



Wetherspoon cuts back pub openings 251224

## Description

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An Asian female in an outdoor bar

## **Wetherspoon cuts back pub openings**

**The founder of pubs group JD Wetherspoon has said the firm is “reining back” on new pub openings because of excessive red tape and taxes.**

Tim Martin, the firm’s chairman, also warned that the pub industry as a whole could be hit hard by the increasing burden.

He said pubs pay about 40% of their turnover in taxes of one kind or another, and further increases in this burden will mean that pubs become less competitive and more expensive.

Mr Martin’s comments came as the pub group said full-year profits for the year to July rose 5% to £56.1m (\$89.76m).

### **Slowdown**

JD Wetherspoon opened 45 pubs during the year, down from 87 a year earlier, taking the groups total to 638.

“Fees and other taxes have risen quite a lot so we feel its best to be cautious until Gordon Brown understands you can’t treat us like cash cows,” Mr Martin told BBC News Online.

Underlying sales at the group grew by 4.1% over the year, but growth slowed to 3.5% in August.

The slowdown was not received well by investors, and shares in JD Wetherspoon were down 18.5p, or 7.3%, at 236p in morning trade.

“The results were in line but the outlook was muted in cloud,” said analyst Nigel Popham at Teather & Greenwood.

“August sales were pretty dismal when they should have gained from more people holidaying in the UK and the sun shining,” he added.

Wetherspoon finance boss Jim Clark said: “In hot weather people head for a country pub and to barbeques, whereas most of our pubs are in towns or cities. We do not really gain when the weather is very hot.”

### **Changing trends**

But Mr Martin said he was confident about future prospects, saying the group’s move into selling coffee earlier in the day was working.

“We now have cappuccinos in all of our pubs and they’ve started opening at 10am. We’re selling a tremendous amount of coffee... that’s a serious challenge to Starbucks.”

He added the chain was also aiming to attract more women into its pubs.

“We have no music, and are doing what we can do to provide a more balanced pub environment,” he said.

“Promotional offers after work time are doing well at getting all those Sex And The City girls in.”

### **Smoking ban threat**

But Mr Martin said plans to ban smoking in public areas would be “the death knell for pubs”.

The former smoker said his pubs already catered for non-smoking clientele with designated areas and high spending on ventilation which the public is “very happy with”.

“I don’t think the world is ready for it. I fear a smoking ban would be the death knell for many pubs, particularly smaller ones.

“We visited New York recently after the ban came in there and trade was down 25-30%.”

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