

**J D Wetherspoon plc**

**Company No: 1709784**





# Chairman's statement

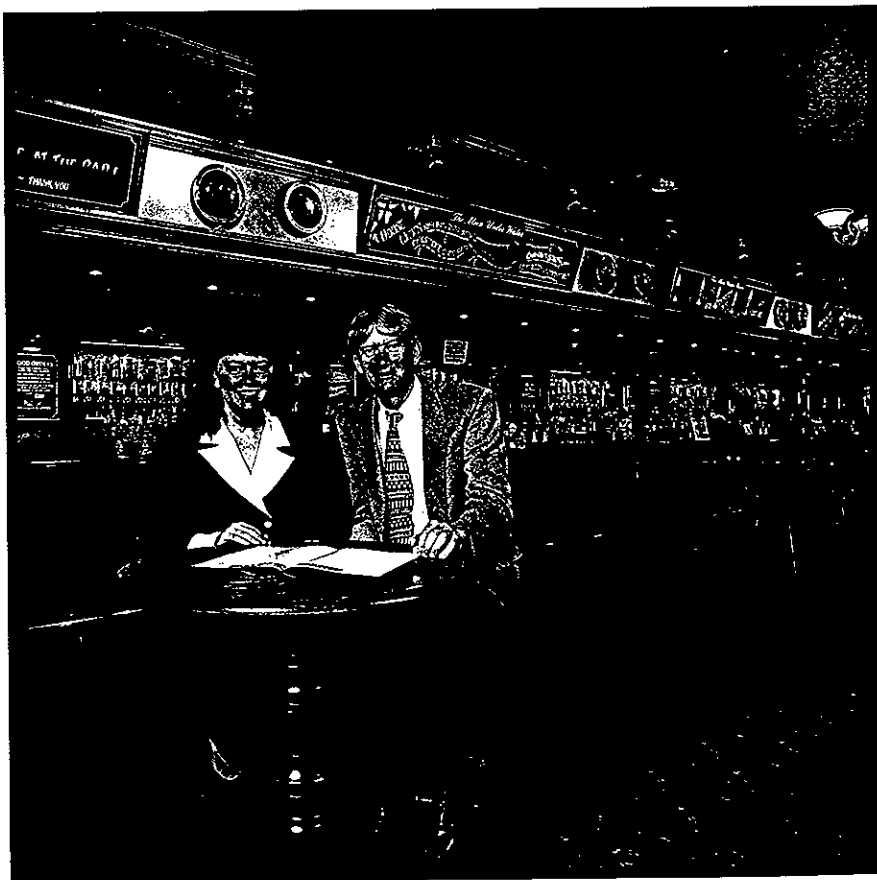
## *Results*

*I am pleased to report another year of solid progress for the Company. Turnover rose by 47% to £68.5 million and profits before tax were up 50% to £9.7 million. Earnings per share increased 35% to 24.6p. Capital investment totalled £38.7 million and net gearing at the year end was 50%. Interest was covered 4.9 times by operating profits.*

## Dividends

The Board proposes, subject to shareholders' consent, to pay a final dividend of 5.25p net, bringing the full year dividend to 8.0p, a 21% increase on the 6.6p paid in 1994. At this level, the dividend will be covered 3.1 times, compared to 2.6 times in 1994.

The Board also proposes, for the first time, to offer a scrip alternative to the final dividend. If approved, this will enable shareholders to elect to take additional shares in the Company rather than a cash dividend, and allows the Company to reinvest the cash saved on both the net dividend and the associated ACT. Details of



Josie and Liam  
Kennedy, Managers of  
The Moon Under  
Water, Watford, the  
Company's 100th pub,  
opened December 1994.



*J D Wetherspoon plc develops, owns and manages pubs, and aims to have them in strategic positions in all main town centres in the UK. They are excellently maintained, and the Company's priorities are to provide its customers with a clean, safe and attractive environment in which to enjoy quality, good value food and drink served by friendly and well trained staff.*

Highlights of the year

Turnover up 47% to £68.5m

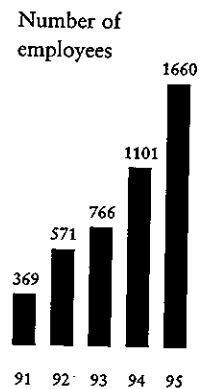
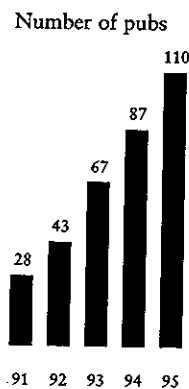
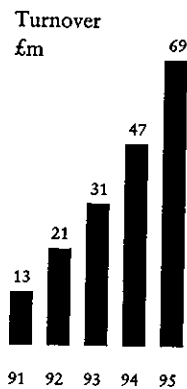
Profits before tax up 50% to £9.7m

Earnings per share up 35% to 24.6p

23 new pubs opened

Capital investment of £39m

Creation of a further 559 jobs





The Paper Moon in Dartford, Kent, converted in 1994 from a bank.



the scrip alternative will be provided to shareholders in a separate circular, and the required resolutions put forward at the AGM.

#### Continuing progress

We began the year with 87 pubs, and added 23 during the period to finish with 110. Our expansion outside the London area accelerated, with 11 of the 23 being outside Greater London. These have now proved convincingly the demand for pubs offering our brand of service and value countrywide.

Our existing estate also performed well, recording a 6% increase in like for like sales as a result of a particularly strong first half. Gross margins, after pub operating costs, were in line with the previous year. As a result of the continuing growth of the business we moved to new, larger head office premises in Watford

in November. The additional expenses involved resulted in our head office costs as a proportion of turnover rising, but I am confident that this ratio will fall back in the coming years.

#### Prospects

With an experienced management team, proven success within and now outside London, and the increasing buying power of the business, I believe that the Company starts its new year in excellent shape.

Sales in the first two months of our financial year have continued the steady trend of our second half, with like for like increases of 3.5%, and are in line with our budget expectations.

Our new development activity continues apace. 4 pubs have opened



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in the period since the year end, and we are currently on site at a further 10 more. In addition, another 16 sites have the necessary licensing and planning consents for conversion into Wetherspoon pubs, and we have many other promising locations under investigation.

#### Board

As I reported at the half year Richard Pennycook joined the Board in April as Finance Director, having previously held a number of senior positions in Allders plc, and Rosalyn Schofield was appointed Company Secretary after working for the Company for four years as Senior Legal Adviser.

The Company has continued to strengthen its management team in the course of the year by a number of internal promotions and by external recruitment.

#### People

Wetherspoon's relies on its people. The quality of our managers and staff is the key determinant of the success of our operations. They operate in a testing environment, and on behalf of the Board I offer them our thanks for helping us to achieve another record year.

One of the ways in which we have chosen to recognise the commitment of our management is in encouraging share participation in the Company. At the year end, 167 of our people were members of the Executive Share Option Scheme, and it would be regrettable if the Chancellor goes ahead with his intention to close this highly effective means of motivating a key pool of staff in his November Budget.

Tim Martin  
Chairman

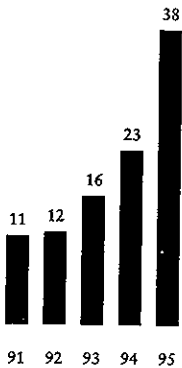
9 October 1995



The Moon and Sixpence, in London's Wardour Street, another bank conversion in 1994.



Capital expenditure  
£m



#### Buying

As the Company expands and our buying power increases we continue to review our buying prices. We have recently renegotiated, for example, our insurance contracts, our wine supply arrangements and our current account banking facilities, all on improved terms.

#### Marketing

As part of the process of regularly upgrading our product supply we are increasing the range of beers from Britain's 'micro' brewers in our estate. As well as the extensive range of 'micro' beers available during our regular four day beer festivals, we are making a 'micro' brewery beer available in all our pubs on a regular basis.

We have also reviewed our catering

operation and are introducing an upgraded winter menu this month.

#### Personnel

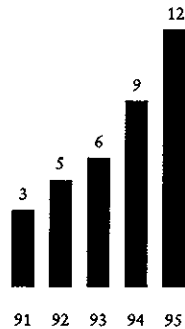
As the Company has expanded we have continued to reinforce our management team. As well as making internal promotions, we have made important management appointments in the course of the year in areas such as buying, catering, finance and training.

