

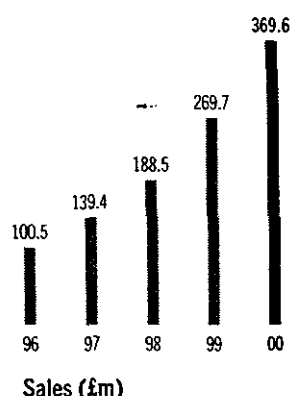
JD Wetherspoon plc

ANNUAL REPORT
AND ACCOUNTS
2000

01209284



Chairman's statement



I am pleased to report another year of excellent progress for Wetherspoon. Sales increased by £99.9 million to £369.6 million, a rise of 37%. Operating profit, excluding sale & leaseback rentals, increased by 34% to £54.0 million, and profit before tax rose by 38% to £36.1 million. Earnings per share rose by 30% to 16.8p.

Capital investment was £155.8 million, and net gearing at the year end was 60% (1999: 61%). Interest was covered 4.5 times (1999: 3.6 times, before exceptional items) by operating profit. Operating margins before depreciation, interest, sale & leaseback rentals and tax were 20.3%, compared with 20.8% last year. This small reduction reflects mainly higher labour and bonus payments, offset by lower fixed overheads.

Free cash flow after payments of tax, interest, dividends and capital investment of £14.5 million in existing pubs increased by 23% to £45.5 million, resulting in a cash flow per share of 22.3p before investment in new pubs and loan repayments.

Economic profit, calculated by adding depreciation to profit before tax and subtracting capital expenditure on existing pubs, increased by 28% to £42.5 million, with an increase in capital investment in existing pubs to 3.9% of turnover, compared with 3.3% of turnover in the previous period.

Dividends

The board proposes, subject to shareholders' consent, to pay a final dividend of 1.76p net, bringing the total dividend for the year to 2.67p, a 10% increase on the previous year. At this level, dividends will be covered 6.3 times, compared with 5.3 times, before exceptional items, in 1999. A scrip alternative will again be offered to shareholders.

Finance

As previously reported, the company renegotiated its UK banking facilities during the year, resulting in unsecured loan facilities of £225 million. In addition to the UK facilities, a 10-year unsecured US note issue was completed in September 1999 which raised net proceeds of £86.8 million. The company also raised £43.8 million through an equity placing in February 2000; at the year end, unutilised facilities and cash balances were £142 million.

Further progress

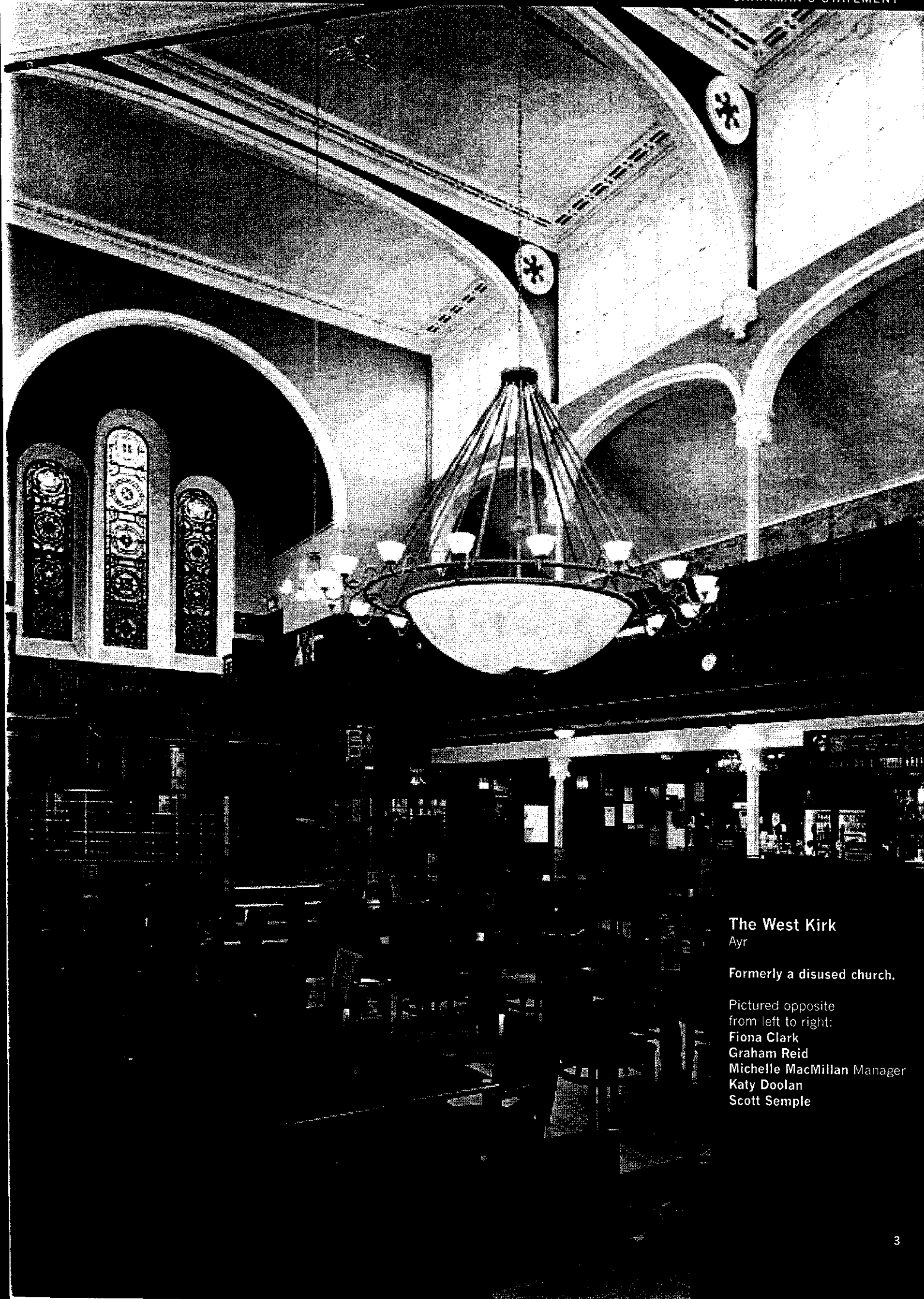
We opened 101 pubs during the year, compared with 84 in the previous year, bringing the total number to 428. Average sales per pub in the year increased to approximately £1 million (1999: £904,000), a figure which has nearly doubled since our flotation in 1992.

The new pubs are located in a variety of areas, including major city centres, residential suburbs and smaller towns. We are encouraged by sales in these new pubs, and it is notable that regions such as the northwest of England, where other pub companies have reported difficulties, have shown strong growth.

As well as continuing our progress in many parts of England, we have also continued to open pubs with great success in Scotland, in towns such as Saltcoats and Wishaw and in

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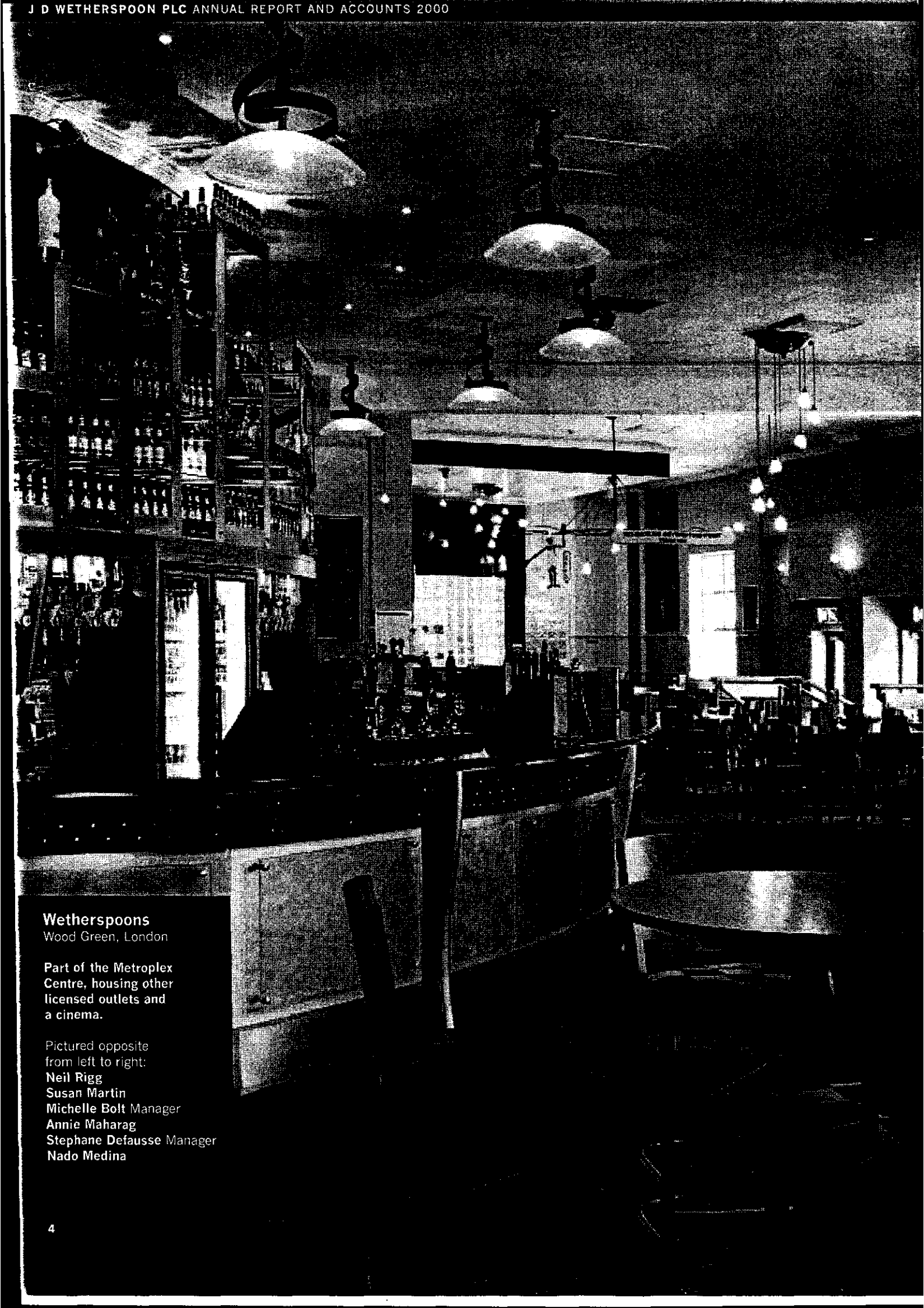




