10 March 2017

J D WETHERSPOON PLC
PRELIMINARY RESULTS
(For the 26 weeks ended 22 January 2017)

FINANCIAL HIGHLIGHTS

Before exceptional items

• Revenue £801.4m (2016: £790.3m)	+1.4%
• Like-for-like sales	+3.3%
• Profit before tax £51.4m (2016: £36.0m)	+42.8%
• Operating profit £65.1m (2016: £49.4m)	+31.7%
• Earnings per share (including shares held in trust) 33.8p (2016: 22.3p)	+51.6%
• Free cash flow per share 44.2p (2016: 46.8p)	-5.6%
• Interim dividend 4.0p (2016: 4.0p)	Maintained

After exceptional items*

• Profit before tax £39.9m (2016: £36.6m)	+9.0%
• Operating profit £65.1m (2016: £49.4m)	+31.7%
• Earnings per share (including shares held in trust) 27.2p (2016: 25.9p)	+5.0%

*Exceptional items as disclosed in account note 7 to the Interim Report 2017.

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

“The biggest danger to the pub industry is the continuing tax disparity between supermarkets and pubs, in respect of VAT and business rates.

“As previously indicated, we understand the need for the government to raise taxes. However, there should be a sensible rebalancing of the taxes paid by pubs and supermarkets, if the pub industry is to survive in the long term.

“Last Wednesday’s budget was presented by the Chancellor as providing tax relief of approximately £1,000 per pub, for pubs with a rateable value of less than £100,000.

“In fact, that sum is dwarfed by tax and regulatory increases. For example, costs to Wetherspoon will increase by approximately the following amounts in the next year:

- business rates: £7m
- electricity taxes: £4m
- excise duty: £7m
- Apprenticeship Levy: £2m

“In addition, the proposed sugar tax will cost approximately £4m from April 2018 and there will be further electricity tax increases of around £5m by 2020.

“Companies like Wetherspoon, on examination of the fine print of the budget, are not, in fact, eligible for the £1,000 per annum decrease in business rates, in any event.

“The company has previously emphasised the far-higher taxes per meal or per pint that pubs pay compared to supermarkets. For example, supermarkets pay less than 2p per pint for business rates, whereas pubs pay around 18p per pint.

“The increase in business rates per pint for pubs from next month will be around 2p, further exacerbating the tax gap.

“Pubs also pay VAT of 20% in respect of food sales, but supermarkets pay almost nothing, enabling supermarkets to subsidise the price of alcoholic drinks. An article written for the trade press on this subject can be found below.

“Wednesday’s budget will weigh far more heavily on pubs than supermarkets, especially since wage costs per pint or meal are approximately 10 times higher in pubs.

“The Chancellor was less-than-frank in his budget speech*, since he did not spell out the duty increases, giving the impression to many that there would be no increase.

“In effect, this was a budget for dinner parties, no doubt the preference of the Chancellor and his predecessor – dinner parties will suffer far less from the taxes outlined above, whereas many people prefer to go to pubs, given the choice.

“In the six weeks to 5 March 2017, like-for-like sales increased by 2.7% and total sales decreased by 0.2%.

“As previously announced, the company intends to increase the level of capital investment in existing pubs from £34m in 2015/6 to around £60m in the current year.

“As outlined above, the company also anticipates significantly higher costs in the second half of the financial year. In view of these additional costs and our expectation that like-for-like sales will be lower in the next six months, the company remains cautious about the second half of the year. Nevertheless, as a result of modestly better-than-expected year-to-date sales, we currently anticipate a slightly improved trading outcome for the current financial year, compared with our expectations at the last update.”

* The Chancellor said, “I can also confirm that I will make no changes to previously planned upratings of duties on alcohol and tobacco.”

Enquiries:

John Hutson	Chief Executive Officer	01923 477777
Ben Whitley	Finance Director	01923 477777
Eddie Gershon	Company spokesman	07956 392234

Photographs are available at: newscast.co.uk

Notes to editors

1. J D Wetherspoon owns and operates pubs throughout the UK. The Company aims to provide customers with good-quality food and drink, served by well-trained and friendly staff, at reasonable prices. The pubs are individually designed and the Company aims to maintain them in excellent condition.
2. Visit our website jdwetherspoon.com
3. This announcement has been prepared solely to provide additional information to the shareholders of J D Wetherspoon, in order to meet the requirements of the UK Listing Authority's Disclosure and Transparency Rules. It should not be relied on by any other party, for other purposes. Forward-looking statements have been made by the directors in good faith using information available up until the date that they approved this statement. Forward-looking statements should be regarded with caution because of inherent uncertainties in economic trends and business risks.
4. The annual report and financial statements 2016 has been published on the Company's website on 9 September 2016.
5. The current financial year comprises 53 trading weeks to 30 July 2017.
6. The next trading update will be issued on 3 May 2017.

CHAIRMAN'S STATEMENT AND OPERATING REVIEW

In the 26 weeks ended 22 January 2017, like-for-like sales increased by 3.3%, with total sales increasing by 1.4% to £801.4m (2016: £790.3m).

Like-for-like bar sales increased by 2.4% (2016: 2.9%), food by 5.1% (2016: 2.9%) and fruit/slot machines decreased by 2.1% (2016: decreased by 2.9%). Like-for-like room sales at our hotels increased by 14.8% (2016: 7.5%). Bar sales were 61.4% of the total, food was 34.8%, fruit machines were 2.6% and room sales were 1.0%.

Operating profit increased by 31.7% to £65.1m (2016: £49.4m). The operating margin was 8.1% (2016: 6.3%). Profit before tax and exceptional items increased by 42.8% to £51.4m (2016: £36.0m). The improved performance in the period was due mainly to lower utility and interest costs, relatively benign costs in other areas and the sale of some lower-margin pubs. In addition, the company saw little impact, in the period under review, from the 'living wage' legislation, having increased pay rates before the government announced its plans in this area.

Earnings per share, including shares held in trust by the employee share scheme, and before exceptional items, were 33.8p (2016: 22.3p).

As illustrated in the table in the tax section below, the company paid taxes of £331.6m in the period under review, approximately 33% higher than five years ago (2012: £250.1m).

Net interest was covered 4.6 times by profit before interest, tax and exceptional items (2016: 3.1 times). Total capital investment was £96.0m in the period (2016: £75.6m). £49.6m was spent on freehold reversions of properties where Wetherspoon was the tenant (2016: £15.5m), £28.4m on existing pubs (2016: £17.4m) and £18.0m on new pub openings and extensions (2016: £42.7m).

Exceptional items totalled £7.3m (2016: £4.3m). Twenty-three pubs were sold or closed in the period. There was a £6.6m (2016: £0.1m) loss on disposal and an impairment charge of £5.2m (2016: £0.1m) for closed pubs and pubs which are on the market.

During the period, the company received £0.4m in compensation in respect of a transfer of interest-rate swaps between two financial institutions; this has been treated as an exceptional item.

In addition, there were £4.1m (2016: £3.6m) of exceptional tax credits, as a result of a reduction in the UK average corporation tax rate, which has the effect of creating an exceptional tax credit for future years. The total cash effect of these exceptional items resulted in cash inflow of £8.9m (2016: £Nil).

Free cash flow, after capital investment of £28.4m in existing pubs (2016: £17.4m) and payments of tax and interest, was £49.2m (2016: £55.7m). Free cash flow per share decreased by 5.6% to 44.2p (2016: 46.8p). The decrease was due mainly to the increased expenditure on existing pubs and the timing of payments to suppliers.

Dividends
The board declared an interim dividend of 4.0p per share for the current interim financial period ending 22 January 2017 (2016: 4.0p per share). The interim dividend will be paid on 25 May 2017 to those shareholders on the register at 28 April 2017.