The Company has until recently employed, and provided accommodation for, management couples to run its pubs. In the course of the last year we also embarked on a major initiative to employ single, non-resident, managers in order to increase potential management resources for our expansion plans, and to improve promotion prospects

The Square Peg,  
Corporation Street,  
Birmingham.  
Converted from a  
former Lewis's  
department store and  
opened January 1995.



Operating profit  
£m



*The Company has completed another successful year, with significant growth and progress in a number of important commercial and management areas.*

#### New licensed premises

The Company opened 23 new pubs in the period which were on average considerably larger than the 87 pubs with which we started the year. The emphasis on pubs outside London continued to increase so that, by the year end, we had opened pubs in town centres in major locations such as Birmingham, Bristol, Wolverhampton and Bournemouth. Trading levels outside London continue to be encouraging.

In the current year, we have already opened in Chester, Southport and Manchester and have opened a second Bristol outlet. The Moon

Under Water in Deansgate, central Manchester, converted from a cinema, is our largest pub to date with 8,000 sq feet of customer area on two floors, and has received a very positive reception from customers.

The Company now has a total of 26 additional development sites ready for conversion into pubs, most of which are outside London. As a result of our increasing knowledge in site selection and the positive attitude of prospective landlords to the quality of our developments, we are confident that a continuing source of suitable properties will be available for development.

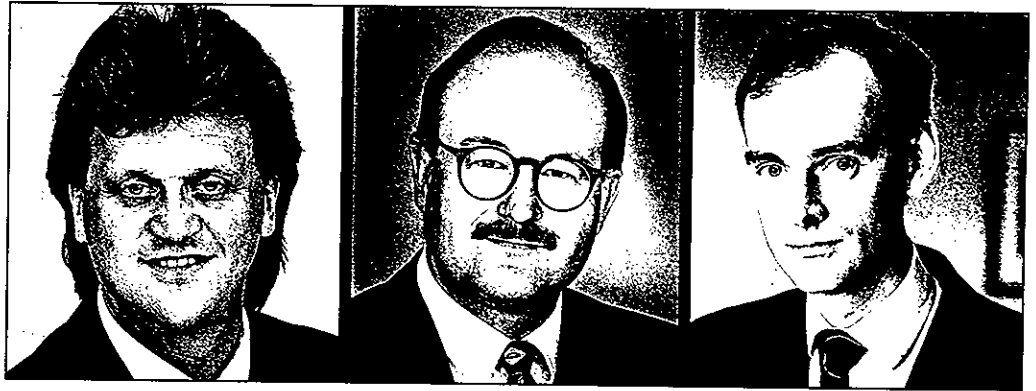
Bernice Hartnett and David Chapman, Managers of The Hamilton Hall at London's Liverpool Street Station, formerly the ballroom of the Great Eastern Hotel.







# Directors, officers and advisers



**Tim Martin**  
*Chairman*  
Aged 40

A law graduate of Nottingham University, he was called to the bar in 1980.

He founded the business in 1979 and became Chairman in 1983.

**Mark McQuater**  
*Managing Director*  
Aged 35

Appointed 1994. An economics graduate from Edinburgh University, he qualified as a Chartered Accountant with Peat Marwick and has previously worked with Scottish and Newcastle Breweries plc and Natwest Markets.

**Richard Pennycook**  
*Finance Director*  
Aged 31

Appointed 1995. An economics and accounting graduate from Bristol University, he qualified as a Chartered Accountant with Arthur Andersen and has previously worked with Allders plc.

**Registered Office**  
Wetherspoon House  
Central Park  
Reeds Crescent  
Watford WD1 1QH

**Company Number**  
1709784

**Registered Auditors**  
Coopers & Lybrand

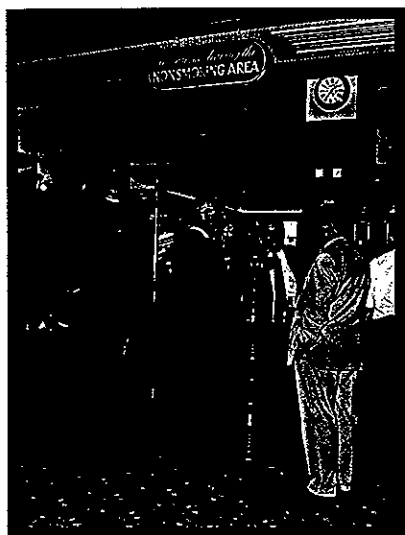
**Solicitors**  
Titmuss Sainer Dechert

**Valuers**  
Business Mergers and  
Acquisitions Limited

Christie & Co.

**Bankers**  
Bank of Scotland

The Royal Bank of  
Scotland plc



The Lord Moon of the Mall, in London's Whitehall, opened 1995.

for bar staff. This initiative involved considerable changes to our recruitment and training programme but has been very well received by all employees. Many of our pubs now successfully combine single managers and management couples.

#### Supporting the pubs

The Company places strong emphasis on supporting pub managers. A key initiative taken in the year was the establishment of a central help desk for dealing rapidly with the large number of detailed issues that arise in a retail business, such as repairs and solving administrative queries. I am pleased to report that this has been highly successful, and we are taking other steps to enhance the range of activities dealt with by the help desk.

#### Maintenance and improvements

The Company maintains its estate to high standards, as illustrated by the maintenance charge of £1.4 million in the year, over 2% of turnover. We also invested capital of £2.9 million in upgrading our existing estate of pubs including, for example, the installation of closed circuit television systems to improve security and supervision.

In addition, much emphasis is placed on the cleanliness, product quality and service offered to our customers. Through a very active programme of visits by head office managers and mystery visitors, we seek to ensure that the Company's demanding standards are consistently applied. Each pub receives on average over 2 visits per week.

#### Financing

As the cashflow statement on page 18 illustrates the proportion of cash generated by the business to fund our growth is increasing. After funding interest payments, tax, dividends and investments in existing pubs, £10.9 million was available for investment in new pubs and on extensions to the customer areas of existing pubs.

The balance of funding was provided by the remaining proceeds of the 1994 rights issue and from a new £50 million banking facility put in place during the year. £11.2 million of this facility had been utilised by the end of the year, the interest on £10 million of which was fixed by way of a five year swap.

#### Prospects

Our management team has been involved in a large number of major initiatives to upgrade our systems and processes in the last year. I am confident that this work has paved the way for the continued successful expansion of our business and would like to thank sincerely all employees for their great efforts.

Mark McQuater  
*Managing Director*

9 October 1995



**Brian Jervis**  
*Non-Executive*  
Aged 60

Appointed 1991.  
Member of the Audit  
Committee and Chairman  
of the Remuneration  
Committee.

Brian Jervis is a Chartered  
Secretary and a former  
Director of John Govett  
& Co. Limited.

**Tony Lowrie**  
*Non-Executive*  
Aged 53

Appointed 1987.  
Chairman of the Audit  
Committee and member  
of the Remuneration  
Committee.

Tony Lowrie is Chairman  
of H G Asia Securities  
Limited.

**Ray Martin**  
*Non-Executive*  
Aged 63

Joined the Board in 1988,  
becoming a Non-  
Executive Director in  
1994.

Prior to joining the  
Company, Ray Martin  
worked for Guinness plc,  
latterly as Marketing  
Director of Guinness  
Malaysia.

**Rosalyn Schofield**  
*Company Secretary*  
Aged 39

Joined the Company as a  
solicitor in 1991 and was  
appointed to her current  
position in 1994.