The West Kirk
Ayr

Formerly a disused church.

Pictured opposite
from left to right:
Fiona Clark
Graham Reid
Michelle MacMillan Manager
Katy Doolan
Scott Semple



Wetherspoons

Wood Green, London

Part of the Metroplex
Centre, housing other
licensed outlets and
a cinema.

Pictured opposite
from left to right:

Neil Rigg

Susan Martin

Michelle Bolt Manager

Annie Maharag

Stephane Defausse Manager

Nado Medina



South Wales in Port Talbot, Blackwood and Llanelli. We have also acquired four sites in Northern Ireland, the first of which opened in Ballymena just after the period end, where initial sales have been exceptional.

In late July, we purchased 10 Lloyds No.1 pubs from a regional brewer. These sites are in extremely good city and town centre locations and are operated on a different basis from Wetherspoon pubs, including the provision of music. We intend to operate these pubs separately from the rest of the company, keeping, for the time being, their original identity and incorporating Wetherspoon's systems where they would be helpful. Sales since acquisition have increased by 17%, and we are confident that they will match the average for Wetherspoon pubs in the near future.

After like-for-like sales growth of 8.6% in 1998/99, like-for-like sales increased by a further 12.4% in the year under review, with profits increasing by 13%.

We continue to upgrade every area of the business. For example, we have made strenuous efforts in the area of information technology, by improving our Web site and by making available more new management information to pub and area managers, so that the Wetherspoon Information System (WIS) is, I believe, the best in the pub business. In the area of training, Wetherspoon's pub managers received 337 advanced training qualifications out of a total of 1,455 awarded by the British Institute of Innkeeping to the entire industry, reflecting our hard work in this area.

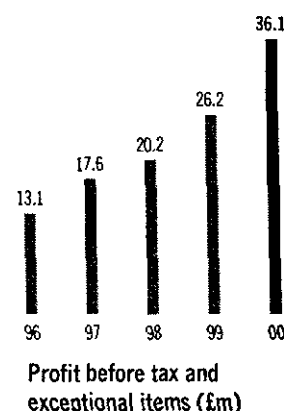
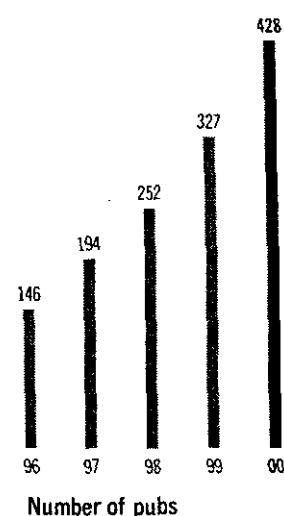
We have also continued to improve our marketing of many products. Traditional ales, for example, which have seen a decline in the market overall, have shown strong growth in Wetherspoon. We now distribute ales nationally from regional brewers, including Spitfire from Shepherd Neame and Abbott Ale from Greene King, as well as promoting the renowned beers of smaller brewers, such as Summer Lightning from Hop Back, Landlord from Timothy Taylor and Butcombe Bitter, in various regions of the United Kingdom.

A group of brewers has introduced an excellent quality-control system for traditional ales, involving regular inspections of pubs which, if they pass a number of quality-control tests, are awarded the 'Cask Marque'. I am pleased to say that 350 Wetherspoon pubs have received Cask Marque awards, a percentage which I believe to be the highest in the industry.

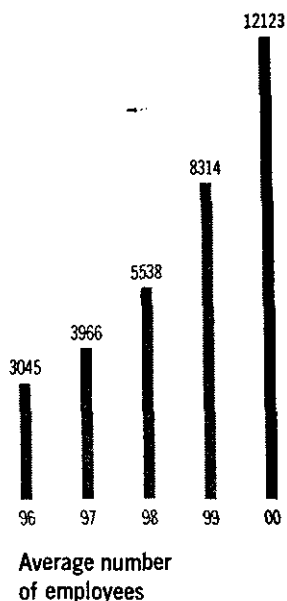
We have continued to work with our suppliers and, in return for greater volume growth for them, have renegotiated many of our buying prices, so that the company continues to become more competitive.

We have introduced a number of new products, including steaks at very reasonable prices throughout our estate, curries for our extremely successful Curry Club and cappuccino and other coffees nationwide. An initiative to increase sales of wine by the bottle, traditionally sold by the glass in pubs, has worked extremely well, and we are now selling over 20,000 bottles per week in this way.

Other initiatives in our marketing campaign starting today include the introduction to our national price list of Kozel, a Czech beer, at £1.59 for a 500ml bottle. This product is available only at Wetherspoon pubs and won a gold medal in 1999 at the World Beer Championships held in Chicago, USA. We are also introducing 33cl bottles of Stella Artois at £1.29 and



Chairman's statement continued



Wadworth 6X at £1.49 nationwide (excluding our central London and airport sites) and are continuing to improve our spirit offer in this growing market by increasing the focus on premium spirits such as Jack Daniel's, Johnnie Walker Black Label and Courvoisier.

Every Wetherspoon pub receives an average of 6 quality-control visits per month from head office staff and 'mystery visitors'. Bonuses are awarded, based on the results of these calls and on the profitability of the pubs. Bonuses paid out to pubs in the year totalled £8.5 million (1999: £5.1 million).

The economy

A number of politicians and businessmen advocate Britain joining the Euro. I personally believe that this is an extremely unwise idea, since each of the existing major currencies in the world is the product of a single government which does not exist in Europe. An attempt to link currencies and interest rates together caused economic chaos in the early 1990s, when the exchange rate mechanism failed. It is important for our economic future to learn lessons from that débâcle.

The government has recently highlighted the enormous number of regulations affecting the licensed trade. However, the number of regulations affecting all businesses continues to increase as a result of both British and European legislation, and this trend will undoubtedly make the economy less competitive over time.

People

The great success of the business in this last year results from the efforts and dedication of the people who work for it, as well as our suppliers and advisers, and I would like to thank them very much.

Prospects

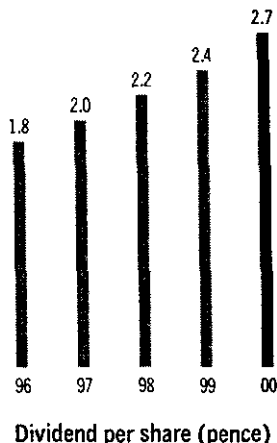
Like-for-like sales in August, helped by excellent weather, increased by 5% (following growth of 19% in August 1999), and total company sales increased by 32%. The encouraging sales growth in recently opened pubs has also continued, with a promising start from the 10 pubs opened since the period end.