Corporation tax
We expect the overall corporation tax charge
for the financial year, including current and deferred taxation, to be approximately 26.8% before exceptional items (24 July 2016: 29.4%).

As in previous years, the company's tax rate is higher than the standard UK tax rate owing mainly to depreciation which is not eligible for tax relief.

Financing
As at 22 January 2017, the company's net debt, including bank borrowings and finance leases, but excluding derivatives, was £696.0m, an increase of £45.2m, compared with that of the previous year end (24 July 2016: £650.8m). The net-debt-to-EBITDA ratio was 3.46 times at the period end (24 July 2016: 3.47). Unutilised facilities were £144.3m at the period end (24 July 2016: £189.6 m).

In November 2016, the Company issued a summary of its current views in respect of debt. The summary is as follows:

"The Company understands that debt always involves risk: the greater the debt, the greater the risk. As a rapidly expanding company, Wetherspoon has historically had higher debt levels than the conservatively financed 'family brewers', the debts of which have often been around 2 times EBITDA, but the levels have usually been lower than the large pub 'PLCs', where they sometimes rose to 5 to 8 times EBITDA, in recent years, often with unfortunate consequences.

"As well as expanding rapidly by opening new pubs, Wetherspoon has bought back approximately half of its shares in this millennium, at a cost of £400m and has spent approximately £140m on freehold reversions: freeholds of properties where Wetherspoon was the tenant. This level of expenditure and debt may be justifiable in an era of (a) low interest rates, (b) reasonable historic prices for shares and property and (c) an experienced board which is sceptical of dangerous fashions in the financial world. Even so, the Company's debt levels during this period, which have benefited shareholders, have clearly involved significant risk.

"As at 24 July 2016, the Company's net debt/EBITDA was 3.47 times. Over the past 15 financial year ends, this ratio has been:

Financial Year End	Net Debt / EBITDA
2002	2.85
2003	2.61
2004	2.78
2005	2.81
2006	2.80
2007	3.21
2008	3.24
2009	2.74
2010	2.70
2011	2.98
2012	2.96
2013	2.88
2014	3.21
2015	3.37
2016	3.47

"Weighing the level of debt and risk is a difficult job. Our aim is to be conservatively financed as the business matures, although a precise timetable depends on many factors. For the foreseeable future, it is intended that the Company's net debt/EBITDA will be around 3.5 times. The ratio may rise for a temporary period, for example, if there were a sudden deterioration in trading, in which instance the Company would seek to reduce the level in a timely manner. Insofar as it is possible to generalise, the board believes that debt levels of between 0 and 2 times EBITDA are a sensible long-term benchmark."

Property

During the period, we opened two new pubs and closed 22 pubs, bringing the number of pubs open at the period end to 906. Following a review of our estate, we have placed around 100 pubs on the market in the last two years or so. Eighty-three of these pubs have now been sold, are under contract or have been closed.

UK taxes and regulation

Pubs and restaurants pay far higher levels of UK tax than do supermarkets. The main disparity relates to VAT (value added tax), since supermarkets pay no VAT in respect of their food sales, whereas pubs pay 20%, enabling supermarkets to subsidise their alcoholic drinks prices. Pubs also pay approximately 18p per pint in respect of business rates, while supermarkets pay less than 2p per pint.

In addition, the government has, in recent years, introduced both a 'late-night levy' and additional fruit/slot machine taxes, further reducing the competitive position of pubs in relation to supermarkets.

The tax disparity with supermarkets is unfair. Pubs create significantly more jobs and more taxes per pint or per meal than do supermarkets and it does not make social or economic sense for the UK tax régime to favour supermarkets. We acknowledge the need for companies to pay a reasonable level of taxes, but hope that legislators will make prompt progress in creating a level playing field for all businesses which sell similar products.

The taxes paid by Wetherspoon in the period under review were as follows:

First half (estimate – UK only)	**2017 £m**	2016 £m
VAT	156.5	153.1
Alcohol duty	79.3	83.3
PAYE and NIC	45.1	46.9
Business rates	25.3	24.7
Corporation tax	8.3	10.6
Machine duty	5.0	5.6
Climate change levy	4.8	3.1
Stamp duty	3.0	1.1
Carbon tax	1.7	1.8
Landfill tax	1.2	1.3
Fuel duty	1.0	1.1
Premise licence and TV licences	0.4	0.4
TOTAL TAX	331.6	333.0
Tax per pub (£000)	362.8	350.0
Tax as % of sales	41.4%	42.1%
Pre-exceptional profit after tax	37.7	26.5
Profit after tax as % of sales	4.7%	3.4%

Further progress

As previously highlighted, the company's philosophy is to try continuously to upgrade as many areas of the business as possible. An example is IT, where we have introduced a new 'mobile ordering app' –soon available in all pubs. We are continuing to work with our suppliers and customers to improve the range and quality of real ales and craft beers, and a new menu was introduced in almost all of our pubs on 8 March 2017, offering both new and upgraded dishes. 262 Wetherspoon pubs were recommended in CAMRA's 2017 Good Beer Guide – more than any other company.

In November 2015, the government's Food Standards Agency (FSA) issued a report which named Wetherspoon equal top of the largest 20 food chains for hygiene standards over the preceding five years. 92% of our pubs have obtained the maximum five rating, under the FSA scheme. This exceptional record reflects extremely hard work by our central catering, audit and operations team, as well as by the teams in our pubs.

We have now been recognised as a'Top Employer UK' by the Top Employers Institute for 14 consecutive years. 99% of our pubs have achieved approval from Cask Marque, an independent brewery-run scheme which encourages high standards in ale quality.

We also allocated £18.8m in bonuses and free shares to employees, 97% of which was paid to those below board level and 79% of which was paid to those working in our pubs.

Current trading and outlook
The biggest danger to the pub industry is the continuing tax disparity between supermarkets and pubs, in respect of VAT and business rates.

As previously indicated, we understand the need for the government to raise taxes. However, there should be a sensible rebalancing of the taxes paid by pubs and supermarkets, if the pub industry is to survive in the long term.

Last Wednesday's budget was presented by the Chancellor as providing tax relief of approximately £1,000 per pub, for pubs with a rateable value of less than £100,000.

In fact, that sum is dwarfed by tax and regulatory increases. For example, costs to Wetherspoon will increase by approximately the following amounts in the next year:

- business rates: £7m
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- excise duty: £7m
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by 2020.

Companies like Wetherspoon, on examination of the fine print of the budget, are not, in fact, eligible for the £1,000 per annum decrease in business rates, in any event.

The company has previously emphasised the far-higher taxes per meal or per pint that pubs pay compared to supermarkets. For example, supermarkets pay less than 2p per pint for business rates, whereas pubs pay around 18p per pint.

The increase in business rates per pint for pubs from next month will be around 2p, further exacerbating the tax gap.
Pubs also pay VAT of 20% in respect of food sales, but supermarkets pay almost nothing, enabling supermarkets to subsidise the price of alcoholic drinks. An article written for the trade press on this subject can be found below.

Wednesday's budget will weigh far more heavily on pubs than supermarkets, especially since wage costs per pint or meal are approximately 10 times higher in pubs.

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In effect, this was a budget for dinner parties, no doubt the preference of the Chancellor and his predecessor – dinner parties will suffer far less from the taxes outlined above, whereas many people prefer to go to pubs, given the choice.

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As previously announced, the company intends to increase the level of capital investment in existing pubs from £34m in 2015/6 to around £60m in the current year.

As outlined above, the company also anticipates significantly higher costs in the second half of the financial year. In view of these additional costs and our expectation that like-for-like sales will be lower in the next six months, the company remains cautious about the second half of the year. Nevertheless, as a result of modestly better-than-expected year-to-date sales, we currently anticipate a slightly improved trading outcome for the current financial year, compared with our expectations at the last update.