**Financial Advisers**  
Kleinwort Benson Limited

**Stockbrokers**  
Kleinwort Benson  
Securities Limited

**Registrars**  
Barclays Registrars  
Bourne House  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

**Management Committee**  
This comprises the  
Managing Director,  
Finance Director,  
Company Secretary and  
the following senior  
managers:

**John Hutson**  
*Director of Retail*  
Joined 1991

**Mark Davies**  
*General Manager*  
Joined 1991

**Jane Biss**  
*Director of Human  
Resources*  
Joined 1989

**Suzanne Baker**  
*Director of Marketing*  
Joined 1992



# List of public houses

## HOUSES IN GREATER LONDON

**The Bankers Draft**  
80 High Street, Eltham, London SE9

**The Bankers Draft**  
36-38 Friern Barnet Road, Southgate, N11

**The Barking Dog**  
61 Station Parade, Barking, Essex

**The Beaten Docket**  
50-56 Cricklewood Broadway, London NW2

**The Beehive**  
407-409 Brixton Road, London SW9

**The Bird In Hand**  
35 Dartmouth Road, Forest Hill, London SE23

**The Blacking Bottle**  
122-126 High Street, Edgware, Middlesex

**The Camdens Head**  
456 Bethnal Green Road, London E2

**The Coliseum**  
Manor Park Road, Harlseden, London NW10

**The Crown & Sceptre**  
2a Streatham Hill, London SW2

**The Dog**  
17-19 Archway Road, London N19

**The Drum**  
557-559 Lea Bridge Road, London E10

**The Elbow Room**  
503-505 High Road, Tottenham, London N17

**The Elbow Room**  
22 Topsfield Parade, Tottenham Lane,  
London N8

**The Foxley Hatch**  
8-9 Russell Hill Road, Purley, Surrey

**The Fox on the Hill**  
149 Denmark Hill, London SE5

**The Gate House**  
1 North Hill, Highgate, London N6

**The George**  
17-21 George Street, Croydon, Surrey

**The George**  
High Street, Wanstead, London E11

**The Golden Grove**  
146-148 The Grove, Stratford, London E15

**The Good Yarn**  
132 High Street, Uxbridge, Middlesex

**The Great Spoon of Ilford**  
114-116 Cranbrook Road, Ilford, Essex

**The Grid Inn**  
22 Replingham Road, Southfields,  
London SW18

**The Half Moon**  
749 Green Lanes, Winchmore Hill, London N12

**The Hamilton Hall**  
Liverpool Street Station, London EC2

**The Hart & Spool**  
148 Shenley Road, Borehamwood, Herts

**The Harvest Moon**  
141-143 High Street, Orpington, Kent

**JJ Moons**  
3 Shaftesbury Parade, Shaftesbury Circle,  
South Harrow, Middlesex

**JJ Moons**  
56a High Street, Tooting, London SW17

**JJ Moons**  
12 Victoria Road, Ruislip Manor, Middlesex

**JJ Moons**  
397 High Road, Wembley, Middlesex

**JJ Moons**  
553 Kingsbury Road, London NW9

**JJ Moons**  
Departure Lounge, Terminal 4,  
Heathrow Airport

**JJ Moons**  
80-82 Chiswick High Road, London W4

**JJ Moons**  
19-20 The Broadwalk, Pinner Road,  
North Harrow, Middlesex

**JJ Moons**  
46-62 High Street, Hornchurch, Essex

**The Lamb**

52-54 Church Street, Edmonton, London N9

**The Last Post**

227 High Road, Loughton, Essex

**The Lord Denman**

270-272 Heathway, Dagenham, Essex

**The Lord Moon of the Mall**

16-18 Whitehall, London SW1

**The Man in the Moon**

40-42 Chalk Farm Road, London NW1

**The Man in the Moon**

1 Buckingham Parade, Stanmore, Middlesex

**The Masque Haunt**

Old Street, London, EC2

**The Moon & Stars**

99-103 South Street, Romford, Essex

**The Millers Well**

419-421 Barking Road, East Ham, London E6

**The Moon on the Green**172-174 Uxbridge Road, Shepherds Bush,  
London W12**The Moon on the Hill**

373-375 Station Road, Harrow, Middlesex

**The Moon on the Hill**

5-9 Hill Road, Sutton, Surrey

**The Moon & Sixpence**

250 Uxbridge Road, Hatch End, Middlesex

**The Moon & Sixpence**1250-1256 Uxbridge Road, Hayes End,  
Middlesex**The Moon & Sixpence**

185 Wardour Street, London W1

**The Moon & Stars**

164 High Street, Penge, London SE20

**The Moon on the Square**

30 The Centre, Feltham, Middlesex

**The Moon Under Water**

84-86 Staines Road, Hounslow, Middlesex

**The Moon Under Water**

148 High Street, Barnet, Herts

**The Moon Under Water**

10 Varley Parade, Colindale, London NW9

**The Moon Under Water**

53-57 London Road, Twickenham, Middlesex

**The Moon Under Water**

115-117 Chase Side, Enfield, Middlesex

**The Moon Under Water**10-11 Broadway Parade, Coldharbour Lane,  
Hayes, Middlesex**The Moon Under Water**

28 Leicester Square, London, WC2

**The Moon Under Water**

1327 London Road, Norbury, London SW16

**The Moon Under Water**

194 Balham High Street, London SW12

**The Moon Under Water**

44 High Street, Watford, Herts

**The New Fairlop Oak**

Fencepiece Road, Barkingside, Essex

**The New Moon**25-26 Kenton Park Parade, Kenton Road,  
Harrow, Middlesex**The New Moon**

413 Lordship Lane, London N17

**The Old Suffolk Punch**

10-12 Grand Parade, Green Lanes, London N4

**The Outside Inn**

312-314 Neasden Lane, London NW10

**The Paper Moon**

55 High Street, Dartford, Kent

**The Railway**202 Upper Richmond Road, Putney,  
London SW15**The Railway Bell**

13 East Barnet Road, New Barnet, Herts

**The Red Lion & Pineapple**

281 High Street, Acton, London W3

**The Regent**

19 Church Street, Walton On Thames, Surrey

**The Rochester Castle**

145 High Street, Stoke Newington, London N16

**The Sarsen Stone**

32 High Street, Wealdstone, Middlesex

**The Sovereign of the Seas**

109-111 Queensway, Petts Wood, Kent

**The Spotted Dog**72 Garratt Lane, Arndale Centre, Wandsworth,  
London SW18**The Sylvan Moon**27 Green Lane, Northwood, Hillingdon,  
Middlesex**The Tally Ho**

749 High Road, North Finchley, London N12

**The Tollgate**

26-30 Turnpike Lane, London N8

**The Three Horseshoes**

28 Heath Street, Hampstead, London NW3

**The Tigers Head**

350 Bromley Road, Catford, London SE6

**179 Upper Street**

179 Upper Street, Islington, London N1

**The Village Inn**

402-408 Rayners Lane, Pinner, Middlesex

**Wetherspoons**

Victoria Station, London, SW1

**Wetherspoons**

Landside, Terminal 4, Heathrow Airport

**Wetherspoons**

33 Aberconway Road, Morden, Surrey

**Wetherspoons**

552-556 London Road, North Cheam, Surrey

**The Whispering Moon**25 Ross Parade, Woodcote Road,  
Wallington, Surrey**The White Lion of Mortimer**

125-127 Stroud Green Road, London N4

**The White Lion of Mortimer**1-3 York Parade, West Hendon Broadway,  
London NW9



List of public houses *continued*

**The White Lion of Mortimer**  
223 London Road, Mitcham, Surrey

**The Whole Hog**  
430-434 Green Lanes, Palmers Green,  
London N13

**The Wrong 'Un**  
234-236 The Broadway, Bexleyheath, Kent

**BIRMINGHAM**

**The Square Peg**  
115 Corporation Street, Temple Court,  
Birmingham

**BOURNEMOUTH**

**The Moon in the Square**  
4-8 Exeter Road, Bournemouth, Dorset

**BRACKNELL**

**The Old Manor**  
Grenville Place, Church Road, Bracknell,  
Berkshire

**BRISTOL**

**The Berkeley**  
18-19 Queen's Road, Clifton, Bristol, Avon

**The Commercial Rooms**  
43-45 Corn Street, Bristol, Avon

**BROMSGROVE**

**The Golden Cross Hotel**  
20 High Street, Bromsgrove, Hereford  
and Worcester

**CHESHAM**

**The Last Post**  
77 The Broadway, Chesham, Bucks

**CHESTER**

**Wetherspoons**  
78-92 Foregate Street, Chester, Cheshire

**COLCHESTER**

**The Playhouse**  
4 St. Johns Street, Colchester, Essex

**GATWICK**

**The Red Lion**  
Departure Lounge, North Terminal, Gatwick  
Airport

**HIGH WYCOMBE**

**The Falcon**  
9 Cornmarket, High Wycombe, Bucks

**LEIGH-ON-SEA**

**The Elms**  
London Road, Leigh-on-Sea, Essex

**MANCHESTER**

**The Moon Under Water**  
68-74 Deansgate, Manchester

**NORWICH**

**The Bell**  
5 Orford Hill, Norwich, Norfolk

**SLOUGH**

**The Moon & Spoon**  
86 High Street, Slough, Middlesex

**SOUTHEND**

**The Last Post**  
Weston Road, Southend, Essex

**SOUTHPORT**

**Wetherspoons**  
93-97 Lord Street, Southport, Merseyside

**READING**

**The Monk's Retreat**  
163 Friar Street, Reading, Berkshire

**WOKING**

**Wetherspoons**  
51-57 Chertsey Road, Woking, Surrey

**WOLVERHAMPTON**

**The Moon Under Water**  
53-55 Lichfield Street, Wolverhampton,  
West Midlands



# Directors' report

for the year ended 31 July 1995

The Directors present their report and the audited financial statements for the year ended 31 July 1995.