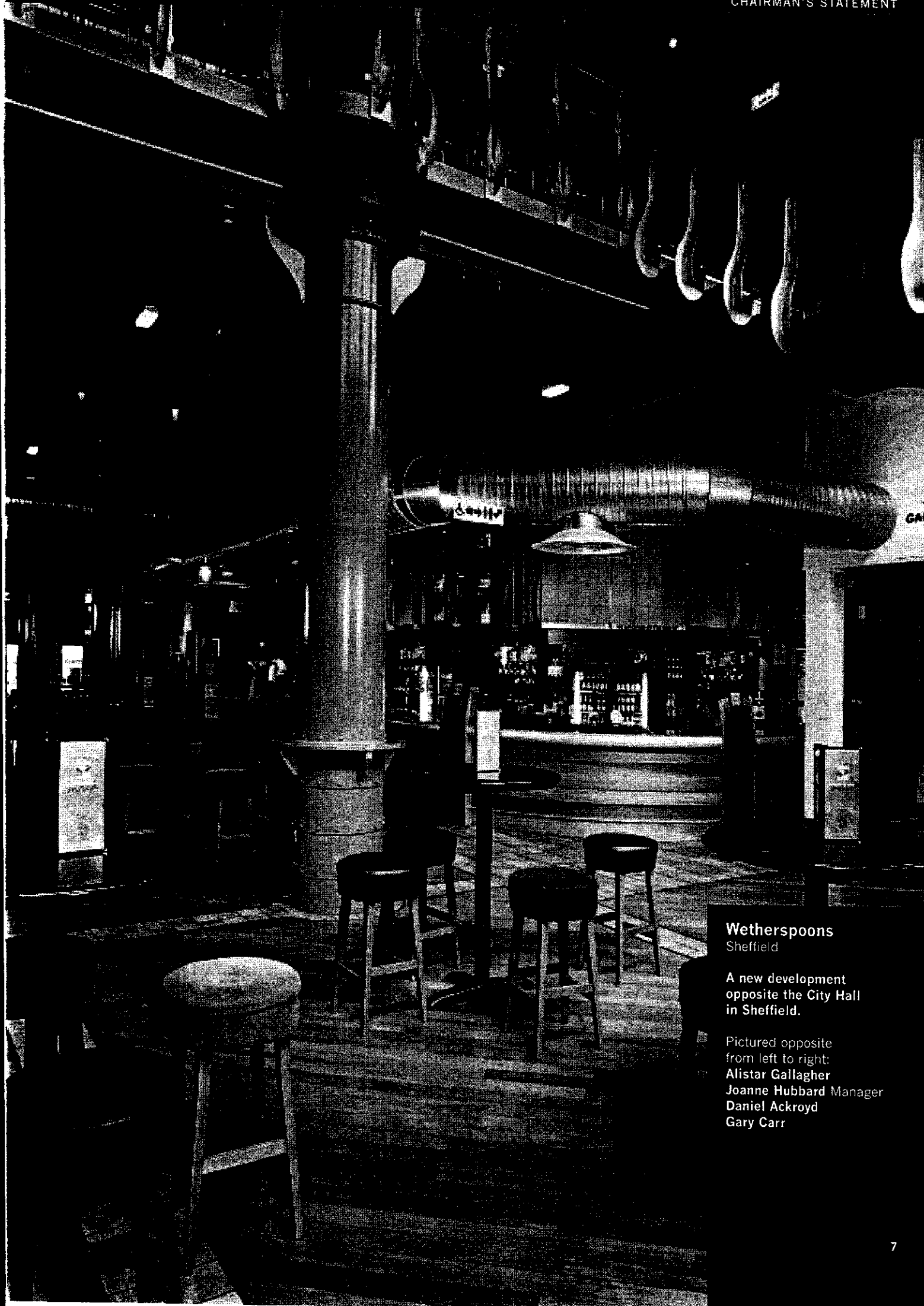
We also have 30 sites in the course of construction, 32 with the necessary permissions for development and a further 101 on which terms have been agreed. With the reduction in competition from our major competitors for new sites, the property market continues to offer good opportunities to Wetherspoon.

Following our strong trading performance, the pipeline of new sites and our continuing investment in training and people, I remain confident of our future prospects.

Tim Martin
Chairman

8 September 2000





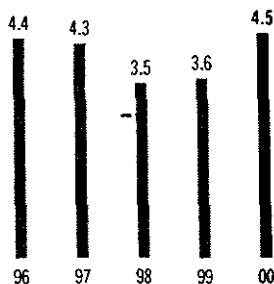
Wetherspoons
Sheffield

A new development
opposite the City Hall
in Sheffield.

Pictured opposite
from left to right:
Alistar Gallagher
Joanne Hubbard Manager
Daniel Ackroyd
Gary Carr

Finance director's report

for the year ended 30 July 2000



Interest cover

Sales and operating profit

Over the year, sales increased by 37% to £369.6 million. Operating profit, excluding sale & leaseback rentals, increased by 34% to £54.0 million, with statutory operating profit increasing by 28% to £46.3 million. Further information on the performance of the business is given in the chairman's statement on pages 2 to 6.

Interest

The net interest charge increased by £0.2 million to £10.2 million, reflecting the continued investment in new pubs offset by a net cash inflow of £43.8 million from an equity placing in February 2000. Net interest was covered 4.5 times by operating profit, which compares favourably with 3.6 times, before exceptional items, for the previous year.

Taxation

The rate of tax for the year was 5.0%, resulting in a tax charge of £1.8 million. This consists of a tax charge of £2.3 million, offset by the utilisation of advanced corporation tax paid and written off in previous years. The effective rate of tax continues to be significantly lower than the standard UK corporate rate, owing to allowances on capital expenditure. At the balance sheet date, £2.6 million of unutilised advanced corporation tax, previously written off in the accounts, was available for offset against future mainstream tax liabilities.

Shareholder return

Earnings per share increased by 30% to 16.8p, before exceptional items, with fully diluted earnings per share of 16.4p.

The proposed final dividend of 1.76p per share, together with the interim dividend of 0.91p per share already paid, represents a 10% increase on the previous year. The total dividend is covered 6.3 times by earnings per share, compared with 5.3 times, before exceptional items, in the previous year.

Shareholders' funds closed the year at £282.5 million, an increase of £76.5 million on the previous year, which reflects retained earnings of £28.7 million, together with the impact of the equity placing during the year.

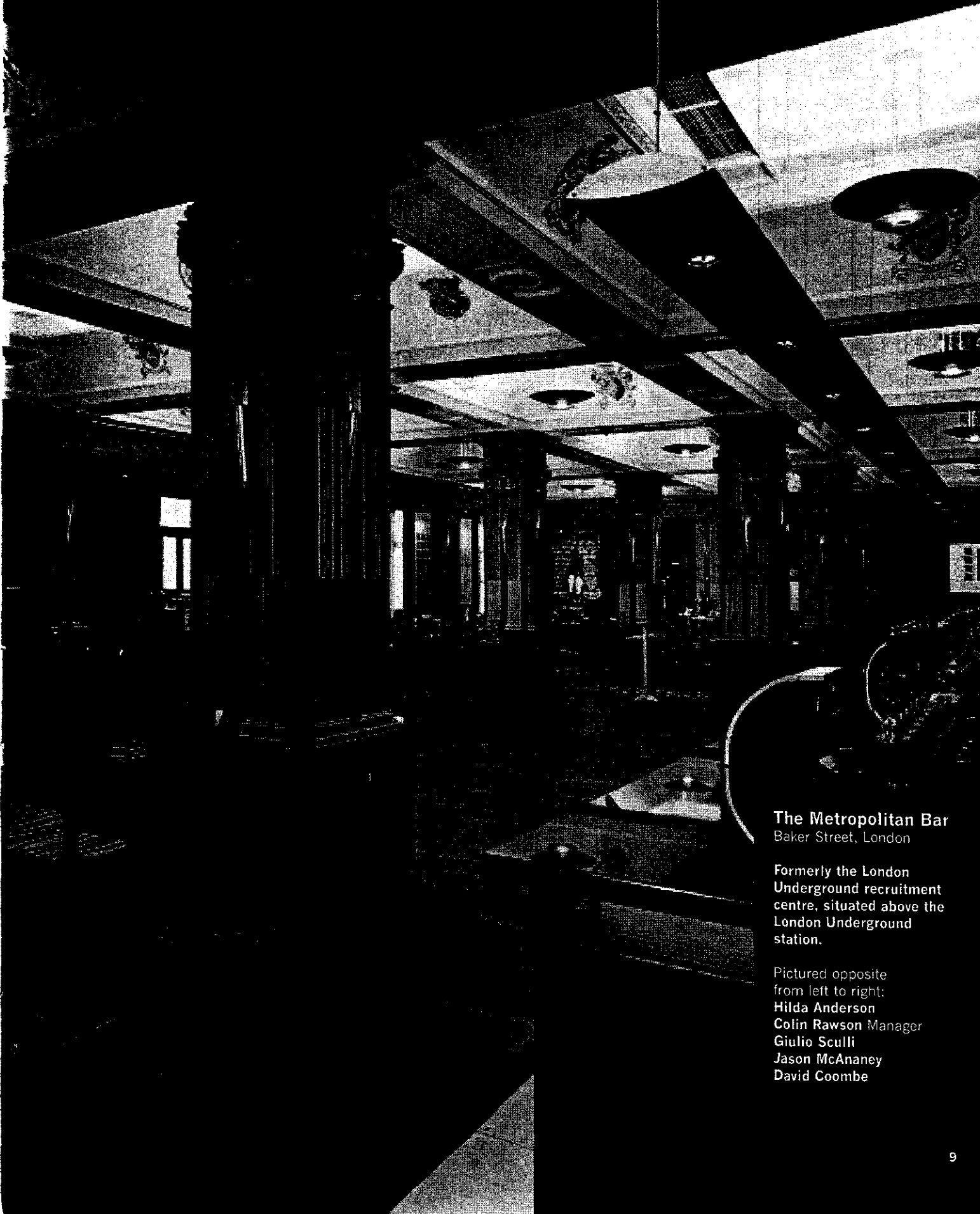
The middle market quotation of the company's ordinary shares at the end of the financial year was 361.5p. The highest price during the year was 464.0p and the lowest was 318.5p. The company's market capitalisation at 30 July 2000 was £759 million.