Tim Martin
Chairman
9 March 2017

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The Publican's Morning Advertiser

Wetherspoons founder hits out on VAT: 'It's the maths, stupid'

By Tim Martin, 07-Jan-2016

Despite leaving the VAT Club, Tim Martin speaks out in typically forthright fashion on the tax burden of the pub trade.

How well do individual publicans, pubcos and the trade press understand the tax and economic disparity between pubs and supermarkets? And how well have the issues been articulated to the public? In the end these sorts of arguments boil down to pounds and pence, so we need to "do the math", as our American cousins say. It's far from certain that the majority of people in our industry really comprehend the true extent of our tax and regulatory burden.

There are three main areas where the pub industry has its back to the wall- that is to say areas where taxes and regulations are stacked against the on-trade. The most topical relates to the so-called living wage- which is really, of course, the new minimum wage. A pint in an average pub costs around £3, excluding VAT. Managed pubcos, including Wetherspoon, pay around 30% of their sales as wages, so the cost of labour in a pub pint is roughly 90 pence.

VAT
The average cost of a pint in a supermarket is about a quid, ex VAT, and it may be even less. Sainsbury's wages, as an example, extracted from their published accounts, are about 10% of sales. So the labour cost of a pint in a supermarket is roughly 10 pence. You don't have to be Milton Friedman to work out that minimum wage initiatives by governments hit the pub trade 9 or 10 times harder than supermarkets, as a result.

Many people will think that minimum wages should be set at a high level even so, and publicans prefer to pay their hardworking staff well, if they can afford it- but economic necessity requires other taxes to be fair if political parties wish pubs to survive and thrive in these circumstances. Unfortunately, however, 2 of the biggest taxes paid by pubs, business rates and VAT, also weigh far more heavily on pubs than supermarkets.

Supermarkets
A couple of years ago, I tried to look up the amount of business rates paid by supermarkets, but the information was not available in their published accounts. Helpfully, Dalton Philips, then CEO of Morrisons, told the ***Financial Times*** in July 2013 that his company paid business rates of £240 million per annum. Morrisons sales in that year were £18.116 billion, so their rates payable were 1.32% of those sales. Therefore, we can calculate that a pint sold for a quid, ex VAT, at Morrison's attracts an approximate business rates charge of 1.32 pence.

Regrettably, as publicans know only too well, pubs pay a lot more. On average, the "rateable value" of pubs is assessed at about 12% of "fair maintainable trade". The actual cash tax payable is about half this level, that is to say about 6% of sales, ex VAT. So a pint bought in a pub for £3, ex VAT, generates about 18 pence in rates, more than 13 times the business rates charge per pint in supermarkets. This disparity is unsustainable and makes no economic sense.

Inequality
The third and greatest disparity relates to VAT. Supermarkets pay almost no VAT in respect of food sales, whereas pubs pay 20%, a massive tax inequality which helps supermarkets to subsidise their alcoholic drinks prices, as many of us are aware.
Pubs have lost over 50% of their drinks sales to supermarkets in the last 30 years and are continuing to lose trade at an alarming rate, mainly as a result of these economic realities.

The question for politicians is a simple one- do you believe that pubs play a valuable role in the economic and social life of the nation? If yes, there needs to be what writer and entrepreneur Luke Johnson calls a "sensible rebalancing" of the tax system. All sensible publicans and pubcos know that the government needs taxes to pay for schools and hospitals- and even to afford some aircraft for our lonely aircraft carrier. However, it makes no sense to discriminate against pubs and in favour of supermarkets.

Wetherspoon, as an example, pays around £650,000 of taxes of one kind or another per pub per annum- let's preserve these golden geese, not kill them.

The main question for the pub trade itself is how well do you , or does your company, understand these numbers and how well are these punishing tax inequalities highlighted to customers and staff? There is a common myth in our industry, especially at senior levels, that the way to obtain tax reductions is to seek an audience with politicians, preferably over a pint, and to charm them into going easy on the pub trade, especially over excise duty at budget time.

Democracy
But that approach hasn't always worked too well over the years. We live in a democracy and voters love pubs and know that they create jobs and government revenue- highlighting to the public the way in which taxes are tilted in favour of supermarkets is just as important as an audience with the Chancellor of the Exchequer. In the end, in our system, the Chancellor does the bidding of the public.

Perhaps the main new year's resolution for us all is to increase our personal efforts in highlighting the maths of pub taxes for the benefit of the public, as well as for politicians.

INCOME STATEMENT FOR THE 26 WEEKS ENDED

J D Wetherspoon plc, company number: 1709784

	Notes	**Unaudited 26 weeks ended 22 January 2017 Before exceptional items £000**	**Unaudited 26 weeks ended 22 January 2017 After exceptional items £000**	Unaudited 26 weeks ended 24 January 2016 Before exceptional items £000	Unaudited 26 weeks ended 24 January 2016 After exceptional items £000	Audited 52 weeks ended 24 July 2016 Before exceptional items £000	Audited 52 weeks ended 24 July 2016 After exceptional items £000
Revenue	4	**801,435**	**801,435**	790,250	790,250	1,595,197	1,595,197
Operating costs		**(736,334)**	**(736,334)**	(740,821)	(740,821)	(1,485,470)	(1,485,470)
Operating profit	5	**65,101**	**65,101**	49,429	49,429	109,727	109,727
Property gains	6	**586**	**586**	3,845	3,845	5,335	5,335
Property (losses)/gains - exceptional	7		**(11,885)**		634		(14,561)
Profit before interest and tax		**65,687**	**53,802**	53,274	53,908	115,062	100,501
Finance income		**38**	**38**	76	76	116	116
Finance income – exceptional	7		**402**		–		–
Finance costs		**(14,310)**	**(14,310)**	(17,342)	(17,342)	(34,568)	(34,568)
Profit before tax		**51,415**	**39,932**	36,008	36,642	80,610	66,049
Income tax expense	8	**(13,760)**	**(13,760)**	(9,487)	(9,487)	(23,689)	(23,689)
Income tax expense – exceptional[1]	8		**4,138**		3,641		8,846
Profit for the period		**37,655**	**30,310**	26,521	30,796	56,921	51,206
Earnings per ordinary share (p)							
- Basic	9	**34.6**	**27.8**	22.9	26.6	49.5	44.5
- Diluted	9	**33.8**	**27.2**	22.3	25.9	48.3	43.4

STATEMENT OF COMPREHENSIVE INCOME FOR THE 26 WEEKS ENDED 22 JANUARY 2017

	Notes	**Unaudited 26 weeks ended 22 January 2017 £000**	Unaudited 26 weeks ended 24 January 2016 £000	Audited 52 weeks ended 24 July 2016 £000
Items which will be reclassified subsequently to profit or loss:				
Interest-rate swaps: gain/(loss) taken to other comprehensive income	16	**30,381**	(8,520)	(23,504)
Tax on items taken directly to other comprehensive income		**(5,800)**	734	3,432
Currency translation differences		**883**	1,726	4,265
Net gain/(loss) recognised directly in other comprehensive income		**25,464**	(6,060)	(15,807)
Profit for the period		**30,310**	30,796	51,206
Total comprehensive income for the period		**55,774**	24,736	35,399

[1] At the last interim report, the deferred tax credit resulting from the reduction in the corporation tax rate of £3,786,000 was not shown as an exceptional item. In the year accounts, as at 24 July 2016, this credit was classified as an exceptional item. The interim comparative numbers have been stated in line with the year-end classification.