## Principal activities and business review

The principal activities of the Company are the development and management of public houses. Details of progress are given on pages 2 to 7.

## Results and dividends

The profit on ordinary activities for the year after taxation amounted to £8,958,000, an increase of 51% on the 1994 result of £5,914,000. The Directors recommend that a final dividend of 5.25 pence per share be paid in cash or by way of scrip dividend to all shareholders on the Register on 24 October 1995, bringing the total dividend for the year to 8.0 pence per share compared with a 1994 total of 6.6 pence per share. The final dividend will be paid on 15 December 1995. Profit retained for the financial year amounted to £6,031,000 and will be transferred to reserves.

## Directors

Mr. R. J. Pennycook was appointed a Director on 3 April 1995. Otherwise, the Directors listed on pages 8 and 9 served throughout the financial year. Mr. K. Lunn, Mrs. H. C. D. McLellan and Mr. J. M. Scott, who were Directors at the start of the financial year, resigned on 9 August 1994, 22 November 1994 and 31 March 1995 respectively. Mr. A. C. Lowrie retires by rotation and Mr. Pennycook, having been appointed by the Directors since the last Annual General Meeting, will retire. Each will seek reappointment at the forthcoming Annual General Meeting. Details of the terms under which the Directors serve, their financial arrangements, and their interests in shares of the Company are given in note 3 to the financial statements.

No Director has any material interest in any contractual agreement subsisting during or at the end of the year which is or may be significant to the Company.

## Company's shareholders

Details of the Company's shareholders, including those interests notified to the Company as accounting for over 3% of the issued share capital, are given on page 33.

## Directors' responsibilities

The Directors are required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for that period. In preparing the financial statements, the Directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. They also confirm that applicable accounting standards have been followed and the financial statements have been prepared on the going concern basis. The Directors are responsible for maintaining adequate accounting records, for safeguarding the assets of the Company, and for taking reasonable steps to prevent and detect fraud and other irregularities.

## Corporate governance

The Board supports the Code of Best Practice issued by the Cadbury Committee and complied with its operative aspects throughout the year, other than in respect of the matters referred to below:

The Audit Committee comprises two non-executive directors rather than the three recommended by the Cadbury Committee. The Directors believe this to be appropriate to the Company's current size.

The guidance for Directors on reporting on internal financial control is not yet effective, but when it is, it is the intention of the Directors to comply.

Our auditors have reported to the Company that in their opinion the Directors' comments on going concern below provide the disclosures required by paragraph 4.6 of the Code, and the Directors' comments above on internal financial control appropriately reflect the Company's compliance with paragraph 4.5 of the Code (both as supplemented by the related guidance). They have reported to the Company that in their opinion the statements in respect of both are not inconsistent with the information of which they are aware from their audit work on the financial statements and the above statement appropriately reflects the Company's compliance with the other paragraphs of the Code specified by the London Stock Exchange for their review. They have not carried out the



additional work necessary to, nor do they express any opinion on the effectiveness of either the Company's system of internal financial control or its corporate governance procedures, nor the ability of the Company to continue in operational existence.

#### Going concern

In accordance with Section 4.6 of the Cadbury Committee Code of Best Practice, 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 and have satisfied themselves that the Company will continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Company's financial statements.

#### Internal financial control

The Directors are responsible for the Company's system of internal financial control, which is designed to provide reasonable but not absolute assurance against material misstatement or loss. The Company has an established framework of internal financial controls, including:

- a comprehensive budgeting process, with a detailed operating plan for twelve months and a mid-term financial plan having been approved by the Board. Business results are reported weekly for key items and monthly in full, and compared to budget. Forecasts are prepared regularly throughout the year, for review by the Board.

- clearly defined authority limits and controls are in place over cash handling, purchasing commitments and capital expenditures. An internal audit function monitors the control of cash and stock in operating units.

- complex treasury instruments are not used. Decisions on treasury matters are reserved for the Board.

As required by paragraph 4.5 of the Code, the Audit Committee is undertaking a specific exercise to review the effectiveness of these, and other, key financial controls in operation, and will continue to do so in the current year.

#### Changes in tangible fixed assets

Movements in tangible fixed assets are set out in note 13 to the financial statements.

#### Employment policies

Only through the skill and commitment of the Company's employees will its objectives be met. All staff are encouraged to make a real commitment to the Company's success, and to progress to more senior roles as they themselves develop.

A heavy emphasis is placed on training programmes for all levels of staff that emphasise the Company's highest priority of service to its customers.

The selection, training and promotion of staff has to take into account the physically demanding nature of much of the Company's work. In this context, all decisions are based on merit and without reference to gender, marital status, race, age or disability.

Internal communications seek to ensure that staff are well informed about the Company's progress, through the use of regular newsletters and briefings.

Key staff are interested in the financial performance of the Company as a result of their membership of share option schemes.

#### Political and charitable contributions

Contributions made by the Company during the year for charitable purposes were £557 (1994: £4,320). No political contributions were made.

#### Auditors

A Resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the Annual General Meeting.

#### Special business at the Annual General Meeting

The attention of Shareholders is drawn to the Notice of Annual General Meeting set out on pages 34 and 35, which includes 4 items of special business under the following Resolutions:

#### Resolution 6 - Increase in authorised share capital

This Resolution, if passed, would increase the authorised share capital of the Company by 2.5 per cent and if passed, will ensure that the Company's authorised share capital is adequate for the purposes of issuing shares under the Company's share option schemes, shares offered under the proposed scrip dividend scheme and other allotments permitted by the passing of Resolutions 7, 8 and 9.





**Resolution 7 - Directors' authority to allot securities**

This Resolution, if passed, will give the Directors authority under section 80 of the Companies Act 1985 to allot up to 4,450,232 Ordinary shares, assuming Resolution 6 has been passed, representing 12.17 per cent of the Ordinary shares currently in issue, of which 1,426,368 (3.90 per cent of the Ordinary shares currently in issue) are reserved for issue, on the foregoing assumption, under the Company's share option schemes. The balance available for issue is therefore 3,023,864 Ordinary shares, representing 8.27 per cent of the Ordinary shares currently in issue. The Directors have no present intention of exercising this authority except in connection with the issue of shares under the Company's share option schemes or scrip dividend scheme. The authority will expire at the Annual General Meeting of the Company held to approve the Report and Accounts for the year ending 31 July 1996. The above figures are based on the shares in issue at 17 October 1995.

**Resolution 8 - Disapplication of statutory pre-emption rights**

At last year's Annual General Meeting, the Directors were given authority under section 95 of the Companies Act 1985 to allot equity securities for cash other than in accordance with the statutory pre-emption rights. This authority expires at the conclusion of this year's Annual General Meeting. The Directors recommend that, by Resolution 8, a fresh authority should be given which will expire on the earlier of the date 15 months from the passing of the Resolution or the conclusion of the Annual General Meeting held to approve the Report and Accounts for the year ending 31 July 1996. The exercise of the power is limited to rights issues or otherwise in respect of an aggregate nominal amount of £182,749 (5 per cent of the Ordinary share capital in issue at 17 October 1995.)

**Resolution 9 - Scrip dividend authority**

The Directors would like to be able to offer Ordinary shareholders (other than certain overseas shareholders) the right to elect to receive new Ordinary shares as an alternative to cash in respect of all or any part of the dividend to be declared by the Company at the Annual General Meeting and also in respect of any other dividends as may be paid or declared by the Company or the Directors pursuant to the Company's Articles of Association on or at any time after the date of the Annual General Meeting and prior to the date of the next

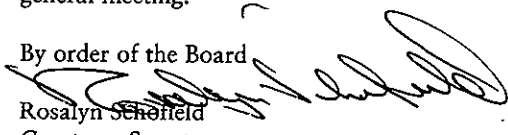
general meeting (the "scrip dividend alternative").

The Directors believe that the scrip dividend alternative is likely to be attractive to some shareholders as it will enable them to increase their shareholding in the Company in a simple manner without paying any dealing costs or stamp duty (on the basis of the law currently in force).