Cash flow

The cash flow statement on page 25 shows a cash inflow from operations of £76.2 million, representing an increase on the previous year of 25%. The cash flow from operations was 165% of operating profit, which reflects the underlying cash-generative nature of the business. Free cash flow available for investment in new pubs, as defined in note 9 to the accounts, was £45.5 million, with cash flow per ordinary share of 22.3p, representing 133% of basic earnings per share.

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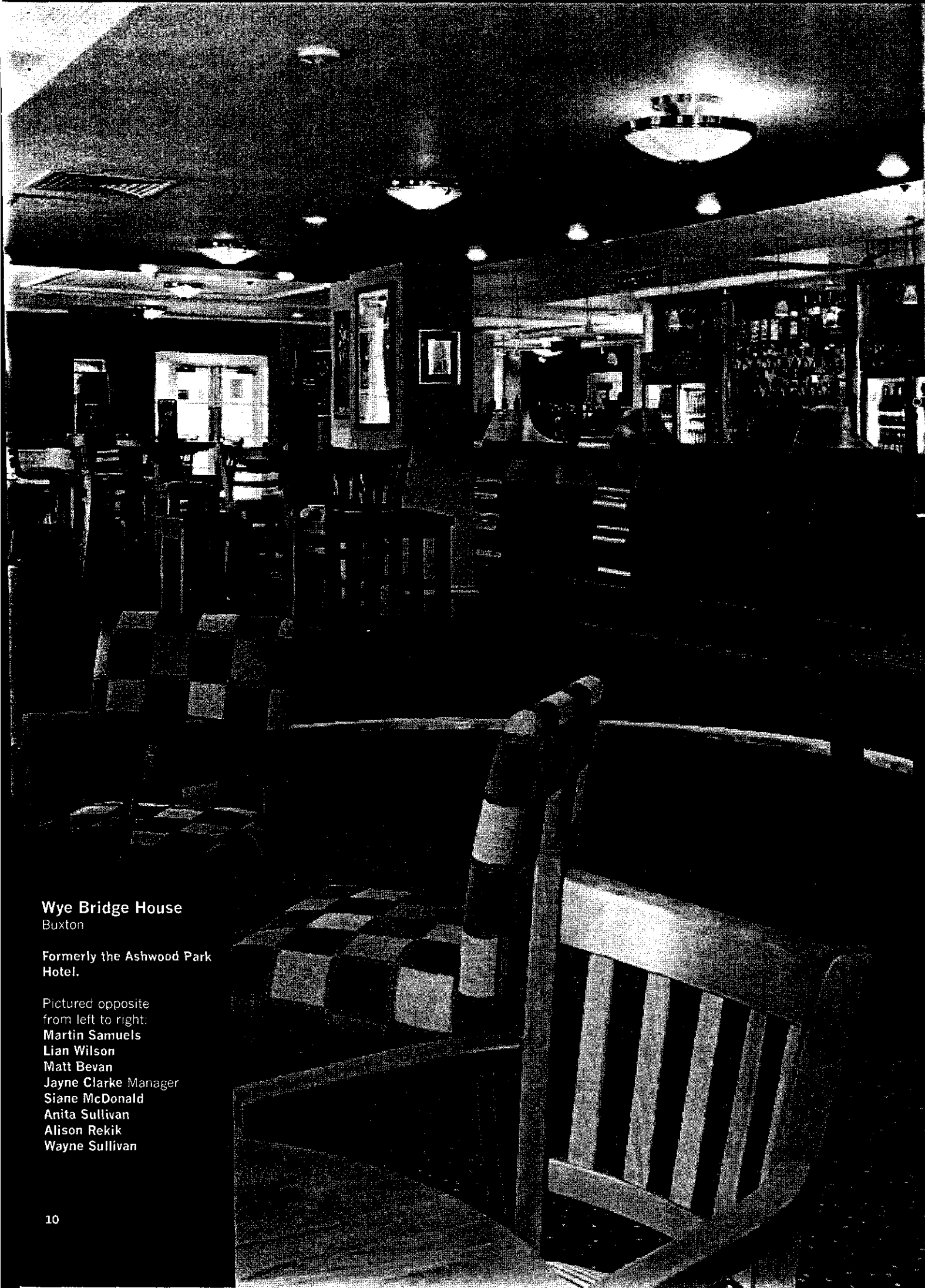




The Metropolitan Bar
Baker Street, London

Formerly the London Underground recruitment centre, situated above the London Underground station.

Pictured opposite from left to right:
Hilda Anderson
Colin Rawson Manager
Giulio Sculli
Jason McAnaney
David Coombe



Wye Bridge House

Buxton

**Formerly the Ashwood Park
Hotel.**

Pictured opposite
from left to right:

Martin Samuels

Lian Wilson

Matt Bevan

Jayne Clarke Manager

Siane McDonald

Anita Sullivan

Alison Rekik

Wayne Sullivan



Capital investment

The cash outflow in respect of new pubs totalled £136.6 million, which reflects our continued investment, with 101 pubs opened during the period. It also includes the cash outflow of £7.5 million in respect of the acquisition of 10 Lloyds No.1 sites and an increase in expenditure with regard to unopened pubs, which, at the balance sheet date, totalled £48.6 million. The cash inflow from the sale of tangible fixed assets of £4.3 million relates to the pub disposal completed in the previous financial year.

Investment in existing pubs was £14.5 million, representing 3.9% of sales. This compares with 3.3% of sales in the last financial year and 5% of sales in 1997/98.

Financial position

The net debt at the year end amounted to £169.5 million, representing a balance sheet gearing ratio of 60% which is in line with the previous year.

Before September 1999, the company's bank facilities were subject to a charge on the individual pub assets within the business. These facilities were renegotiated in that month to provide unsecured medium-term funds. The new UK facilities comprise a £125 million unsecured term loan facility repayable between years 3 and 7 following draw down, together with a £100 million unsecured revolving loan facility repayable in one instalment on the fifth anniversary.

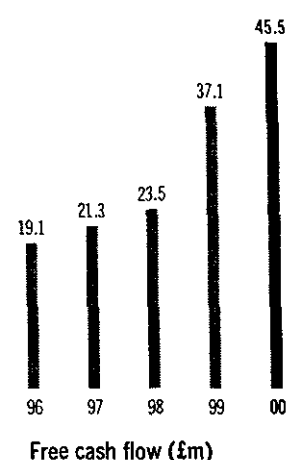
The unsecured nature of the new facilities allowed the company to explore a wider variety of other funding sources, and a 10-year US senior note placement was completed on 30 September 1999. This provided proceeds of £86.8 million, with repayment in one instalment in September 2009. All US dollar exposure in this transaction has been covered by currency and interest-rate hedging, and the company is therefore left with a sterling interest liability linked to UK bank base rates.

Financial risks and treasury policies

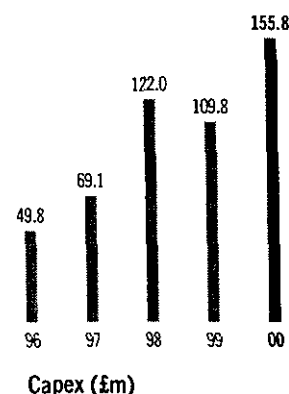
The company's main treasury risks relate to the availability of funds to meet its future requirements and fluctuations in interest rates. The treasury policy of the company is determined and monitored by the board.

The company has no foreign currency risk, with the exception of the US private placement which is hedged into sterling. The impact of this is that there is no exposure to movements in the exchange rate between sterling and the dollar. As the company has no trading requirements in any foreign currency, the overall treasury policy in this area is to ensure that there are no currency risks attached to any part of our business. The interest payments under the US note are also covered by an interest-rate hedge which results in a sterling interest payment throughout the term of the notes.

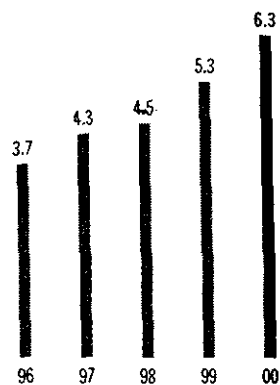
continued on page 12



Free cash flow (£m)



Capex (£m)

Finance director's report *continued*

Dividend cover

The company's policy with regard to interest-rate risk is to monitor and review anticipated levels of expansion and expectations on future interest rates, in order to hedge the appropriate level of borrowings by entering into fixed-rate agreements. At the balance sheet date, £100 million of debt was fixed for a weighted average of 2.1 years, with an average rate of interest (excluding bank margin) of 7.13%. This covers 59% of net borrowings at the balance sheet date, and the board continues to monitor developments in this area.