CASH FLOW STATEMENT FOR THE 26 WEEKS ENDED

J D Wetherspoon plc, company number: 1709784

	Notes	**Unaudited cash flow 26 weeks ended 22 January 2017 £000**	**Unaudited free cash flow[1] 26 weeks ended 22 January 2017 £000**	Unaudited cash flow 26 weeks ended 24 January 2016 £000	Unaudited free cash flow[1] 26 weeks ended 24 January 2016 £000	Audited cash flow 52 weeks ended 24 July 2016 £000	Audited free cash flow[1] 52 weeks ended 24 July 2016 £000
Cash flows from operating activities							
Cash generated from operations	10	**105,052**	**105,052**	100,641	100,641	181,836	181,836
Interest received		**26**	**26**	76	76	136	136
Net exceptional finance income		**402**		–		–	
Interest paid		**(13,150)**	**(13,150)**	(15,808)	(15,808)	(31,182)	(31,182)
Corporation tax paid		**(8,250)**	**(8,250)**	(10,635)	(10,635)	(19,917)	(19,917)
Net cash inflow from operating activities		**84,080**	**83,678**	74,274	74,274	130,873	130,873
Cash flows from investing activities							
Purchase of property, plant and equipment		**(18,775)**	**(18,775)**	(14,120)	(14,120)	(28,407)	(28,407)
Purchase of intangible assets		**(9,633)**	**(9,633)**	(3,289)	(3,289)	(5,104)	(5,104)
Investment in new pubs and pub extensions		**(18,012)**		(42,696)		(54,118)	
Freehold reversions		**(49,582)**		(15,518)		(36,083)	
Purchase of lease premiums		**–**		–		(1,091)	
Proceeds of sale of property, plant and equipment		**8,798**		3,005		22,520	
Net cash outflow from investing activities		**(87,204)**	**(28,408)**	(72,618)	(17,409)	(102,283)	(33,511)
Cash flows from financing activities							
Equity dividends paid	17	**(8,933)**		(9,543)		(14,190)	
Purchase of own shares for cancellation		**(25,359)**		(14,186)		(53,580)	
Purchase of own shares for share-based payments		**(6,046)**	**(6,046)**	(1,165)	(1,165)	(6,877)	(6,877)
Loan advances	15	**39,530**		21,764		48,591	
Finance lease principal payments	15	**–**		(1,356)		(2,051)	
Net cash (outflow) from financing activities		**(808)**	**(6,046)**	(4,486)	(1,165)	(28,107)	(6,877)
Net change in cash and cash equivalents	15	**(3,932)**		(2,830)		483	
Opening cash and cash equivalents		**32,658**		32,175		32,175	
Closing cash and cash equivalents		**28,726**		29,345		32,658	
Free cash flow			**49,224**		**55,700**		**90,485**
Free cash flow per ordinary share	9		**44.2p**		46.8p		76.7p

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

BALANCE SHEET AS AT 22 JANUARY 2017

J D Wetherspoon plc, company number: 1709784

	Notes	**Unaudited 22 January 2017 £000**	Unaudited 24 January 2016 £000	Audited 24 July 2016 £000
Assets				
Non-current assets				
Property, plant and equipment	11	**1,229,252**	1,187,037	1,188,512
Intangible assets	12	**30,809**	29,929	27,051
Investment property	13	**7,577**	8,620	7,605
Other non-current assets	14	**8,693**	9,807	9,725
Derivative financial instruments	15	**17,645**	–	–
Deferred tax assets		**5,626**	8,728	11,426
Total non-current assets		**1,299,602**	1,244,121	1,244,319
Assets held for sale		**4,182**	196	950
Current assets				
Inventories		**20,401**	20,013	19,168
Receivables		**29,517**	31,045	27,616
Cash and cash equivalents	15	**28,726**	29,345	32,658
Total current assets		**78,644**	80,403	79,442
Total assets		**1,382,428**	1,324,720	1,324,711
Liabilities				
Current liabilities				
Borrowings	15	**(80)**	(695)	(112)
Derivative financial instruments	15	**–**	(3,988)	(79)
Trade and other payables		**(278,329)**	(279,796)	(266,523)
Current income tax liabilities		**(12,327)**	(8,088)	(8,247)
Provisions		**(4,526)**	(3,661)	(4,463)
Total current liabilities		**(295,262)**	(296,228)	(279,424)
Non-current liabilities				
Borrowings	15	**(724,645)**	(654,793)	(683,306)
Derivative financial instruments	15	**(50,741)**	(44,505)	(63,398)
Deferred tax liabilities		**(71,519)**	(75,046)	(74,441)
Provisions		**(2,850)**	(2,962)	(3,387)
Other liabilities		**(12,433)**	(14,336)	(13,307)
Total non-current liabilities		**(862,188)**	(791,642)	(837,839)
Net assets		**224,978**	236,850	207,448
Shareholders' equity				
Share capital	18	**2,211**	2,375	2,273
Share premium account		**143,294**	143,294	143,294
Capital redemption reserve		**2,220**	2,056	2,158
Hedging reserve		**(27,470)**	(39,765)	(52,051)
Currency translation reserve		**3,561**	(375)	2,340
Retained earnings		**101,162**	129,265	109,434
Total shareholders' equity		**224,978**	236,850	207,448

The financial statements, on pages 7 to 23, approved by the board of directors and authorised for issue on 9 March 2017, are signed on its behalf by:

John Hutson
Director

Ben Whitley
Director

STATEMENT OF CHANGES IN EQUITY

J D Wetherspoon plc, company number: 1709784

	Share capital £000	Share premium account £000	Capital redemption reserve £000	Hedging reserve £000	Currency translation reserve £000	Retained earnings £000	Total £000
At 26 July 2015	**2,387**	**143,294**	**2,044**	**(31,979)**	**(2,182)**	**109,329**	**222,893**
Total comprehensive income				(7,786)	1,807	30,715	24,736
Profit for the period						30,796	30,796
Interest-rate swaps: cash flow hedges				(8,520)			(8,520)
Tax on items taken directly to comprehensive income				734			734
Currency translation differences					1,807	(81)	1,726
Purchase of own shares for cancellation	(12)		12			(3,866)	(3,866)
Share-based payment charges						3,895	3,895
Tax on share-based payment						(100)	(100)
Purchase of own shares for share-based payments						(1,165)	(1,165)
Dividends						(9,543)	(9,543)
At 24 January 2016	**2,375**	**143,294**	**2,056**	**(39,765)**	**(375)**	**129,265**	**236,850**
Total comprehensive income				(12,286)	2,715	20,234	10,663
Profit for the period						20,410	20,410
Interest-rate swaps: cash flow hedges				(14,984)			(14,984)
Tax on items taken directly to comprehensive income				2,698			2,698
Currency translation differences					2,715	(176)	2,539
Purchase of own shares for cancellation	(102)		102			(35,527)	(35,527)
Share-based payment charges						5,661	5,661
Tax on share-based payment						160	160
Purchase of own shares for share-based payments						(5,712)	(5,712)
Dividends						(4,647)	(4,647)
At 24 July 2016	**2,273**	**143,294**	**2,158**	**(52,051)**	**2,340**	**109,434**	**207,448**
Total comprehensive income				24,581	1,221	29,972	55,774
Profit for the period						30,310	30,310
Interest-rate swaps: cash flow hedges				30,381			30,381
Tax on items taken directly to comprehensive income				(5,800)			(5,800)
Currency translation differences					1,221	(338)	883
Purchase of own shares for cancellation	(62)		62			(28,445)	(28,445)
Share-based payment charges						4,966	4,966
Tax on share-based payment						214	214
Purchase of own shares for share-based payments						(6,046)	(6,046)
Dividends						(8,933)	(8,933)
At 22 January 2017	**2,211**	**143,294**	**2,220**	**(27,470)**	**3,561**	**101,162**	**224,978**

During the half year, 3,106,300 shares were repurchased by the company for cancellation, representing approximately 2.8% of the issued share capital, at a cost of £28.4m, including stamp duty, representing an average cost per share of 916p. At the half year end, the company had a liability for share purchases of £3.1m which was settled post half year end.