The advantage to the Company (and therefore to its shareholders in general) is that (to the extent shareholders elect for the scrip dividend alternative) cash that would otherwise be paid out in dividends would be retained within the business. Furthermore, under current legislation, no advance corporation tax is payable where shares are issued in lieu of a cash dividend, and therefore the amount of advance corporation tax otherwise payable by the Company is reduced with consequent cashflow, timing and other benefits.

The Articles of Association of the Company require that the number of new Ordinary shares to be made available by way of the scrip dividend alternative offered by the Directors would be calculated by reference to the average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange) of the Company's existing Ordinary shares on the business day on which the shares are first quoted "ex" the relevant dividend and the four subsequent business days. Full details of the scrip dividend alternative are set out in the Circular to shareholders which accompanies the annual report.

If Resolution 9 is approved by shareholders, the Directors will offer a scrip dividend alternative for the dividend to be declared by the Company at the Annual General Meeting and they will be entitled to offer a scrip dividend in respect of any other dividends as may be paid or declared by the Company or the Directors pursuant to the Company's Articles of Association on or at any time after the date of the Annual General Meeting and prior to the date of the next general meeting.

By order of the Board  
  
Rosalyn Scheinfeld  
Company Secretary

9 October 1995



# Report of the auditors

to the members of J D Wetherspoon plc

We have audited the financial statements on pages 17 to 31.

## Respective responsibilities of directors and auditors

As described on page 13 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

## Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company at 31 July 1995 and of its profit, total recognised gains and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand  
Chartered Accountants and Registered Auditors  
London

9 October 1995

# Profit and loss account

for the year ended 31 July 1995



	Notes	1995 £'000	1994 £'000
Turnover from continuing operations		68,536	46,600
Operating profit	2	12,232	8,787
Net interest payable	5	(2,519)	(2,310)
Profit on ordinary activities before taxation	6	9,713	6,477
Tax on profit on ordinary activities	7	(755)	(563)
Profit on ordinary activities after taxation		8,958	5,914
Dividends	8	(2,927)	(2,234)
Retained profit for the year		6,031	3,680
Earnings per Ordinary 10p share	9	24.6p	18.2p

## Statement of total recognised gains and losses

	1995 £'000	1994 £'000
Profit for the financial year after taxation	8,958	5,914
Unrealised surplus on revaluation of properties	309	2,235
Total recognised gains relating to the year	9,267	8,149



# Cash flow statement

for the year ended 31 July 1995

	Notes	1995 £'000	£'000	1994 £'000	£'000
Net cash inflow from operating activities	10	19,762	19,762	11,028	11,028
<b>Returns on investments and servicing of finance</b>					
Interest received		55		86	
Interest paid		(2,803)		(2,370)	
Dividends paid		(2,601)		(1,673)	
Net cash outflow from returns on investment and servicing of finance		(5,349)	(5,349)	(3,957)	(3,957)
<b>Taxation</b>					
Advance corporation tax paid		(655)	(655)	(460)	(460)
<b>Investing activities</b>					
Purchase of tangible fixed assets for existing pubs		(2,864)		(2,447)	
Proceeds of sale of tangible fixed assets		11		22	
		(2,853)	(2,853)	(2,425)	(2,425)
Net cash inflow available for new pub development, before financing			10,905		4,186
Investment in new pubs and pub extensions		(34,756)		(20,770)	
Net cash outflow from investing activities		(37,609)		(23,195)	
Net cash outflow before financing		(23,851)		(16,584)	
<b>Financing</b>					
Issue of Ordinary shares		527		22,924	
Advances under secured bank loans		20,000		11,000	
Repayments of secured bank loans		(1,581)		(5,551)	
Expenses paid in connection with share issue		-		(579)	
Net cash inflow from financing	11	18,946		27,794	
(Decrease)/increase in cash and cash equivalents	12	(4,905)		11,210	
Cash flow per Ordinary 10p share	9		30.0p		12.9p

# Balance sheet

at 31 July 1995



	Notes	1995 £'000	1994 £'000
<b>Fixed assets</b>			
Tangible assets	13	133,196	96,547
<b>Current assets</b>			
Stocks		885	604
Debtors	14	2,720	1,546
Cash		8,824	15,838
		<u>12,429</u>	<u>17,988</u>
Creditors due within one year	15	(18,532)	(13,921)
Net current (liabilities)/assets		<u>(6,103)</u>	<u>4,067</u>
Total assets less current liabilities		127,093	100,614
Creditors due after one year	16	(47,854)	(28,242)
		<u>79,239</u>	<u>72,372</u>
<b>Capital and reserves</b>			
Called up share capital	17	3,654	3,618
Share premium account	18	43,034	42,543
Revaluation reserve	18	15,511	15,202
Profit and loss account	18	17,040	11,009
Equity shareholders' funds	18	<u>79,239</u>	<u>72,372</u>

The financial statements on pages 17 to 31  
were approved by the Board on 9 October 1995  
and signed on its behalf by:

T R Martin  
R J Pennycook  
Directors



# Notes to the financial statements

for the year ended 31 July 1995

## 1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

### Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of freehold and leasehold property, and on the going concern basis.

### Turnover

The Company's operations comprise one class of business, which is pub retailing in the United Kingdom, and turnover excludes Value Added Tax.

### Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation.

Depreciation is calculated so as to write off the value of a fixed asset on a straight line basis over its estimated useful life, and taking into account expected residual values, using the following rates:

Freehold and leasehold land and buildings having more than 20 years to run.	Nil
Leasehold land and buildings, having less than 20 years to run	Life of lease
Renovations of properties already trading, fixtures and fittings, computer equipment	At rates from 10% - 33% pa

No depreciation is charged on freehold land and buildings nor on leasehold land and buildings where the lease has more than 20 years to run, because the Directors consider that the money expended on refurbishment and maintenance keeps the residual value, based on prices prevailing at the date of acquisition or subsequent valuation, at a level at least as high as carrying value and therefore any depreciation charge would not be significant. Depreciation on fixtures and fittings commences when the relevant public house begins trading.

### Valuation of properties

Trading properties are revalued professionally by independent valuers on a rolling basis with a minimum of one third of the estate being valued every year and ensuring that no valuation is

more than three years old. Any temporary difference thus arising is adjusted through the revaluation reserve. Where a diminution in value arising in the year is regarded as permanent, the provision is charged to the profit and loss account, to the extent that it does not relate to an existing revaluation surplus.

### Interest and pre-opening costs

The majority of costs incurred in the preparation of properties for use in the business, including interest on borrowings, are capitalised. Capitalisation of such costs ceases when the relevant public house commences business.

### Stocks

Stocks are held for resale and are stated at the lower of invoiced cost and net realisable value.

### Deferred taxation

Deferred taxation is provided on accelerated capital allowances and other timing differences, only to the extent that it is probable that a liability will crystallise.

### Operating leases

The costs of operating leases in respect of land and buildings and other assets are charged on a straight line basis over the lease term, except where on acquisition of a property a reverse premium, capital contribution or rent free period is granted by the lessor. Where such amounts arise, they are released to profit from the date on which the pub opened through to the date of first rent review to market value, usually on the fifth anniversary of the lease. This represents a change in accounting policy in accordance with UITF Abstract 12, which was issued during the year under review. In prior years, such items were credited to the balance sheet to offset development costs. The amounts involved were not material to the results for the current or prior years.

### Interest rate swaps

Interest rate swaps are used to manage exposure to fluctuating interest rates. Income and expenditure arising from swap transactions is recognised over the term of the swap as if it were interest payable or receivable.

### Revised accounting presentation

The financial statements have been drawn up using Format 1 of the profit and loss account set out in the Fourth Schedule to the Companies Act 1985, rather than Format 2 which was used in the preceding year. The Directors consider that Format 1 is more informative to shareholders and aids comparability with companies of a similar nature, the majority of which adopt Format 1.



## 2 Analysis of continuing operations

	1995 £'000	1994 £'000
Turnover	68,536	46,600
Cost of sales	(50,178)	(34,244)
Gross profit	<u>18,358</u>	<u>12,356</u>
Administration expenses	(6,126)	(3,569)
Operating profit	<u><u>12,232</u></u>	<u><u>8,787</u></u>

Cost of sales includes distribution costs and all pub operating costs.