The company monitors its cash resources through short-, medium- and long-term cash forecasting. Surplus cash is pooled into an interest-bearing account or placed on short-term deposit for periods of between 1 and 3 months.

Further information with regard to treasury matters is set out in note 20 to the accounts, in line with requirements of Financial Reporting Standard 13, 'Derivatives and other financial instruments: Disclosures'.

Accounting policies and regulations

FRS15 on tangible fixed assets is applicable for the year under review; as previously indicated, this has had no material impact on the current treatment of tangible fixed assets.

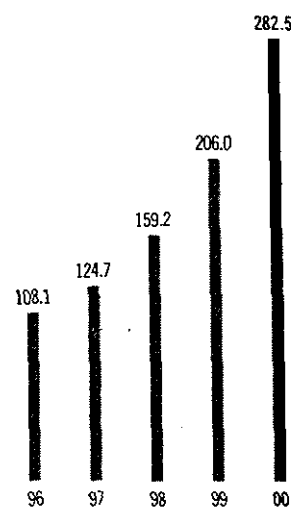
The Euro

As previously reported, the potential impact of the Euro on the operations of the company is not significant with regard to the relationships with our key suppliers or the operation of our EPOS system.

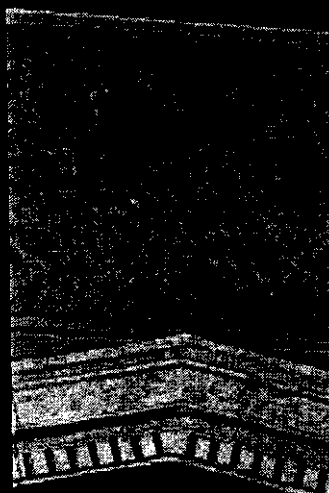
Jim Clarke

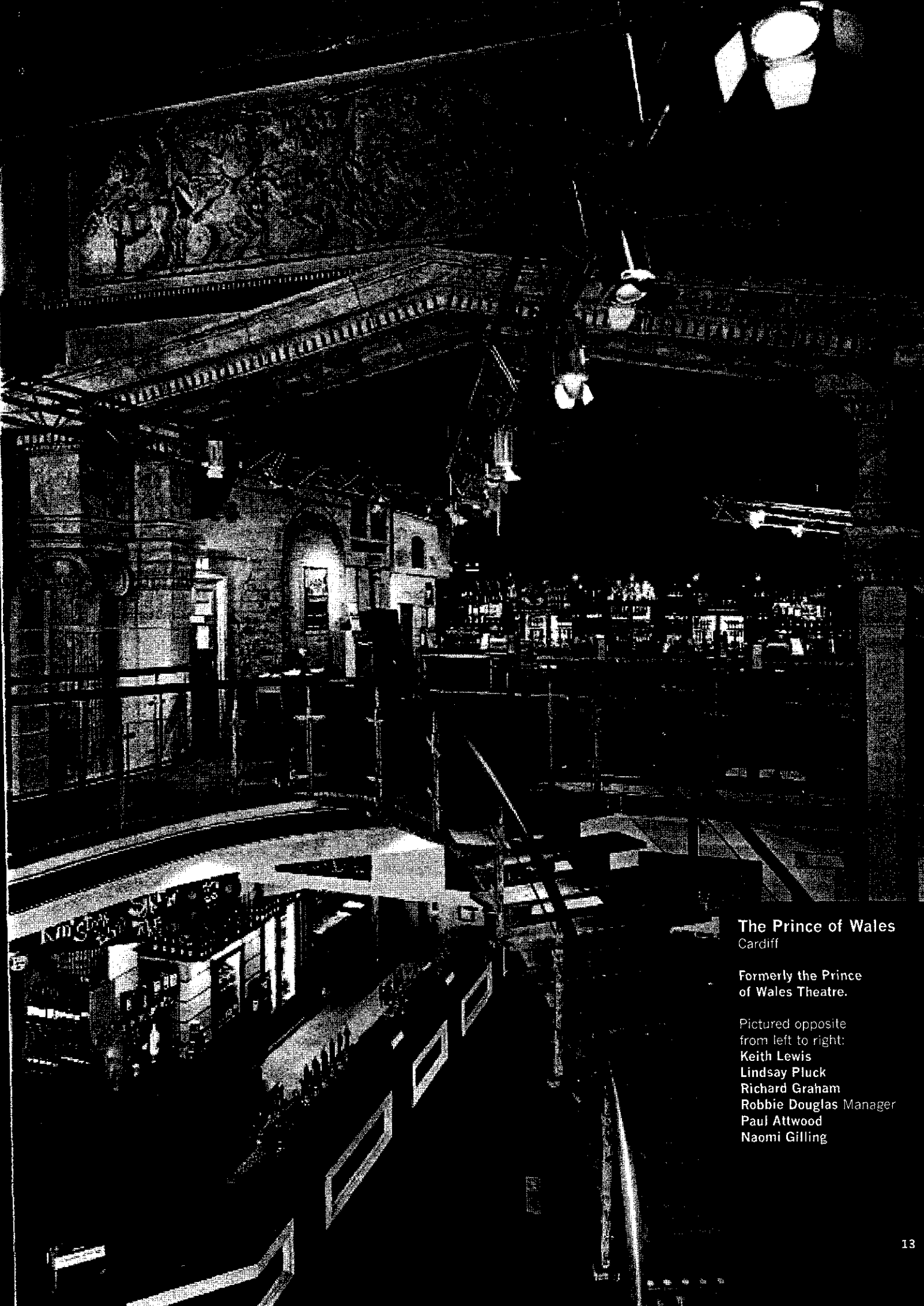
Finance Director

8 September 2000



Shareholders' funds (£m)





The Prince of Wales
Cardiff

Formerly the Prince
of Wales Theatre.

Pictured opposite
from left to right:
Keith Lewis
Lindsay Pluck
Richard Graham
Robbie Douglas Manager
Paul Attwood
Naomi Gilling

Directors, officers and advisers

Tim Martin

Chairman
Aged 45

Tim founded the business in 1979, having previously studied law at Nottingham University and qualified as a barrister.

He became chairman in 1983.

John Hutson

Managing Director
Aged 35

John joined the company in 1991 and was appointed to the board in 1996.

He is a graduate of Exeter University and previously worked for Allied Domeq.

Rosalyn Schofield

Legal Director and Company Secretary
Aged 44

Rosalyn joined the company as an assistant solicitor in 1991 and was appointed to the board in 1997.

A graduate from Hull University, she is also company secretary.

Mark Davies

Operations Director
Aged 41

Mark joined the company in 1991 as an area manager, becoming director of retail in 1996 and was appointed to the board in 1997.

He is a graduate from Kent University and has previously worked for Grand Metropolitan plc.

Suzanne Baker

Commercial Director
Aged 37

Suzanne joined the company in 1992 and was appointed to the board in 1997.

She has previously worked for Grand Metropolitan plc.

Jim Clarke

Finance Director
Aged 40

Jim joined the company and was appointed to the board in 1998, having previously worked with David Lloyd Leisure (a division of Whitbread plc) and HP Bulmer Holdings plc.

He is a graduate from Stirling University and qualified as a chartered accountant in 1984.

Tony Lowrie

Non-Executive
Aged 58

Tony was appointed to the board in 1987 and is a member of both the audit committee and the remuneration committee.

He is currently chairman of ABN Amro Asia Securities.

Brian Jervis

Non-Executive
Aged 65

Brian was appointed to the board in 1991 and is chairman of the remuneration committee and a member of the audit committee.

A chartered secretary, Brian is a former director of John Govett and Co. Ltd.

John Herring

Non-Executive
Aged 42

John was appointed to the board in 1997 and is chairman of the audit committee and a member of remuneration committee.

A chartered accountant, he is managing director of G de Z Capital Ltd, a venture capital and corporate advisory business. He is a non-executive director of Telework Group plc and is a former director of Kleinwort Benson Securities Ltd.

Registered Office

Wetherspoon House
Central Park
Reeds Crescent
Watford
WD24 4QL

Company Number

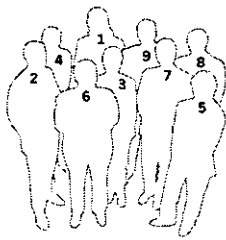
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Registrars

Computershare Services plc
PO Box 82
The Pavilions
Bridgewater Road
Bristol
BS99 7NH

Registered Auditors

PricewaterhouseCoopers



- 1** Tim Martin *Chairman*
- 2** John Hutson *Managing Director*
- 3** Rosalyn Schofield *Legal Director and Company Secretary*
- 4** Mark Davies *Operations Director*
- 5** Suzanne Baker *Commercial Director*
- 6** Jim Clarke *Finance Director*
- 7** Tony Lowrie *Non-Executive*
- 8** Brian Jervis *Non-Executive*
- 9** John Herring *Non-Executive*



Valuers
Christie & Co.