1. General information
J D Wetherspoon plc is a public limited company, incorporated and domiciled in England and Wales. Its registered office address is: Wetherspoon House, Central Park, Reeds Crescent, Watford, WD24 4QL

The company is listed on the London Stock Exchange.

This condensed half-yearly financial information was approved for issue by the board on 9 March 2017.

This interim report does not comprise statutory accounts within the meaning of Sections 434 and 435 of the Companies Act 2006. Statutory accounts for the year ended 24 July 2016 were approved by the board of directors on 8 September 2016 and delivered to the Registrar of Companies. The report of the auditors, on those accounts, was unqualified, did not contain an emphasis-of-matter paragraph or any statement under Sections 498 to 502 of the Companies Act 2006.

There are no changes to the principal risks and uncertainties as set out in the financial statements for the 52 weeks ended 26 July 2016, which may affect the company's performance in the next six months. The most significant risks and uncertainties relate to the taxation on, and regulation of, the sale of alcohol, cost increases and UK disposable consumer incomes. For a detailed discussion of the risks and uncertainties facing the company, refer to the annual report for 2016, pages 43 and 44.

2. Basis of preparation
This condensed half-yearly financial information of J D Wetherspoon plc (the 'Company'), which is abridged and unaudited, has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with International Accounting Standards (IAS) 34, Interim Financial Reporting, as adopted by the European Union. This interim report should be read in conjunction with the annual financial statements for the 52 weeks ended 24 July 2016 which were prepared in accordance with IFRSs, as adopted by the European Union.

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; they 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.

The financial information for the 52 weeks ended 24 July 2016 is extracted from the statutory accounts of the Company for that year.

The interim results for the 26 weeks ended 22 January 2017 and the comparatives for 24 January 2016 are unaudited, yet have been reviewed by the independent auditors. A copy of the review report is included at the end of this report.

3. Accounting policies
With the exception of tax, the accounting policies adopted in the preparation of the interim report are consistent with those applied in the preparation of the Company's annual report for the year ended 24 July 2016 – and the same methods of computation and presentation are used.

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

Changes in standards
On 13 January 2016, the International Accounting Standards Board issued IFRS 16 – 'leases', which is effective for periods starting on or after 1 January 2019, subject to EU endorsement. IFRS 16 requires lessees to recognise a lease liability reflecting future lease payments and a right-of-use asset for lease contracts, subject to exceptions for short-term leases and leases of low-value assets.

Standards and interpretations which are not yet effective and have not been early adopted by the Company:

- Amendment to IFRS 9, 'Financial Instruments'

4. Revenue

Revenue disclosed in the income statement is analysed as follows:

	Unaudited 26 weeks ended 22 January 2017 £000	Unaudited 26 weeks ended 24 January 2016 £000	Audited 52 weeks ended 24 July 2016 £000
Sales of food, beverages, hotel rooms and machine income	**801,435**	790,250	1,595,197

5. Operating profit – analysis of costs by nature

This is stated after charging/(crediting):

	Notes	**Unaudited 26 weeks ended 22 January 2017 £000**	Unaudited 26 weeks ended 24 January 2016 £000	Audited 52 weeks ended 24 July 2016 £000
Concession rental payments		11,639	10,172	21,971
Minimum operating lease payments		23,727	25,811	51,260
Repairs and maintenance		29,232	26,109	54,924
Net rent receivable		(743)	(692)	(1,496)
Depreciation of property, plant and equipment	11	32,741	32,089	65,297
Amortisation of intangible assets	12	3,332	2,713	5,949
Depreciation of investment properties	13	28	31	62
Amortisation of other non-current assets	14	206	209	904
Share-based payments		4,966	3,895	9,556

6. Property (gains)/losses

	Unaudited 26 weeks ended 22 January 2017 £000	Unaudited 26 weeks ended 24 January 2016 £000	Audited 52 weeks ended 24 July 2016 £000
Non-exceptional property (gains)/losses			
Loss/(gain) on disposal of fixed assets	62	(3,845)	(4,866)
Additional costs of disposal	–	–	63
Other property gains	(648)	–	(532)
	(586)	(3,845)	(5,335)
Exceptional property (gains)/losses			
Loss on disposal of fixed assets – disposal programme	5,618	124	7,328
Additional costs of disposal	976	–	1,149
Impairment of property, plant and equipment	5,169	89	4,809
Impairment of intangible assets	–	–	239
Impairment of other assets	–	–	491
Onerous lease (reversals)/provision	122	(847)	545
	11,885	(634)	14,561
Total property losses/(gains)	**11,299**	(4,479)	9,226

7. Exceptional items

	Unaudited 26 weeks ended 22 January 2017 £000	Unaudited 26 weeks ended 24 January 2016 £000	Audited 52 weeks ended 24 July 2016 £000
Exceptional property losses			
Disposal programme			
Loss on disposal of pubs	6,594	124	8,477
Impairment of assets held for sale	3,899	89	598
Impairment of property plant and equipment – closed pubs	–	–	2,287
Impairment of other non-current assets – closed pubs	1,270	–	491
Onerous lease reversal – sold pubs	(235)	–	(427)
Onerous lease provision – closed pubs	252	–	944
	11,780	213	12,370
Other property losses			
Onerous lease reversal	(208)	(1,122)	(949)
Onerous lease provision	313	275	977
Impairment of property, plant and equipment	–	–	1,924
Impairment of intangible assets	–	–	239
	105	(847)	2,191
Total exceptional property losses/(gains)	**11,885**	**(634)**	**14,561**
Other exceptional items			
Net exceptional finance income	(402)	–	–
	(402)	–	–
Total pre-tax exceptional items	**11,483**	(634)	14,561
Exceptional tax			
Exceptional tax items	(4,413)	(3,786)	(8,363)
Tax effect on exceptional items	275	145	(483)
	(4,138)	(3,641)	(8,846)
Total exceptional items	**7,345**	(4,275)	5,715

Disposal programme
The Company has offered a number of its sites for sale. During the half year end, 22 (year end 2016: 29) pubs had been sold, seven (year end 2016: three) were classified as held for sale and an additional pub (year end 2016: nine) had been closed as part of the pub-disposal programme. In the table above, those costs classified as loss on disposal are the loss on sold sites and associated costs to sale.

The costs classified above as impairment of assets held for sale of £3,899,000 (year end 2016: £598,000), relate to the write-down of assets to their assessed recoverable amount for any pubs which the Company has committed to selling.
It is the view of management that the Company is committed to selling when a contract for sale has been exchanged. A further impairment of £1,270,000 (year end 2016: £2,788,000) has been recognised for pubs (year end 2016: nine) which have been closed and made available for sale as part of the pub-disposal programme.

Other property losses
The onerous lease provision relates to pubs for which future trading profits, or income from subleases, are not expected to cover the rent. The provision takes several factors into account, including the expected future profitability of the pub and also the amount estimated as payable on surrender of the lease, where this is a likely outcome. In the period, £105,000 (year end 2016: £28,000) was charged net in respect of onerous leases.

Property impairment relates to the situation in which, owing to poor trading performance, pubs are unlikely to generate sufficient cash in the future to justify their current book value. In the period, an exceptional charge of £Nil (year end 2016: £1,924,000) was incurred in respect of the impairment of property, plant and equipment, as required under IAS 36. All exceptional items listed above generated a net cash inflow of £8,520,000 (year end 2016: £13,959,000).

Exceptional finance income
During the period the Company transferred two of its interest-rate swaps to other banks. Transferring the swaps has not changed in anyway the terms, conditions or future cash flows of the swaps. The bank which originally issued the swaps paid the Company £402,000 compensation for agreeing to the transfer.

8. Income tax expense

The taxation charge for the period ended 22 January 2017 is based on the pre-exceptional profit before tax of £51.4m and the estimated effective tax rate before exceptional items for the year ending 24 July 2017 of 26.8% (July 2016: 29.4%). This comprises a pre-exceptional current tax rate of 24.1% (July 2016: 22.8%) and a pre-exceptional deferred tax rate of 2.7% (July 2016: 6.6%).