Cost of sales in 1994 includes costs of raw materials and consumables of £16,954,000 and a credit resulting from an increase in stocks of £119,000. It also includes other operating

charges of £10,136,000 of the total of £11,228,000 shown in that year. The balance of £1,092,000 is included in administration expenses. Operating profit in 1994 includes rent receivable of £44,000 which was previously shown separately.

## 3 Directors' remuneration and share interests

The emoluments of the Chairman and executive directors are determined by the Remuneration Committee. During the year under review, the Committee comprised two non-executive directors and the Chairman (who took no part in discussions relating to his own remuneration). The emoluments of the non-executive directors are determined by the full Board.

The executive directors are employed on rolling contracts requiring the Company to give one year's notice of termination, whilst the director may give six months' notice, save for T.R. Martin who must give one year's notice. The non-executive directors hold their positions pursuant to letters of appointment with terms which at the end of the financial period did not exceed twelve months. As they fall due for renewal, the Board has decided that no new notice periods will extend beyond twelve months.



The following table sets out the emoluments of the Directors. Those for Messrs Lunn, McLellan and Scott represent emoluments from the start of the year to their respective dates of resignation. Those for Mr Pennycook represent emoluments from the date of his joining.

£'000	Salary/Fees	Performance Bonus	Benefits in Kind	Pension Contributions	Compensation for loss of office	Total 1995	Total 1994
<b>Executive Directors</b>							
T R Martin	150	20	19	2	-	191	115
M R McQuater	103	14	15	10	-	142	23
R J Pennycook	32	6	2	3	-	43	-
<b>Non-Executive Directors</b>							
B R Jervis	13	-	-	-	-	13	10
A C Lowrie	13	-	-	-	-	13	10
R R Martin	17	-	-	-	-	17	25
<b>Directors leaving office in the year</b>							
K Lunn	4	-	1	-	-	5	96
H C D McLellan	17	-	4	2	30	53	63
J M Scott	38	-	5	4	50	97	64
<b>Total</b>	<b>387</b>	<b>40</b>	<b>46</b>	<b>21</b>	<b>80</b>	<b>574</b>	<b>406</b>
1994	308	7	44	17	30		

The executive directors participate in a management bonus scheme designed to incentivise senior managers in the achievement of financial and personal targets. The maximum bonus attainable represents 20% of salary.

The emoluments of the Chairman and highest paid Director (excluding pension contributions) were £189,000 (1994: £113,000).

Directors fees included in the above totalled £43,000 (1994: £30,000).

The number of Directors who received emoluments, excluding pension contributions, in the following ranges was:

	1995	1994		1995	1994
£5,001 - £10,000	1	2	£55,001 - £60,000	-	2
£10,001 - £15,000	2	-	£90,001 - £95,000	1	1
£15,001 - £20,000	1	-	£110,001 - £115,000	-	1
£20,001 - £25,000	-	2	£130,001 - £135,000	1	-
£40,001 - £45,000	1	-	£185,001 - £190,000	1	-
£50,001 - £55,000	1	-			





Where Directors have interests in the shares of the Company, they are as follows:

Ordinary shares of 10p each	1995		1994
	Beneficial	Beneficial	Non Beneficial
T R Martin	6,467,175	6,547,175	
M R McQuater	2,820	1,800	
B R Jervis	6,250	6,250	
A C Lowrie - personal	1,397,392	1,397,392	32,182
- in trust	724,242	724,242	
R R Martin	185,314	188,364	

Directors' share options under the Executive Share Option Scheme comprise:

	1994	Options Granted	1995	Exercisable Price	Exercisable Date	Expiry Date
M R McQuater	-	68,750	68,750	392p	26 October 1997	26 October 2004
	-	12,500	12,500	462p	18 April 1998	18 April 2005
R J Pennycook	-	40,000	40,000	462p	18 April 1998	18 April 2005

Those Directors who left office during the year exercised outstanding options following their departure, as follows:

	Options Exercised	Exercise Price	Date
K Lunn	65,604	68.6p	10 October 1994
	8,747	114.3p	10 October 1994
	10,091	247.8p	10 October 1994
	4,000	347.0p	10 October 1994
H C D McLellan	2,876	175.7p	25 May 1995
	8,072	247.8p	19 May 1995
	4,000	347.0p	19 May 1995
	(Granted in year) 12,000	392.0p	19 May 1995
J M Scott	58,322	68.6p	6 April 1995
	8,747	114.3p	6 April 1995
	8,072	247.8p	6 April 1995
	4,000	347.0p	6 April 1995
	(Granted in year) 12,000	392.0p	6 April 1995

17,791 options under the Company's SAYE scheme lapsed upon the resignation of Directors.

Subject to the rules of the Executive Share Option Scheme, Mr McQuater is to be granted options under the terms of his service agreement over 12,500 Ordinary shares in calendar year

1997. The exercise price will be established by reference to the average market value of the Ordinary shares for the three dealing days prior to the date on which the options are granted.

The interests of Directors have not changed since the end of the financial year.

**4 Employee information**

The average weekly number of persons employed during the year was as follows:

	1995 Number	1994 Number
Total employees		
Managerial/administration	518	387
Hourly paid staff	1,142	714
	<hr/>	<hr/>
	1,660	1,101
	<hr/>	<hr/>
	Fte	Fte
Full time equivalents		
Managerial/administration	518	387
Hourly paid staff	768	451
	<hr/>	<hr/>
	1,286	838
	<hr/>	<hr/>
Employment costs were:		
	1995 £'000	1994 £'000
Wages and salaries	11,854	7,987
Social security costs	802	595
Other pension costs	48	21
	<hr/>	<hr/>
Total direct costs of employment	12,704	8,603
Less: wages and salaries capitalised	(142)	(231)
	<hr/>	<hr/>
	12,562	8,372
	<hr/>	<hr/>

**5 Net interest payable**

	1995 £'000	1994 £'000
Interest payable on amounts:		
Repayable wholly or partly in more than 5 years by instalments	2,933	2,565
Other	3	14
	<hr/>	<hr/>
Total interest payable	2,936	2,579
Less:		
Interest capitalised into properties, on which tax relief is available	(361)	(183)
Interest receivable	(56)	(86)
	<hr/>	<hr/>
Charge to profit and loss account	2,519	2,310
	<hr/>	<hr/>



## 6 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting):

	1995 £'000	1994 £'000
Depreciation	2,397	1,422
Repairs and maintenance	1,436	933
Auditors' remuneration for: audit	26	26
other services	43	72
Profit on disposal of fixed assets	(9)	(13)
Rent receivable	(89)	(44)
Operating lease rentals:		
- property rents	4,826	3,196
- equipment and vehicles	226	127
	<hr/>	<hr/>

## 7 Taxation

### Current tax

	1995 £'000	1994 £'000
Corporation tax at 25%	23	32
Irrecoverable advance corporation tax	732	531
	<hr/>	<hr/>
	755	563
	<hr/>	<hr/>

The charge to corporation tax on the profits of the Company for this year and the previous year is reduced by reference to the availability of unused capital allowances brought forward. The charge arising in the year to 31 July 1995 reflects income which cannot benefit from such allowances. As at 31 July 1995 the unused capital allowances available for carry forward against future trading profits were approximately £7.5 million (1994: £8.0 million) subject to approval of the Inland Revenue.

To date the Company has written off £2,012,000 advance corporation tax which will be available to offset against future mainstream corporation tax liabilities.

### Deferred tax

On a full provision basis, the maximum potential liability to deferred tax would be £2.1 million (1994: £0.4 million) representing accelerated capital allowances of £6.3 million (1994: £4.0 million) offset by unused capital allowances and surplus ACT of £4.2 million (1994: £3.6 million). No liability to deferred tax would arise in the ordinary course of the Company's business.

In the event that the Company were to sell any of its trading properties, the proceeds would be used to fund the continuing expansion programme, and would therefore attract rollover relief. Under current legislation no tax charge would arise in this event. As a result, any potential tax liabilities have not been quantified, as the Directors do not consider them to constitute timing differences.



<b>8 Dividends</b>	<b>1995</b>	<b>1994</b>
	<b>£'000</b>	<b>£'000</b>
Interim paid of 2.75p per share (1994: 2.2p)	1,009	642
Final proposed of 5.25p per share (1994: 4.4p)	1,918	1,592
	<u>2,927</u>	<u>2,234</u>

**9. Earnings and cash flow per share**

The calculation of earnings per share on the net basis is based on profit on ordinary activities after taxation for the year of £8,958,000 (1994: £5,914,000) and on a weighted average of 36,350,940 (1994: 32,441,540) Ordinary shares in issue and ranking for dividend during the year (as adjusted for the rights issue in 1994).