Solicitors
Macfarlanes

Bankers
The Royal Bank of Scotland plc

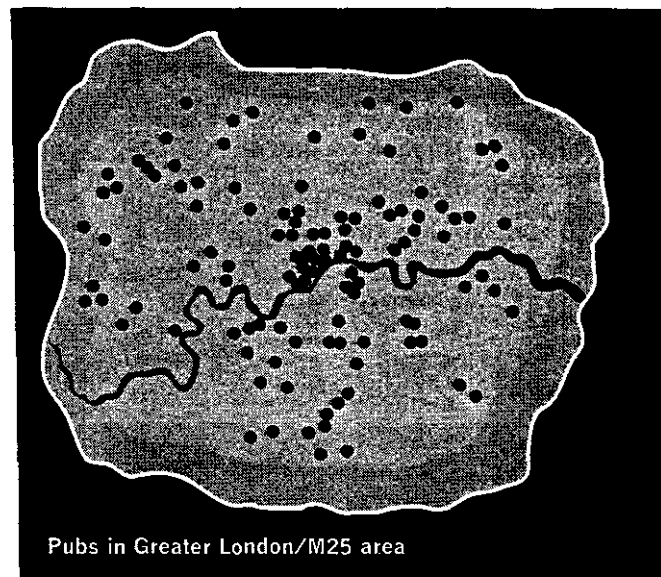
Bank of Scotland
National Westminster Bank plc
Clydesdale Bank plc
Scotiabank Europe plc

Financial Advisers
Dresdner Kleinwort Benson Limited

Stockbrokers
Dresdner Kleinwort Benson Securities Limited

Public houses nationwide

At the end of July 2000, the number of pubs nationwide was 428.



- Key**
- J D Wetherspoon pubs
 - Wetherlodes
 - Lloyds No.1 pubs

A list of all of our pubs can be found on pages 42 to 48.

Directors' report

for the year ended 30 July 2000

The directors present their report and accounts for the year ended 30 July 2000.

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 6.

Results and dividends

The profit on ordinary activities for the year after taxation amounted to £34,267,000. This represents an increase of 35% on the 1999 result of £25,463,000 before exceptional items relating primarily to the profit on disposal of certain trading properties.

Profit retained for the financial year amounted to £28,668,000 and will be transferred to reserves.

On 30 November 2000, the company will pay a final dividend of 1.76 pence per share, for the year ended 30 July 2000, to shareholders on the share register at the close of business on 29 September 2000.

As in previous years, a scrip alternative will be offered. Many shareholders already participate in the scrip dividend scheme and wish to receive shares in lieu of cash, while others have previously received cash dividends and may wish to continue doing so. In either case shareholders need take no further action.

If any shareholder wishes to alter the form in which they receive their dividends, they should advise the company's registrars, Computershare Services plc, PO Box 82, The Pavilions, Bridgewater Road, Bristol, BS99 7NH, in writing no later than 20 October 2000.

Directors

The directors listed on page 14 served throughout the financial year. Ms R Schofield, Ms S Baker and Mr M Davies retire by rotation and offer themselves for re-election. Details of the terms under which the directors who were in office during the year serve, their remuneration and their interests in shares of the company are given in the report of the remuneration committee on page 20.

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.

Insurance against the liabilities of directors and officers of the company was in place throughout the year.

Company's shareholders

Details of the company's shareholders, including those beneficial interests notified to the company as accounting for over 3% of the issued share capital, are given on page 39.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the profit or loss for that period.

In preparing the financial statements, the directors are required to select suitable accounting policies and then apply them consistently, make judgements and estimates which are reasonable and prudent, state whether applicable accounting standards have been followed and prepare the financial statements on the going concern basis. The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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, which highlights the importance placed by the company on providing service to its customers.

In selecting, training and promoting staff, the company has to take account of the physically demanding nature of much of its work. In this context, all decisions are based on merit and without reference to gender, marital status, race, age or disability. Employees who become disabled will be retained and, where necessary, retrained.

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

All staff participate in incentive bonus schemes related to profitability and/or service standards and qualify to receive share options after 12 months' service with the company.

Directors' report *continued***Policy on payment of suppliers**

The company agrees on terms and conditions with suppliers before business takes place and has a policy of paying agreed invoices in accordance with the terms of payment. Trade creditors at the year end represented 49 (1999: 54) days' purchases.

Political and charitable contributions

Contributions made by the company during the year for charitable purposes were £4,150 (1999: £350). No political contributions were made.

Auditors

A resolution to reappoint the auditors, PricewaterhouseCoopers, will be proposed at the Annual General Meeting.

Special business at the Annual General Meeting

On page 40 is a notice convening the Annual General Meeting of the company for 1 November 2000, at which shareholders will be asked, as items of special business, to approve resolutions to increase the authorised share capital of the company, to give power to the directors to allot shares, to give power to the directors to disapply the pre-emption requirements of section 89 of the Companies Act 1985 and to give the directors authority to put in place a scrip dividend alternative to the 2000 final dividend.

Increase in authorised share capital

The company's current authorised share capital is £4,400,000, divided into 220,000,000 ordinary shares of 2p each. 209,916,425 ordinary shares are currently in issue and a further 10,848,390 authorised, but unissued, ordinary shares are required to meet outstanding options.

Accordingly, resolution 7 set out in the notice of meeting will be proposed as an ordinary resolution to increase the authorised share capital of the company from £4,400,000 to £10,000,000 by the creation of an additional 280,000,000 ordinary shares of 2p each. This represents an increase of 127% and will provide the company with sufficient authorised, but unissued, ordinary shares for the foreseeable future.

Authority to allot

The general authority previously given to the directors to allot 'relevant securities' will expire at the end of the Annual General Meeting convened for 1 November 2000.

Accordingly, resolution 8 set out in the notice of meeting will be proposed as an ordinary resolution to authorise the directors (pursuant to Section 80 of the Companies Act 1985) to allot ordinary shares in the capital of the company up to a maximum nominal amount of £1,400,000, being approximately 33% of the nominal value of the ordinary shares currently in issue. The authority (unless previously varied, revoked or renewed) will expire on the earlier of 15 months from the date of passing of the resolution or the conclusion of the Annual General Meeting held to approve the report and accounts for the year ending 29 July 2001.

The directors will exercise such authority to allot shares only when satisfied that it is in the interests of the company to do so. They have no present intention, however, of exercising the authority, except in connection with the issue of shares under the company's share option schemes and scrip dividend scheme.

Disapplication of pre-emption rights

The provisions of section 89 of the Companies Act 1985 (which, to the extent not disappplied, confer on shareholders rights of pre-emption in respect of the allotment of 'equity securities' which are or are to be paid up in cash other than by way of allotment to employees under an employees' share scheme) apply to the authorised, but unissued, ordinary shares of the company to the extent that they are not disappplied pursuant to section 95 of the Companies Act 1985.

The existing disapplication of these statutory pre-emption rights will expire at the end of the Annual General Meeting convened by the notice of meeting. Accordingly, resolution 9 set out in the notice of meeting will be proposed as a special resolution to permit directors to allot shares without the application of these statutory pre-emption rights, first, in relation to rights issues and, secondly, in relation to the issue of ordinary shares in the capital of the company for cash up to a maximum aggregate nominal amount of £209,000 (representing approximately 5% of the nominal value of the ordinary shares of the company currently in issue).

The authority (unless previously varied, revoked or renewed) will expire on the earlier of 15 months from the date of passing of the resolution or the conclusion of the Annual General Meeting held to approve the report and accounts for the year ending 29 July 2001.

Directors' report *continued***Scrip dividend authority**

The directors would once again like to be able to offer 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 convened by the notice of meeting, and also in respect of any other dividends as may be lawfully paid or declared by the company or the directors on or at any time after the date of that Annual General Meeting and prior to the date of the Annual General Meeting to be held to approve the report and accounts for the year ending 29 July 2001.

Accordingly, resolution 10 set out in the notice of meeting will be proposed as an ordinary resolution to permit the directors to offer a scrip dividend alternative for the dividend to be declared by the company at the forthcoming Annual General Meeting and also in respect of any other dividends as may be lawfully paid or declared by the company or the directors on or at any time after the date of that Annual General Meeting and prior to the date of the Annual General Meeting to be held to approve the report and accounts for the year ending 29 July 2001.

