



Wetherspoon squeezed by offer ban Free 251224

## Description



Wetherspoon squeezed by offer ban

## Wetherspoon squeezed by offer ban

## **Profits have fallen at UK pub group JD Wetherspoon, as sales were hit by smoking bans and fewer drinks offers.**

The group said pre-tax profits after one-offs had fallen 16% to £38.7m for the year to 24 July.

Unfavourable media coverage of binge drinking had hit customer numbers in town and city centres, it said.

In a bid to address the problem, the firm added it had banned two-for-one drink offers and discounts on doubles – a move which reduced drinks sales.

“In the case of spirits, this has resulted in the percentage of double measures reducing from 90% to 50% in the course of the last two years,” Wetherspoon said in a statement.

Wetherspoon added it had also been experiencing “a considerable rise in competition from supermarkets”, off licences and drinks bought abroad as more consumers opted to enjoy a drink at home.

Despite the decline in customers, full year sales rose 3%, or by £22.7m to £809.9.

### **Smoking bans bite**

The number of new openings slowed to 13 from 28 last year – with sales at new pubs offsetting a decline elsewhere, Wetherspoon said, adding that like-for-like sales dipped 0.6%.

Meanwhile, its decision to introduce smoking bans at 36 of its 655 pubs had resulted in a 7% drop in turnover and a decline in profit margins at those pubs.

Critics have claimed that pubs should wait until a ban comes into force, as is widely expected.

But Wetherspoon said: “We feel that it is better to take the initiative, rather than adopting a non-smoking policy at the same time as everyone else, without significant previous experience of its impact.”

However, the company added that the move had led to higher costs – particularly labour costs, as a result of higher food sales at the converted pubs.

Annual operating margins have slipped across the board to 8.7% from 9.9% last year mainly as a result of rising utility, labour and repair costs it added.

In an effort to improve margins, Wetherspoon has been cutting costs at head office and its pub estate.

Hotel Booking

[Home Page Banzai Japan](#)

### **Category**

1. All

2. Weatherspoons
3. News
4. UK

### Tags

1. Pubs
2. JD Wetherspoon
3. Sale
4. King
5. Supermarkets
6. Profits
7. Food
8. UK

### Date Created

02/09/2005

### Author

admin

default watermark