If all outstanding share options had been exercised during the period there would have been no material dilution of earnings per share.

The calculation of cash flow per share is based on the net cash generated by business activities and available for investment in new pub developments and extensions to the trading area of existing pubs, after funding all interest, tax and dividend payments and all other reinvestment in pubs open at the start of the period. It is calculated before taking into account inflows and outflows of financing from outside sources, and is based on the same number of shares in issue as for the calculation of earnings per share.

<b>10. Net cash inflow from operating activities</b>	<b>1995</b>	<b>1994</b>
	<b>£'000</b>	<b>£'000</b>
Operating profit	12,232	8,787
Depreciation of tangible fixed assets	2,397	1,422
Gain on sale of tangible fixed assets	(9)	(13)
Change in stocks	(281)	(119)
Change in debtors	(1,174)	(270)
Change in creditors	6,597	1,221
	<u>19,762</u>	<u>11,028</u>

**11 Analysis of changes in financing during the year**

	Share capital (including premium) £'000	Loans £'000	Total 1995 £'000	Total 1994 £'000
Balance at start of year	46,161	29,825	75,986	48,192
Cash inflows from financing during the year	527	18,419	18,946	27,794
Balance at end of year	<u>46,688</u>	<u>48,244</u>	<u>94,932</u>	<u>75,986</u>


**12 Analysis of the balance of cash and cash equivalents as shown on the balance sheet**

	1995 £'000	1994 £'000	Change in year £'000
Cash at bank and in hand	8,824	15,838	(7,014)
Bank overdrafts	-	(2,109)	2,109
	<u>8,824</u>	<u>13,729</u>	<u>(4,905)</u>

**13 Tangible fixed assets**

	Freehold land and buildings £'000	Short leasehold land and buildings £'000	Equipment, fixtures and fittings £'000	Expenditure on unopened properties £'000	Total £'000
<b>Cost or valuation</b>					
At 1 August 1994	47,036	47,730	102	4,900	99,768
Reclassification	(1,841)	(6,604)	12,125	(3,680)	-
Additions	5,590	14,504	7,495	11,150	38,739
Revaluation	(720)	1,029	-	-	309
Disposals	-	-	(76)	-	(76)
<b>At 31 July 1995</b>	<u>50,065</u>	<u>56,659</u>	<u>19,646</u>	<u>12,370</u>	<u>138,740</u>
<b>Depreciation</b>					
At 1 August 1994	1,390	1,741	90	-	3,221
Reclassification	(1,390)	(1,395)	2,785	-	-
Charge for the year	-	245	2,084	68	2,397
Disposals	-	-	(74)	-	(74)
<b>At 31 July 1995</b>	<u>-</u>	<u>591</u>	<u>4,885</u>	<u>68</u>	<u>5,544</u>
<b>Net book value</b>					
At 31 July 1995	<u>50,065</u>	<u>56,068</u>	<u>14,761</u>	<u>12,302</u>	<u>133,196</u>
At 31 July 1994	<u>45,646</u>	<u>45,989</u>	<u>12</u>	<u>4,900</u>	<u>96,547</u>

Included in unopened properties is capitalised interest of £586,000 (1994: £382,000).

Reclassifications represent the transfer of development costs incurred on properties completed in the year from unopened properties to other fixed asset captions, as appropriate,

and the transfer of opening balances relating to fixtures and fittings and renovations which in previous years were included in land and buildings but are now disclosed as a separate asset category.



The Company's properties have been valued on the basis of open market value for existing use by either Business Mergers & Acquisitions Limited, or Christie & Co, both of which firms are specialist licensed property valuers.

Excluding the effects of revaluation, properties if stated at cost would be:

	Freehold land and buildings £'000	Short leasehold land and buildings £'000	Total £'000
Cost	44,706	46,507	91,213
Depreciation	-	(591)	(591)
<b>Net book value 31 July 1995</b>	<b>44,706</b>	<b>45,916</b>	<b>90,622</b>
<b>Net book value 31 July 1994</b>	<b>36,227</b>	<b>30,899</b>	<b>67,126</b>

The valuations were performed during financial years as follows:

	Number of trading properties	Freehold land and buildings £'000	Short leasehold land and buildings £'000	Total £'000
31 July 1993	17	5,619	7,046	12,665
31 July 1994	14	7,663	3,752	11,415
31 July 1995	68	36,439	35,601	72,040
	99	49,721	46,399	96,120
At cost less depreciation	11	344	9,669	10,013
<b>Net book value</b>	<b>110</b>	<b>50,065</b>	<b>56,068</b>	<b>106,133</b>



14 Debtors	1995 £'000	1994 £'000
Amounts falling due within one year:		
Other debtors	118	158
Prepayments	2,602	1,388
	<u>2,720</u>	<u>1,546</u>
<hr/>		
15 Creditors due within one year	1995 £'000	1994 £'000
Bank loans (note 16)	1,411	1,581
Bank overdraft	-	2,109
Trade creditors	8,343	4,670
Corporation tax	22	4
Advance corporation tax	480	398
Other tax and social security	650	759
Other creditors	1,093	261
Dividend payable	1,918	1,592
Accruals and deferred income	4,615	2,547
	<u>18,532</u>	<u>13,921</u>
<hr/>		
16 Creditors due after one year	1995 £'000	1994 £'000
Bank loans repayable:		
between 1 and 2 years	1,266	1,409
between 2 and 5 years	8,265	4,519
after 5 years by instalments	37,302	22,314
Other creditors	1,021	-
	<u>47,854</u>	<u>28,242</u>

Bank loans are secured by fixed and floating charges over the Company's assets.

There are loans amounting to £48,244,000 repayable by monthly instalments expiring between the years 1996 and 2012. Loans carry

rates of interest which vary from 8% to 11.95%. Loans totalling £38,250,000 carry fixed rates of interest or have been matched with fixed rate five year swaps. The remaining loans carry a variable rate linked to Libor.



17 Called up share capital	1995	1994
	£'000	£'000
Authorised:		
40,000,000 Ordinary shares of 10p each	4,000	4,000
Allotted and fully paid:		
36,540,721 Ordinary shares of 10p each	3,654	3,618
(1994 : 36,181,017)		

359,704 Ordinary shares were issued during the year on the exercise of share options, at an average price of £1.47 per share.

18. Capital, reserves and shareholders' funds

	Called up share capital £'000	Share premium account £'000	Revaluation reserve £'000	Profit and loss account £'000	1995 Shareholders' funds £'000	1994 Shareholders' funds £'000
At start of year	3,618	42,543	15,202	11,009	72,372	44,112
Allotments	36	491	-	-	527	22,345
Revaluation	-	-	309	-	309	2,235
Profit for the year	-	-	-	8,958	8,958	5,914
Dividends	-	-	-	(2,927)	(2,927)	(2,234)
At end of year	3,654	43,034	15,511	17,040	79,239	72,372

19 Financial commitments	1995	1994
	£'000	£'000
Capital expenditure contracted but not provided for	8,805	2,338

20 Lease commitments	1995	1994
	£'000	£'000

The Company operates a number of leasehold public houses, and occupies leasehold office accommodation. The total annual rental under these leases, all of which have more than 5 years to run, is as follows:

	6,328	4,237
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The annual rentals pertaining to other leases, primarily motor vehicles, are as follows:

Expiry within 1 year	18	-
Expiry between 1 and 2 years	30	59
Expiry between 2 and 5 years	128	62
	176	121



# Information for shareholders



## Ordinary shareholdings at 31 July 1995

Shares of 10p each	Shareholdings		Total shares held	
	Number	%	Number	%
Up to 2,500	971	75.6	694,856	1.9
2,501 to 10,000	154	12.0	756,132	2.1
10,001 to 100,000	110	8.6	3,655,847	10.0
100,001 to 250,000	20	1.6	3,043,544	8.3
250,001 to 500,000	11	0.8	3,461,102	9.5
500,001 to 1,000,000	9	0.7	5,708,558	15.6
Over 1,000,000	9	0.7	19,220,682	52.6
	1,284	100.0	36,540,721	100.0

## Substantial shareholdings

In addition to certain of the Directors' shareholdings set out on page 23, the Company has been notified of the following substantial holdings in the share capital of the Company at 30 September 1995:

	Number of Ordinary shares	Percentage of share capital %
Janus Capital Corporation	4,386,279	12.02
Govett Strategic Investment Trust plc	1,425,000	3.93

## Share prices

	£
1 August 1994	3.76
Low	3.76
High	5.54
31 July 1995	5.37
30 September 1995	6.17

## Annual reports

Further copies of this annual report are available from the Company Secretary, at the Registered Office. Telephone requests can be made on 01923 477777, extension 7796.