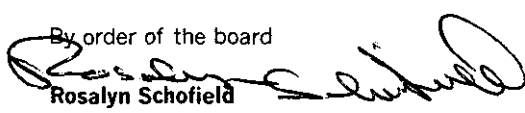
Information about the scrip alternative, including details of relevant dates and the basis of entitlement to new ordinary shares, will be set out in a separate letter which will be sent to shareholders who participate in the scrip dividend scheme. Further details of the scrip dividend scheme, including the reasons why the directors consider it to be attractive to shareholders and advantageous to the company and the basis of allotment of shares under it, are set out in the scrip dividend scheme rules which can be obtained from the company's registrars whose details are set out on page 14. The existing mandate scheme (pursuant to which shareholders may put in place a standing mandate to receive new ordinary shares as an alternative to cash in respect of any dividends for which a scrip dividend alternative is offered) will continue to be available, and details of it are set out in the scrip dividend scheme rules.

Repurchase of ordinary shares

In common with many other listed companies, the company proposes to seek an authority from shareholders to permit the company to purchase its own shares. Accordingly, resolution 11 will be proposed as a special resolution to authorise the company to make market purchases of up to 10% of the company's issued ordinary share capital at prices not less than the nominal value of an ordinary share and not exceeding 105% of the average of the middle market quotations for the five business days before each purchase (exclusive of expenses). The authority will last until the earlier of 30 April 2002 and the conclusion of the next Annual General Meeting of the company. The directors envisage that purchases would be made only after considering the effects on earnings per share and the benefits for shareholders generally.

As at 8 September 2000, there were outstanding options over 10,807,684 ordinary shares, representing 5.1% of the company's issued ordinary share capital. If the authority under resolution 11 is exercised in full, this percentage will increase to 5.7%.

By order of the board


Rosalyn Schofield
Company Secretary

8 September 2000

Remuneration report

for the year ending 30 July 2000

This report outlines the company's policy on executive remuneration and gives details of directors' pay and pensions for 2000, the interest of directors in the company's shares and the fees of the non-executive directors. This report has been drawn up in accordance with schedule B of the Combined Code, as set out in the Listing Rules of the Financial Services Authority ('Combined Code').

The composition and role of the remuneration committee are set out in the report on corporate governance on page 22.

Remuneration policy

The aim of the company's remuneration policy is to provide the packages required to attract, retain and motivate directors and senior executives of high quality. Salaries and other benefits are determined annually after a review of the performance of the individual, by reference to industry and other comparisons and consideration of reports from specialist consultants.

Annual performance-related payments

It is the policy of the company to operate bonus arrangements, at all levels of staff, which are performance-related, the primary performance measures being profitability and operating standards. The executive directors participate in a management bonus scheme designed to incentivise senior management in the achievement of financial and personal targets. The maximum bonus attainable represents 25% of year-end salary.

Directors' remuneration

The table below shows a breakdown of the various elements of remuneration for the year ended 30 July 2000.

Pension provision

The company makes contributions to personal pension schemes on behalf of all qualifying staff, including executive directors and senior executives. It does not operate a defined benefit pension scheme.

Share schemes

The company's policy on the granting of share options under its employee share schemes is to distribute them widely across the company's pub managers, shift managers, bar and kitchen staff, as well as its head office staff. In this way, the company seeks to encourage and motivate those key employees who have direct interface with the public. In accordance with institutional shareholder guidelines, the exercise of an option under the executive share option scheme will normally be conditional on the achievement of performance conditions (see note 23).

Directors' service contracts

The executive directors are employed on rolling contracts requiring the company to give 1 year's notice of termination, while directors may give 6 months' notice, save for Tim Martin, who must give 1 year's notice. The non-executive directors hold their positions pursuant to letters of appointment with terms of 12 months.

Non-executive directors

The company's non-executive directors are appointed on an annual basis and do not participate in the company's bonus or share option schemes. Their fees are determined by the executive directors, following consultation with professional advisers.

	Salary/Fees	Performance bonus	Benefits in kind	Pension contributions	Total 2000 £000	Total 1999 £000
Executive directors						
T R Martin	263	52	15	-	330	275
J Hutson	166	30	8	11	215	175
J Clarke	115	22	13	11	161	155
S Baker	89	17	12	9	127	116
M Davies	98	18	5	10	131	110
R Schofield	91	15	11	9	126	108
Non-executive directors						
J Herring	24	-	-	-	24	20
B R Jervis	24	-	-	-	24	20
A C Lowrie	24	-	-	-	24	20
Total	894	154	64	50	1,162	999
1999	750	143	59	47	-	-

Directors' interests in shares

Where directors have interests in the shares of the company, they are as follows:

	2000	1999
Ordinary shares of 2p each, held beneficially		
T R Martin	32,942,812	32,871,192
B R Jervis	33,673	33,472
A C Lowrie: personal	6,061,894	6,061,894
: in trust	3,347,862	3,347,862
J Herring	4,000	4,000
J Hutson	151,448	158,879
J Clarke	7,066	7,019
S Baker	30,238	30,033
M Davies	34,985	34,985
R Schofield	105,895	70,895

Aggregate gains on share options exercised by directors in the year were £299,070 (1999: £116,800).

Remuneration report continued

Directors' share options under the executive share option scheme, which is described in more detail in note 23, comprise:

	1 August 1999	Granted in year	Options exercised	Exercise price	Market price at exercise	30 July 2000	Exercise price	Exercisable date	Expiry date
J Hutson	50,000					50,000	78.4p	25/10/97	25/10/04
	15,000					15,000	92.4p	17/04/98	17/04/05
	50,000					50,000	127.2p	16/11/98	16/11/05
	49,750					49,750	244.2p	03/01/00	03/01/07
	10,000					10,000	237.0p	10/04/00	10/04/07
	40,000					40,000	299.0p	05/10/00	05/10/07
	49,000					49,000	326.0p	16/04/01	16/04/08
	14,000					14,000	167.0p	25/10/01	25/10/08
	10,613					10,613	159.0p	01/02/04	01/08/04
	2,500					2,500	268.0p	20/04/02	20/04/09
	-	400				400	333.8p	09/09/02	09/09/09
	-	25,420				25,420	356.5p	07/03/03	07/03/10
J Clarke	107,362					107,362	326.0p	16/04/01	16/04/08
	23,000					23,000	167.0p	25/10/01	25/10/08
	6,092					6,092	159.0p	01/02/02	01/08/02
	2,500					2,500	268.0p	20/04/02	20/04/09
	-	400				400	333.8p	09/09/02	09/09/09
	-	11,230				11,230	356.5p	07/03/03	07/03/10
S Baker	25,000					25,000	92.4p	17/04/98	17/04/05
	50,000					50,000	127.2p	16/11/98	16/11/05
	37,250					37,250	244.2p	03/01/00	03/01/07
	10,000					10,000	237.0p	10/04/00	10/04/07
	24,500					24,500	299.0p	05/10/00	05/10/07
	91					91	326.0p	16/04/01	16/04/08
	23,000					23,000	167.0p	25/10/01	25/10/08
	4,874					4,874	159.0p	01/02/02	01/08/02
	2,500					2,500	268.0p	20/04/02	20/04/09
	-	400				400	333.8p	09/09/02	09/09/09
	-	11,230				11,230	356.5p	07/03/03	07/03/10
M Davies	20,000					20,000	69.4p	18/04/97	18/04/04
	50,000					50,000	78.4p	25/10/97	25/10/04
	30,000					30,000	127.2p	16/11/98	16/11/05
	2,500					2,500	176.0p	11/04/99	11/04/06
	37,250					37,250	244.2p	03/01/00	03/01/07
	10,000					10,000	237.0p	10/04/00	10/04/07
	28,000					28,000	299.0p	05/10/00	05/10/07
	13,489					13,489	326.0p	16/04/01	16/04/08
	14,000					14,000	167.0p	25/10/01	25/10/08
	6,092					6,092	159.0p	01/02/02	01/08/02
	2,500					2,500	268.0p	20/04/02	20/04/09
	-	400				400	333.8p	09/09/02	09/09/09
	-	15,535				15,535	356.5p	07/03/03	07/03/10
R Schofield	20,000		20,000	69.4p	395.0p	-	-	-	-
	50,000		50,000	78.4p	395.0p	-	-	-	-
	25,000		25,000	92.4p	395.0p	-	-	-	-
	50,000					50,000	127.2p	16/11/98	16/11/05
	37,250					37,250	244.2p	03/01/00	03/01/07
	10,000					10,000	237.0p	10/04/00	10/04/07
	28,000					28,000	299.0p	05/10/00	05/10/07
	3,017					3,017	326.0p	16/04/01	16/04/08
	14,000					14,000	167.0p	25/10/01	25/10/08
	6,092					6,092	159.0p	01/02/02	01/08/02
	2,500					2,500	268.0p	20/04/02	20/04/09
	-	400				400	333.8p	09/09/02	09/09/09
	-	15,535				15,535	356.5p	07/03/03	07/03/10

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

Brian Jervis
Non-Executive Director

8 September 2000

Corporate governance

The company is committed to the highest standards of corporate governance as set out in the Combined Code, issued by the committee on corporate governance in June 1998. This report sets out how the principles identified in the Combined Code have been applied to the company.

Statements of compliance

The company has complied with the requirements of the Combined Code, with the exception of provisions relating to the appointment of a senior independent director, which is dealt with below.

