



JD Wetherspoon says trading conditions still tough Free 271224

Description



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Pub chain JD Wetherspoon has warned that trading conditions are still difficult because of higher food and drink costs and rising energy bills.

Chairman Tim Martin also repeated his criticism of pubs having to pay higher taxes than supermarkets.

He said the disparity created a “serious and sustainable” disadvantage.

But despite this, the pub chain again posted record sales for the financial year 2011. Pre-tax profits fell 6% owing to higher interest costs.

Pre-tax profit was £66.8m, down from £71m a year earlier.

“The well documented increases in areas such as utilities and bar and food supplies, combined with ongoing pressure on consumers’ income, continue to make this a tough trading environment,” said Mr Martin.

“Nonetheless, given our resilient sales, profit and cash flow, together with the potential to open further new pubs, the board is aiming for a reasonable outcome in the current financial year.”

Like-for-like sales, excluding the impact of new pubs, were 2.1% higher. Taking into account the 50 new pubs opened in the past year, sales were 7.6% higher, at a record £1bn.

The new pubs take Wetherspoon’s total to 823. It plans to open about another 50 in the coming year.

The company said that the average cost of opening a new one had risen substantially from £860,000 last year to £1.2m.

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