Copies can also be obtained through the Financial Times' annual reports service. For details see the London share service pages of the Financial Times.



# Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Company will be held at The Common Room, Law Society Hall, 113 Chancery Lane, London WC2A 1PL on Monday 11 December 1995 at 10.00am for the following purposes:

## Ordinary business

1. To receive the report of the Directors and the audited accounts of the Company for the financial year ended 31 July 1995.
2. To declare a final dividend.
3. To re-elect Richard Pennycook as a Director.
4. To re-elect Anthony Lowrie as a Director.
5. To re-appoint Coopers and Lybrand as auditors and to authorise the Directors to fix their remuneration.

## Special business

To consider and, if thought fit, to pass the following Resolutions, in the case of Resolution Nos 6, 7 and 9 as Ordinary Resolutions and in the case of Resolution No 8 as a Special Resolution.

### 6. THAT:

the authorised share capital of the Company be increased from £4,000,000 to £4,100,000 by the creation of an additional 1,000,000 Ordinary shares of 10 pence each ranking *pari passu* in all respects with the existing Ordinary shares in the Company.

### 7. THAT:

(A) the Directors be and they are hereby generally and unconditionally authorised for the purpose of Section 80 of the Companies Act 1985 to allot, to such persons and on such terms as they think proper, relevant securities (as defined in sub-section (2) of that section) up to a maximum nominal amount of £445,023 or if resolution 6 is not passed £345,023 during the period from the date of the passing of this Resolution until the conclusion of the Annual General Meeting of the Company held to approve the report and accounts of the Company for the financial year ending 31 July 1996 on which date such authority will expire unless previously varied, revoked or renewed by the Company in general meeting provided that

the Directors shall be entitled under the authority hereby conferred to make at any time prior to the expiry of such authority any offer or agreement which would or might require such relevant securities as aforesaid to be allotted after the expiry of such authority and the Directors may allot any relevant securities after the expiry of such authority pursuant to such offer or agreement notwithstanding the expiry of the authority given by this paragraph; and

(B) the authority to allot given to the Directors by Ordinary Resolution of the Company passed on 12 December 1994 be and is hereby revoked, provided that such revocation shall not have retrospective effect.

### 8. THAT:

subject to the passing of Resolution 7 above:

(A) the Directors be and they are hereby empowered until the expiry of the period ending 15 months from the date on which this Resolution is passed or the conclusion of the Annual General Meeting of the Company held to approve the report and accounts of the Company for the financial year of the Company ended 31 July 1996 (whichever is the earlier) to allot equity securities (as defined in Section 94(2) of the Companies Act 1985) of the Company under the authority conferred by Resolution 7 above, as if sub-section (1) of Section 89 of the Companies Act 1985 did not apply to such allotment and the Directors shall be entitled to make at any time prior to the expiry of the power hereby conferred any offer or agreement which would or might require equity securities to be allotted after the expiry of such power and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired notwithstanding its expiry provided that this power shall be limited to:

(1) the allotment of equity securities in connection with any invitation made to holders of Ordinary shares of 10 pence each from time to time to subscribe by way of rights, open offer or otherwise where the equity securities respectively attributable to the interests of all the holders of such Ordinary shares are proportionate (as nearly as may be) to the

# Information for shareholders



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### 7. THAT:

(A) the Directors be and they are hereby generally and unconditionally authorised for the purpose of Section 80 of the Companies Act 1985 to allot, to such persons and on such terms as they think proper, relevant securities (as defined in sub-section (2) of that section) up to a maximum nominal amount of £445,023 or if resolution 6 is not passed £345,023 during the period from the date of the passing of this Resolution until the conclusion of the Annual General Meeting of the Company held to approve the report and accounts of the Company for the financial year ending 31 July 1996 on which date such authority will expire unless previously varied, revoked or renewed by the Company in general meeting provided that

the Directors shall be entitled under the authority hereby conferred to make at any time prior to the expiry of such authority any offer or agreement which would or might require such relevant securities as aforesaid to be allotted after the expiry of such authority and the Directors may allot any relevant securities after the expiry of such authority pursuant to such offer or agreement notwithstanding the expiry of the authority given by this paragraph; and

(B) the authority to allot given to the Directors by Ordinary Resolution of the Company passed on 12 December 1994 be and is hereby revoked, provided that such revocation shall not have retrospective effect.

### 8. THAT:

subject to the passing of Resolution 7 above:

(A) the Directors be and they are hereby empowered until the expiry of the period ending 15 months from the date on which this Resolution is passed or the conclusion of the Annual General Meeting of the Company held to approve the report and accounts of the Company for the financial year of the Company ended 31 July 1996 (whichever is the earlier) to allot equity securities (as defined in Section 94(2) of the Companies Act 1985) of the Company under the authority conferred by Resolution 7 above, as if sub-section (1) of Section 89 of the Companies Act 1985 did not apply to such allotment and the Directors shall be entitled to make at any time prior to the expiry of the power hereby conferred any offer or agreement which would or might require equity securities to be allotted after the expiry of such power and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired notwithstanding its expiry provided that this power shall be limited to:

(1) the allotment of equity securities in connection with any invitation made to holders of Ordinary shares of 10 pence each from time to time to subscribe by way of rights, open offer or otherwise where the equity securities respectively attributable to the interests of all the holders of such Ordinary shares are proportionate (as nearly as may be) to the



respective number of Ordinary shares held by them subject to any exceptions, exclusions or other arrangements which in the opinion of the Directors are necessary or expedient for the purpose of dealing with fractional entitlements or legal or practical problems otherwise arising under the laws of any territory or the requirements of any recognised regulatory body or any other stock exchange or otherwise in any territory; and  
(2) the allotment (other than pursuant to (1) above) of equity securities up to an aggregate nominal amount of £182,749.

(B) the authority conferred under Section 95 of the Companies Act 1985 by Special Resolution of the Company passed on 12 December 1994 be and is hereby revoked, provided that such revocation shall not have retrospective effect.

**9. THAT:**

subject to the passing of Resolutions 6 and 7 above the Directors be authorised to:-

(A) exercise the power contained in article 123 of the Articles of Association of the Company so that, to the extent and in the manner determined by the Directors, the Ordinary shareholders be permitted to elect to receive an allotment of Ordinary shares in the Company, credited as fully paid, instead of cash in respect of all or any part of such dividend or dividends as may be declared at this meeting or as may be paid or declared by the Company or the Directors pursuant to the Company's Articles of Association on or at any time after the date of this meeting and prior to the date of the next general meeting; and

(B) capitalise a sum equal to the aggregate nominal amount of the Ordinary shares falling to be allotted pursuant to elections so made out of any amount standing to the credit of the Company's reserves (including any share premium account or capital redemption reserve) or out of any of the profits which could otherwise have been applied in paying dividends in cash. The Directors may determine and apply that sum in paying up in full the appropriate number of unissued Ordinary shares and to allot such Ordinary shares to the members of the Company making such elections in

accordance with their respective entitlements.

By order of the Board

**R. S. Schofield**

*Company Secretary*

3 November 1995

Registered office:

Wetherspoon House  
Central Park  
Reeds Crescent, Watford  
Herts WD1 1QH

Registered No: 1709784

**Notes:**

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and (on a poll) vote on his behalf. A proxy need not be a member of the Company.
2. To be valid for the Meeting, the instrument appointing a proxy and the authority (if any) under which it is signed or a notarially certified copy of such authority must be deposited at the office of the Company's Registrars not less than 48 hours before the time of the Meeting. Depositing a form of proxy will not preclude a member from attending the meeting and voting in person.
3. Copies of the following documents will be available for inspection at the registered office of the Company between 9.30 am and 4.30 pm on any week day (except Saturdays and public holidays) until the date of the Meeting and at the place of the Meeting for a period of 15 minutes prior to the Meeting and at the Meeting:
  - (a) service contracts between the Company and each of T R Martin, M R McQuater and R J Pennycook.
  - (b) the register of Directors' interests in the shares of the Company kept in accordance with section 325 of the Companies Act 1985. Save for such service contracts no Director has a service contract with the Company.