The UK standard weighted average tax rate for the period is 19.67% (2016: 20.0%). The current tax rate is higher than the UK standard weighted average tax rate, owing mainly to depreciation which is not eligible for tax relief.

	Unaudited 26 weeks ended 22 January 2017 £000	Unaudited 26 weeks ended 24 January 2016 £000	Audited 52 weeks ended 24 July 2016 £000
Income tax before exceptional items			
Current income tax:			
Current tax	12,491	8,559	19,382
Prior year adjustment	(93)	(33)	(1,035)
Total current income tax	12,398	8,526	18,347
Deferred tax:			
Origination and reversal of temporary differences	1,601	961	4,205
Adjustment in respect of prior period	(239)	–	1,137
Total deferred tax	1,362	961	5,342
Total income tax expense before exceptional items	**13,760**	9,487	23,689
Exceptional income tax			
Exceptional current income tax:			
Current tax on exceptional items	59	145	(75)
Total exceptional current income tax	59	145	(75)
Exceptional deferred tax:			
Deferred tax on exceptional items	216	–	(408)
Impact of change in the UK tax rate – exceptional	(4,413)	(3,786)	(8,363)
Total exceptional deferred tax	(4,197)	(3,786)	(8,771)
Total exceptional income tax expense on exceptional items	**(4,138)**	(3,641)	(8,846)
Tax charge in the income statement	**9,622**	5,846	14,843

	Unaudited 26 weeks ended 22 January 2017 £000	Unaudited 26 weeks ended 24 January 2016 £000	Audited 52 weeks ended 24 July 2016 £000
Taken through equity			
Current tax on share-based payment	(127)	–	(159)
Deferred tax on share-based payment	(87)	100	99
Tax charge/(credit)	**(214)**	100	(60)

	Unaudited 26 weeks ended 22 January 2017 £000	Unaudited 26 weeks ended 24 January 2016 £000	Audited 52 weeks ended 24 July 2016 £000
Taken through comprehensive income			
Deferred tax charge on swaps	5,496	734	(4,701)
Impact of change in UK tax rate	304	–	1,269
Tax charge/(credit)	**5,800**	734	(3,432)

9. Earnings and free cash flow per share

Earnings per share are based on the weighted average number of shares in issue of 111,364,354 (2016: 119,030,301), including those held in trust in respect of employee share schemes. Earnings per share, calculated on this basis, are usually referred to as 'diluted', since all of the shares in issue are included.

Accounting standards refer to 'basic earnings' per share – these exclude those shares held in trust in respect of employee share schemes.

Weighted average number of shares	**Unaudited 26 weeks ended 22 January 2017**	Unaudited 26 weeks ended 24 January 2016	Audited 52 weeks ended 24 July 2016
Shares in issue (used for diluted EPS)	**111,364,354**	119,030,301	117,898,893
Shares held in trust	**(2,441,371)**	(3,417,799)	(2,854,697)
Shares in issue less shares held in trust	**108,922,983**	115,612,502	115,044,196

The weighted average number of shares held in trust for employee share schemes has been adjusted to exclude those shares which have vested, but which remain in trust.

26 weeks ended 22 January 2017 unaudited	**Profit £000**	**Basic EPS pence per ordinary share**	**Diluted EPS pence per ordinary share**
Earnings (profit after tax)	**30,310**	**27.8**	**27.2**
Exclude effect of exceptional items after tax	7,345	6.8	6.6
Earnings before exceptional items	**37,655**	**34.6**	**33.8**
Exclude effect of property gains/(losses)	(586)	(0.6)	(0.5)
Underlying earnings before exceptional items	37,069	34.0	33.3

26 weeks ended 24 January 2016 unaudited	Profit £000	Basic EPS pence per ordinary share	Diluted EPS pence per ordinary share
Earnings (profit after tax)	**30,796**	**26.6**	**25.9**
Exclude effect of exceptional items after tax	(4,275)	(3.7)	(3.6)
Earnings before exceptional items	**26,521**	**22.9**	**22.3**
Exclude effect of property gains/(losses)	(3,845)	(3.3)	(3.2)
Underlying earnings before exceptional items	22,676	19.6	19.1

52 weeks ended 24 July 2016 audited	Profit £000	Basic EPS pence per ordinary share	Diluted EPS pence per ordinary share
Earnings (profit after tax)	**51,206**	**44.5**	**43.4**
Exclude effect of exceptional items after tax	5,715	5.0	4.9
Earnings before exceptional items	**56,921**	**49.5**	**48.3**
Exclude effect of property gains/(losses)	(5,335)	(4.7)	(4.5)
Underlying earnings before exceptional items	51,586	44.8	43.8

9. Earnings and free cash flow per share (continued)

	Free cash flow £000	Basic free cash flow pence per ordinary share	Diluted free cash flow pence per ordinary share
26 weeks ended 22 January 2017	**49,224**	**45.2**	**44.2**
26 weeks ended 24 January 2016	55,700	48.2	46.8
52 weeks ended 24 July 2016	90,485	78.7	76.7

The calculation of free 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 current pubs, after funding interest, corporation tax, loan issue costs, all other reinvestment in pubs open at the start of the period and the purchase of own shares under the employee share-based schemes ('free cash flow'). It is calculated before taking account of proceeds from property disposals, inflows and outflows of financing from outside sources and dividend payments and is based on the weighted average number of shares in issue, including those held in trust in respect of the employee share schemes.

10. Cash generated from operations

	Notes	**Unaudited 26 weeks ended 22 January 2017 £000**	Unaudited 26 weeks ended 24 January 2016 £000	Audited 52 weeks ended 24 July 2016 £000
Profit for the period		30,310	30,796	51,206
Adjusted for:				
Tax	8	9,622	5,846	14,843
Share-based charges	5	4,966	3,895	9,556
Loss/(gain) on disposal of property, plant and equipment	6	5,680	(3,821)	2,462
Net onerous lease provision	6	122	(847)	545
Net impairment charge	7	5,169	89	5,539
Interest receivable		(38)	(76)	(116)
Interest payable		12,533	15,545	30,973
Depreciation of property, plant and equipment	11	32,741	32,089	65,297
Amortisation of intangible assets	12	3,332	2,713	5,949
Depreciation on investment properties	13	28	31	62
Amortisation of other non-current assets	14	206	209	904
Amortisation of bank loan issue costs	15	1,777	1,797	3,595
Aborted properties costs		631	202	614
Net exceptional finance income		(402)	–	–
		106,677	88,468	191,429
Change in inventories		(1,233)	(562)	283
Change in receivables		(793)	(1,585)	954
Change in payables		401	14,320	(10,830)
Cash flow from operating activities		**105,052**	100,641	181,836

