to ensuring the long-term success of the Company.

- ensures that all directors offer themselves for annual re-election by shareholders.

No director is involved in any decision about his or her own reappointment. In carrying out these activities, the non-executive directors follow the guidelines of the Chartered Governance Institute and comply with the code.

The terms of reference of the nomination committee are available on the Company's website.

Employment policies
Staff are encouraged to make a commitment to the Company's success and to progress to more senior roles as they develop.

In selecting, training and promoting staff, the Company has to take account of the physically demanding nature of much of its work. The Company is committed to equality of opportunity and to the elimination of discrimination in employment.

The Company aims to create and maintain a working environment, terms and conditions of employment and personnel and management practices which ensure that no individual receives less favourable treatment on the grounds of his or her race, religion or belief, nationality, ethnic origin, age, disability, gender (including gender reassignment), sexual orientation, part-time status or marital status.

Employees who become disabled will be retained, where possible, and retrained, where necessary.

The Company has established a range of policies, covering issues such as diversity, employees' well-being and equal opportunities, aimed at ensuring that all employees are treated fairly and consistently.

The Company has also established the following network groups to foster discussion and generate ideas about these issues:

- LGBTQIA+
- Mental health and well-being
- Race and ethnic diversity
- Women

Internal communications seek to ensure that staff are well informed about the Company's progress, through the use of regular digital newsletters, and staff liaison meetings, at which employees' views are discussed and taken into account.

All pub staff participate in bonus schemes related to sales, profits, stocks and service standards.

Approved by order of the board.

Nigel Connor
Company Secretary
3 October 2024

INFORMATION FOR SHAREHOLDERS

Ordinary shareholdings at 28 July 2024
Substantial shareholdings

Shares of 2p each	Number of shareholders	% of total shareholders	Number	% of total shares held
Up to 2,500	3,412	87.8	1,408,456	1.1
2,501–10,000	224	5.8	1,062,463	0.9
10,001–250,000	186	4.8	11,260,579	9.1
250,001–500,000	25	0.6	9,070,853	7.3
500,001–1,000,000	17	0.4	11,698,952	9.5
Over 1,000,000	24	0.6	89,120,893	72.1
	3,888	100.0	123,622,196	100.0

Substantial shareholdings
The Company has been notified of the following substantial holdings in its share capital at 28 July 2024:

	Number of ordinary shares	% of share capital
Tim Martin	29,156,323	23.6
Fidelity Investments (Boston)	9,299,066	7.5
JD Wetherspoon Company Share Plan (UK)*	7,637,465	6.2
Hargreaves Lansdown Asset Mgt (Bristol)	4,741,862	3.8
Phoenix Asset Mgt Partners (London)	4,720,741	3.8
MFS Investment Mgt (Boston)	4,351,570	3.5
Ninety One (London)	3,764,161	3.0
Vanguard Group (Philadelphia)	3,157,833	2.6

Source: Investec Bank plc. This schedule shows the consolidated shareholdings of individuals and companies, whereas the first table shows shareholdings by individual holding.

*This represents shares which have been purchased by the Company for the benefit of employees under the SIP. Please see pages 63–=72. This includes vested shares held by employees.

Share prices

31 July 23	676p
Low	587p
High	865p
26 July 24	750p

Shareholders' enquiries
If you have a query about your shareholding, please contact the Company's registrars directly:
Computershare Investor Services plc: uk.computershare.com/investor
0370 707 1091

Annual report
Paper copies of this annual report are available from the company secretary, at the registered office.

E-mail: investorqueries@jdwetherspoon.co.uk

This annual report is available on the Company's website: investors.jdwetherspoon.com

COMPANY INFORMATION

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WD24 4QL

Company number
1709784

Registrars
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Bristol
BS13 8AE

Independent auditors
Grant Thornton UK LLP
Chartered Accountants and
Statutory Auditors
30 Finsbury Square
London
EC2A 1AG

Solicitors
Macfarlanes LLP
20 Cursitor Street
London
EC4A 1LT

Bankers
AIB Group (UK) p.l.c.
Banco de Sabadell S.A.
Barclays Bank PLC
BNP Paribas
Clydesdale Bank PLC
Coöperatieve Rabobank U.A.
Crédit Industriel et Commercial
HSBC UK Bank Plc
Lloyds Bank plc
MUFG Bank, Ltd.
National Westminster Bank Plc
Santander UK plc
The Governor and Company of the Bank of Ireland

Financial advisers
Investec Bank plc
Rusche Advisors

Stockbrokers
Investec Bank plc

GLOSSARY

- **Accrual** = charge implemented to account for work that has been done or will be done but not yet invoiced.
- **AGM** = “annual general meeting”. Annual assembly of a company’s stakeholders.
- **Amortisation =** the process of gradually releasing an initial cost or income to the income statement.
- **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.
- **COVID-19** = “Coronavirus disease” is an infectious disease caused by the SARS-CoV-2 virus.
- **EBITDA** = “earnings before interest, taxes, depreciation and amortisation”. An alternative performance measure (APM).
- **Emolument =** Salary received as compensation for service of employment.
- **ESG** = “environmental, social and governance”. Set of standards measuring a business’s impact on society.
- **EWSS** = “Employment Wage Subsidy Scheme”. Financial support created by the ROI Government during the COVID-19 pandemic.
- **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.
- **Freehold reversion =** The term used when purchasing a property which had been leased prior to the purchase.
- **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 31 July 2023 – 28 July 2024.
- **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.
- **Impairment =** Acknowledging a reduction in the recoverable value of a fixed asset.
- **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.
- **LRSG** = “Local Restrictions Support Grant (Sector)” provided grants to businesses that were severely impacted due to temporary local restrictions during COVID-19.
- **NIC** = ‘national insurance contributions’. Type of income tax paid by both employees and employers.
- **OECD** = ‘The Organisation for Economic Co-operation and Development’
- **Payable** = debts owed by the business; liabilities.
- **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.
- **Provision** = an amount set aside for known, future liabilities.
- **Receivable** = amounts owed to the business; assets.
- **Remuneration =** total compensation received by an employee fro service of employment.
- **RNS** = ‘Regulatory News Service’. Service which transmits regulatory and non-regulatory information published by companies and organisations (eg 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.

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