11. 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 26 July 2015	876,021	425,350	520,781	62,779	1,884,931
Additions	24,009	1,802	15,024	23,526	64,361
Transfers	24,766	1,498	5,043	(31,307)	–
Exchange differences	443	142	223	1,065	1,873
Transfer to held for sale	–	(2,575)	(1,690)	–	(4,265)
Disposals	–	(1,097)	(1,316)	–	(2,413)
Reclassification	4,208	(4,208)	–	–	–
At 24 January 2016	929,447	420,912	538,065	56,063	1,944,487
Additions	29,887	7,811	17,006	6,807	61,511
Transfers	2,799	312	797	(3,908)	–
Exchange differences	622	201	326	1,583	2,732
Transfer to held for sale	(3,869)	(1,889)	(2,149)	–	(3,642)
Disposals	(32,488)	(4,342)	(12,920)	–	(54,015)
Reclassification	9,344	(9,344)	–	–	–
At 24 July 2016	935,742	413,661	541,125	60,545	1,951,073
Additions	52,097	1,855	14,507	27,241	95,700
Transfers	14,403	3,163	2,860	(20,426)	–
Exchange differences	435	80	156	365	1,036
Transfer to held for sale	(10,059)	(5,004)	(4,493)	–	(19,556)
Disposals	(13,723)	(8,082)	(10,813)	–	(32,618)
Reclassification	16,546	(16,546)	–	–	–
At 22 January 2017	**995,441**	**389,127**	**543,342**	**67,725**	**1,995,635**
Accumulated depreciation and impairment:					
At 26 July 2015	(174,449)	(204,712)	(352,014)	–	(731,175)
Provided during the period	(7,315)	(7,073)	(17,701)	–	(32,089)
Transfers	–	–	–	–	–
Exchange differences	(1)	(1)	(6)	–	(8)
Impairment loss	–	(71)	(18)	–	(89)
Transfer to held for sale	–	2,495	1,574	–	4,069
Disposals	–	749	1,093	–	1,842
Reclassification	(3,191)	3,191	–	–	–
At 24 January 2016	(184,956)	(205,422)	(367,072)	–	(757,450)
Provided during the period	(7,427)	(7,601)	(18,180)	–	(33,208)
Transfers	–	–	–	–	–
Exchange differences	(17)	(10)	(91)	–	(118)
Impairment loss	(869)	(2,915)	(936)	–	(4,720)
Transfer to held for sale	3,228	1,846	1,883	–	6,957
Disposals	12,484	3,475	10,019	–	25,978
Reclassification	(3,483)	3,483	–	–	–
At 24 July 2016	(181,040)	(207,144)	(374,377)	–	(762,561)
Provided during the period	(7,746)	(6,729)	(18,266)	–	(32,741)
Transfers	–	–	–	–	–
Exchange differences	(13)	(8)	(82)	–	(103)
Impairment loss	(3,885)	(836)	(447)	–	(5,168)
Transfer to held for sale	6,134	5,234	4,055	–	15,423
Disposals	6,259	4,400	8,108	–	18,767
Reclassification	(9,644)	9,644	–	–	–
At 22 January 2017	**(189,935)**	**(195,439)**	**(381,009)**	**–**	**(766,383)**
Net book amount at 22 January 2017	**805,506**	**193,688**	**162,333**	**67,725**	**1,229,252**
Net book amount at 24 July 2016	754,702	206,517	166,748	60,545	1,188,512
Net book amount at 24 January 2016	744,491	215,490	170,993	56,063	1,187,037
Net book amount at 26 July 2015	701,572	220,638	168,767	62,779	1,153,756

11. Property, plant and equipment (continued)

During the period, seven (2016: three) pubs, with a carrying value of £4,133,000 (2016: £196,000), were classified as held for sale. These pubs are being disposed of as part of the Company's pub-disposal programme. Other movements include property impairment and foreign currency translation.

In addition, a carrying value of £49,000 was transferred out of other non-current assets held for sale, totalling £4,182,000, related to the same pubs.

12. Intangible assets

	£000
Cost:	
At 26 July 2015	53,353
Additions	2,645
At 24 January 2016	55,998
Additions	598
Disposals	(5)
At 24 July 2016	56,591
Additions	7,090
Transfer to held for sale	(8)
Disposals	(6)
At 22 January 2017	**63,667**
Accumulated amortisation and impairment:	
At 26 July 2015	(23,356)
Provided during the period	(2,713)
At 24 January 2016	(26,069)
Provided during the period	(3,236)
Exchange differences	(1)
Impairment loss (reversal)	(239)
Disposals	5
At 24 July 2016	(29,540)
Provided during the period	(3,332)
Transfer to held for sale	8
Disposals	6
At 22 January 2017	**(32,858)**
Net book amount at 22 January 2017	**30,809**
Net book amount at 24 July 2016	27,051
Net book amount at 24 January 2016	29,929
Net book amount at 26 July 2015	29,997

The intangible assets relates to computer software and development.

13. Investment property

	£000
Cost:	
At 26 July 2015	8,754
Additions	–
At 24 January 2016	8,754
Additions	–
Disposals	(1,003)
At 24 July 2016	7,751
Additions	–
At 22 January 2017	**7,751**
Accumulated depreciation:	
At 26 July 2015	(103)
Provided during the period	(31)
At 24 January 2016	(134)
Provided during the period	(31)
Disposals	19
At 24 July 2016	(146)
Provided during the period	(28)
At 22 January 2017	**(174)**
Net book amount at 22 January 2017	**7,577**
Net book amount at 24 July 2016	7,605
Net book amount at 24 January 2016	8,620
Net book amount at 26 July 2015	8,651

Rental income received in the period from investment properties was £177,000 (2016: £191,000).
Operating costs, excluding depreciation, incurred in relation to these properties amounted to £4,000 (2015: £28,000).

In the opinion of the directors, the cost as stated above is equivalent to the fair value of properties.

14. Other non-current assets

	Lease premiums £000
Cost:	
At 26 July 2015	15,205
Disposals	–
At 24 January 2016	15,205
Additions	1,090
Disposals	(65)
At 24 July 2016	16,230
Transfer to held for sale	(76)
Disposals	(1,661)
At 22 January 2017	**14,493**
Accumulated amortisation and impairment:	
At 26 July 2015	(5,177)
Provided during the period	(209)
Exchange differences	(1)
Impairment loss (reversal)	(11)
At 24 January 2016	(5,398)
Provided during the period	(695)
Exchange differences	3
Impairment loss (reversal)	(480)
Disposals	65
At 24 July 2016	(6,505)
Provided during the period	(206)
Transfer to held for sale	27
Disposals	884
At 22 January 2017	**(5,800)**
Net book amount at 22 January 2017	**8,693**
Net book amount at 24 July 2016	9,725
Net book amount at 24 January 2016	9,807
Net book amount at 26 July 2015	10,028

15. Analysis of change in net debt

	24 July 2016 £000	Cash flows £000	Non-cash movement £000	**22 January 2017 £000**
Borrowings				
Cash in hand	32,658	(3,932)	–	**28,726**
Other loans	(112)	58	(26)	**(80)**
Current net borrowings	32,546	(3,874)	(26)	**28,646**
Bank loans – due after one year	(683,104)	(39,588)	(1,777)	**(724,469)**
Other loans	(202)	–	26	**(176)**
Non-current net borrowings	(683,306)	(39,588)	(1,751)	**(724,645)**
Net debt	(650,760)	(43,462)	(1,777)	**(695,999)**
Derivatives				
Interest-rate swaps asset – due after one year	–	–	17,645	**17,645**
Interest-rate swaps liability – due before one year	(79)	–	79	**–**
Interest-rate swap liability – due after one year	(63,398)	–	12,657	**(50,741)**
Total derivatives	(63,477)	–	30,381	**(33,096)**
Net debt after derivatives	**(714,237)**	**(43,462)**	**28,604**	**(729,095)**

During the financial period, the Company entered into three tranches of forward-starting interest-rate swap agreements totalling £850m. The weighted average interest rate of the first tranche of swaps is 0.6585% from October 2016 to July 2026. The weighted average interest rate of second tranche of swaps is 1.1961% from July 2021 to July 2026. The weighted average interest rate of the third tranche of swaps is 1.1961% from July 2023 to July 2026. Using interest rates swaps, the company has fixed interest rates on £600m of debt until July 2026.

16. Fair values

The table below highlights any differences between the book value and the fair value of financial instruments.

	Unaudited 22 January 2017 Book value £000	**Unaudited 22 January 2017 Fair value £000**	Unaudited 24 January 2016 Book value £000	Unaudited 24 January 2016 Fair value £000	Audited 24 July 2016 Book value £000	Audited 24 July 2016 Fair value £000
Financial assets at amortised cost						
Cash and cash equivalents	**28,726**	**28,726**	29,345	29,345	32,658	32,658
Receivables	**4,312**	**4,312**	5,287	5,287	2,236	2,236
Financial liabilities at amortised cost						
Trade and other payables	**(224,316)**	**(224,316)**	(227,136)	(227,136)	(216,875)	(216,875)
Finance lease obligations	**–**	**–**	(695)	(695)	–	–
Borrowings	**(724,725)**	**(721,025)**	(654,793)	(656,111)	683,418	684,037
Financial assets at fair value						
Non-current interest-rate swap assets: cash flow hedges	**17,645**	**17,645**	–	–	–	–
Financial liabilities at fair value						
Current interest-rate swap liabilities: cash flow hedges	**–**	**–**	(3,988)	(3,988)	(79)	(79)
Non-current interest-rate swap liabilities: cash flow hedges	**(50,741)**	**(50,741)**	(44,505)	(44,505)	(63,398)	(63,398)

The fair value of finance leases has been calculated by discounting the expected cash flows at the period end's prevailing interest rates. The fair value of derivatives has been calculated by discounting all future cash flows by the market yield curve at the balance sheet date. The fair value of borrowings has been calculated by discounting the expected future cash flows at the period end's prevailing interest rates. The fair value of receivables excludes prepayment and accrued income. The fair value of trade and other payables excludes other taxes and Social Security.

15. Fair values (continued)

Interest-rate swaps

At 22 January 2017, the Company had fixed-rate swaps designated as hedges of floating-rate borrowings. The floating-rate borrowings are interest-bearing borrowings at rates based on LIBOR, fixed for periods of one month. The interest-rate swaps of the floating-rate borrowings were assessed to be effective.

Changes in valuation of swaps	Change in fair value £000	Deferred tax £000	Total £000
Fair value at 24 January 2016 (unaudited)	48,493	(8,728)	39,765
Loss taken directly to other comprehensive income	14,984	(2,698)	12,286
Fair value at 24 July 2016 (audited)	63,477	(11,426)	52,051
Tax rate change	–	304	304
Gain taken directly to other comprehensive income	(30,381)	5,496	(24,885)
Fair value at 22 January 2017 (unaudited)	**33,096**	**(5,626)**	**27,470**

Fair value of financial assets and liabilities

Effective from 27 July 2009, the Company adopted the amendment to IFRS 13 for financial instruments which are measured in the balance sheet at fair value. This requires disclosure of fair value measurements by level, using the following fair value measurement hierarchy:

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

The fair value of the interest-rate swaps of £33.1m is considered to be level 2. All other financial assets and liabilities are measured in the balance sheet at amortised cost.

17. Dividends paid and proposed

	Unaudited 26 weeks ended 22 January 2017 £000	Unaudited 26 weeks ended 24 January 2016 £000	Audited 52 weeks ended 24 July 2016 £000
Paid in the period			
2015 final dividend	–	9,543	9,543
2016 interim dividend	**8,933**	–	4,647
	8,933	9,543	14,190
Dividends in respect of the period			
Interim dividend	**4,416**	4,625	–
Final dividend	–	–	9,084
	4,416	4,625	9,084
Dividend per share	**4p**	4p	8p
Dividend cover	**3.4**	3.2	3.6

Dividend cover is calculated as profit after tax and exceptional items over dividend paid.

18. Share capital

	Number of shares 000s	Share capital £000
Opening balance at 26 July 2015 (audited)	119,349	2,387
Repurchase of shares	(624)	(12)
Closing balance at 24 January 2016 (unaudited)	118,725	2,375
Repurchase of shares	(5,070)	(102)
Balance at 24 July 2016 (audited)	113,655	2,273
Repurchase of shares	(3,106)	(62)
Closing balance at 22 January 2017 (unaudited)	**110,549**	**2,211**

All issued shares are fully paid.

During the half year, 3,106,300 shares were repurchased by the Company for cancellation, representing approximately 2.8% of the issued share capital, at a cost of £28.4m, including stamp duty, representing an average cost per share of 916p. At the half year end, the Company had liability for share purchases of £3.1m which was settled post half year end.

19. Related-party disclosure

There were no material changes to related-party transactions described in the last annual financial statements. There have been no related-party transactions having a material effect on the Company's financial position or performance in the first half of the current financial year.

20. Capital commitments

The Company had £5.6m of capital commitments for which no provision had been made, in respect of property, plant and equipment, at 22 January 2017 (2016: £21.2m).

The Company has some 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, in respect of these sites.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

The directors of J D Wetherspoon plc are listed in the J D Wetherspoon annual report for 24 July 2016.
A list of current directors
is maintained on the J D Wetherspoon plc website:
www.jdwetherspoon.com

By order of the board

John Hutson
Director
9 March 2017

Ben Whitley
Director
9 March 2017

Report on the interim financial statements

Our conclusion
We have reviewed J D Wetherspoon plc's interim financial statements (the "interim financial statements") in the interim report 2017 of J D Wetherspoon plc for the 26 week period ended 22 January 2017. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority

What we have reviewed
The interim financial statements comprise:

- the balance sheet as at 22 January 2017;
- the income statement and statement of comprehensive income for the period then ended;
- the cash flow statement for the period then ended;
- the statement of changes in shareholders' equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim report 2017 have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Company is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors
The interim report 2017, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report 2017 in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the interim report 2017 based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim report 2017 and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
9 March 2017
London

Notes:
(a) The maintenance and integrity of the J D Wetherspoon plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial statements since they were initially presented on the website.
(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

PUBS OPENED SINCE 25 JULY 2016

Name	Address	Town	Postcode	Country
The Iron Duke	Town Hall Buildings, Fore Street	Wellington	TA21 8LS	UK
The Caley Picture House	31 Lothian Road	Edinburgh	EH1 2DJ	UK

PUBS CLOSED SINCE 25 JULY 2016

Name	Address	Town	Postcode	Country
The Secklow Hundred	316 Midsummer Boulevard	Milton Keynes	MK9 2EA	UK
The Glass Works	The N1 Centre, Parkfield Street	Islington	N1 0PS	UK
The Regent	19 Church Street	Walton-on-Thames	KT12 2QP	UK
The Monks' Retreat	163 Friar Street	Reading	RG1 1HE	UK
The London Inn	15–16 Strand	Torquay	TQ1 2AA	UK
The William Jolle	53 The Broadway	Northwood Hills	HA6 1NZ	UK
The Kings Hall	11–13 Station Road	Cheadle Hulme	SK8 5AF	UK
The Sir Timothy Shelley	47¬–49 Chapel Road	Worthing	BN11 1EG	UK
The Old Courthouse	Castlerock Road	Coleraine	BT51 3HP	UK
The Leaping Salmon	Golden Square, Bank Hill	Berwick-upon-Tweed	TD15 1BG	UK
The Almond Bank	31–32 Almondvale Road	Livingston	EH54 6HP	UK
The Spinning Mill	17–21 Broughshane Street	Ballymena	BT43 6EB	UK
The William Wilberforce	Trinity House Lane	Kingston Upon Hull	HU1 2JD	UK
The Gatehouse	1 Bird Street	Lichfield	WS13 6PW	UK
The Capitol	7–9 Seagate	Dundee	DD1 2EG	UK
The Thomas Mildmay	7 Grays Brewery Yard	Chelmsford	CM2 6QR	UK
The Fleur-de-Lis	63–67 Broad Street	Banbury	OX16 5BL	UK
The Merton Inn	42 Merton Road	Bootle	L20 3BW	UK
The Milson Rhodes	Unit 1D, School Lane	Didsbury	M20 6RD	UK
The Cribbar	11–19 Gover Lane	Newquay	TR7 1ER	UK
The Ice Barque	Fredrick Ward Way	Grimsby	DN31 1XZ	UK
The Linen Hall	Townhall Street	Enniskillen	BT74 7BD	UK