Board of directors

The board is made up of the executive chairman, the managing director, four other executive directors and three non-executive directors. The members of the board are described on page 14, and the board considers that all of the non-executive directors are independent of the executive team, which provides a good balance for the proper governance of the company. The board meets at least 10 times each year and has a formal schedule of matters reserved to it for decision. Directors are given appropriate and timely information for each board meeting, including monthly reports on the current financial and trading position of the business.

The roles of the executive chairman and the managing director are separately held and are so defined as to ensure a clear division of responsibilities.

Non-executive directors bring to the board considerable experience. The board has not considered it appropriate to nominate a senior independent director as recommended by the Combined Code.

All directors have access to independent professional advice, if required, at the company's expense.

Board committees

A formal nomination committee has not been established, as nominations for appointment are considered by the chairman and non-executive directors.

Audit committee

The audit committee comprises all the non-executive directors and is chaired by John Herring. The committee meets at least twice a year with the external auditors and executive directors as appropriate. The audit committee is responsible for reviewing the company's internal financial controls and ensures that the financial information supplied to shareholders is complete and accurate and presents a balanced assessment of the company's position. The committee reviews the objectivity and independence of the external auditors and also considers the scope of their work and their fees.

Remuneration committee

The remuneration committee is made up of all the non-executive directors and is chaired by Brian Jervis. The remuneration committee is responsible for determining the policy for the remuneration of the executive directors and for determining individual remuneration packages.

The remuneration report on pages 20 and 21 gives full details of the company's policy and of the remuneration packages of directors.

Communications with shareholders

Representatives of the company have regular meetings and dialogue with institutional shareholders. The Annual General Meeting is an important forum for communicating with private shareholders, allowing them to raise questions with the board.

Going concern

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, which includes capital expenditure plans and cash flow forecasts, 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 control

The company has adopted the transitional approach to implementation of the Turnbull guidance on the review of internal controls.

The company has established the procedures necessary to implement the guidance under 'Internal control: Guidance for Directors on the Combined Code', from the start of the financial year 2000/2001.

The directors acknowledge their responsibility for the company's system of internal financial control, which can be defined as the controls established in order to provide reasonable assurance that the assets have been protected against unauthorised use, that proper accounting records have been maintained and that the financial information which is produced is reliable. Such a system can, however, provide only reasonable and not absolute assurance against material misstatement or loss.

The key procedures in place to enable this responsibility to be discharged are as follows:

A comprehensive budgeting process, with a detailed operating plan for 12 months and a mid-term financial plan, both approved by the board. Business results are reported weekly for key items and monthly in all and compared with 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.

A retail audit function monitors the control of cash, stock and operating procedures in operating units. A separate internal audit function has also been established which looks at the overall business risks facing the company and reviews general business processes.

Complex treasury instruments are not used. Decisions on treasury matters are reserved for the board.

The directors confirm that they have reviewed the effectiveness of the system of internal financial control.

Report of the auditors

to the members of J D Wetherspoon plc

We have audited the financial statements on pages 24 to 37 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 27.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the annual report. As described on page 17, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board, the Listing Rules of the Financial Services Authority and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law or the Listing Rules regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

We review whether the statement on page 22 reflects the company's compliance with the seven provisions of the Combined Code specified for our review by the Financial Services Authority, and we report if it does not. We are not required to consider whether the board's statements on internal

control cover all risks and controls, or to form an opinion on the effectiveness of the company's corporate governance procedures or its risk and control procedures.

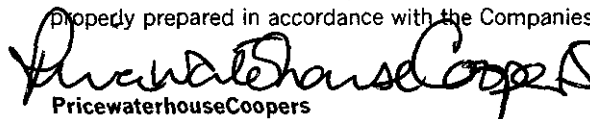
Basis of audit opinion

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 the company's affairs at 30 July 2000 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers
Chartered Accountants and Registered Auditors

8 September 2000

Profit and loss account

for the year ended 30 July 2000

	Notes	2000 £000	Before exceptional items 1999 £000	After exceptional items 1999 £000
Turnover		369,628	269,699	269,699
Operating profit	2	46,278	36,226	35,389
Profit on disposal of tangible fixed assets	4	—	—	22,625
Net interest payable	5	(10,226)	(10,012)	(10,012)
Profit on ordinary activities before taxation	6	36,052	26,214	48,002
Tax on profit on ordinary activities	7	(1,785)	(751)	(751)
Profit on ordinary activities after taxation		34,267	25,463	47,251
Dividends	8	(5,599)	(4,809)	(4,809)
Retained profit for the year		28,668	20,654	42,442
Earnings per ordinary share	9	16.8p	12.9p	24.0p
Fully diluted earnings per ordinary share	9	16.4p	12.8p	23.8p

All activities relate to continuing operations.

Details of exceptional items for the year ended 1 August 1999 are given in note 4 to the financial statements. There were no such items in the year ended 30 July 2000.

Statement of total recognised gains and losses

	2000 £000	1999 £000
Profit for the financial year after taxation	34,267	47,251
Unrealised surplus on revaluation of properties	—	1,938
Total recognised gains relating to the year	34,267	49,189

Note of historical cost profits

	2000 £000	1999 £000
Reported profit on ordinary activities before taxation	36,052	48,002
Realisation of property revaluation deficits of previous years	—	(880)
Difference between historical cost depreciation charge and actual depreciation charge of the year calculated on the revalued amount	672	495
Historical cost profit on ordinary activities before taxation	36,724	47,617
Historical cost profit for the year retained after taxation and dividends	29,340	42,057

Cash flow statement

for the year ended 30 July 2000

	Notes	2000 £000	2000 £000	1999 £000	1999 £000
Net cash inflow from operating activities	10	76,165	76,165	60,863	60,863
Returns on investments and servicing of finance					
Interest received		2,412	2,412	782	782
Interest paid – existing pubs		(13,710)	(13,710)	(12,117)	(12,117)
Interest paid and capitalised into new pubs		(3,921)		(2,548)	
Net cash outflow from returns on investment and servicing of finance		(15,219)		(13,883)	
Taxation					
Advance corporation tax paid		–		(636)	
Corporation tax paid		(1,100)		–	
		(1,100)	(1,100)	(636)	(636)
Capital expenditure					
Purchase of tangible fixed assets for existing pubs		(14,471)	(14,471)	(8,804)	(8,804)
Proceeds of sale of tangible fixed assets		4,277		76,526	
Investment in new pubs and pub extensions		(136,612)		(106,390)	
Net cash outflow from capital expenditures		(146,806)		(38,668)	
Equity dividends paid		(3,785)	(3,785)	(3,037)	(3,037)
Net cash (outflow)/inflow before financing		(90,745)		4,639	
Financing					
Issue of ordinary shares		46,566		973	
Advances under bank loans		124,353		50,000	
Advances under US senior notes		86,815		–	
Repayments of secured bank loans		(187,882)		(5,784)	
Net cash inflow from financing		69,852		45,189	
(Decrease)/increase in cash	11	(20,893)		49,828	
Free cash flow	9		45,511		37,051
Cash flow per ordinary share	9		22.3p		18.8p

Balance sheet

at 30 July 2000

	Notes	2000 £000	1999 £000
Fixed assets			
Tangible assets	13	504,996	370,148
Current assets			
Investments	14	100	253
Stocks		4,686	3,845
Debtors due within one year	15	7,378	11,472
Debtors due after more than one year	15	5,588	5,588
Cash		41,685	62,578
		59,437	83,736
Creditors due within one year	16	(67,936)	(67,296)
Net current (liabilities)/assets		(8,499)	16,440
Total assets less current liabilities		496,497	386,588
Creditors due after one year	17	(213,979)	(180,592)
Total net assets		282,518	205,996
Capital and reserves			
Called up share capital	18	4,198	3,962
Share premium account	19	113,081	65,463
Revaluation reserve	19	24,494	25,166
Profit and loss account	19	140,745	111,405
Equity shareholders' funds		282,518	205,996

The accounts on pages 24 to 37
were approved by the board on 8 September 2000
and signed on its behalf by:

Tim Martin
Jim Clarke
Directors



Notes to the accounts for the year ended 30 July 2000

1 Principal accounting policies

Accounts are prepared under the historical cost convention, as modified by the revaluation of property, and in accordance with applicable accounting standards.

FRS15 on tangible fixed assets is applicable for the year to 30 July 2000; as expected, this has had no material impact on the current treatment of tangible fixed assets.

A summary of the more important accounting policies, which have been applied consistently, except to the extent disclosed, is set out below.

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 historical valuation less accumulated depreciation.

Depreciation is calculated so as to write off the cost or valuation of a fixed asset on a straight line basis over its estimated useful life, taking account of expected residual values, based on prices prevailing at the date of acquisition or subsequent valuation, using the following rates:

Freehold buildings	50 years
Leasehold land and buildings	Lower of life of lease or 50 years
Renovations of properties already trading, fixtures and fittings, computer equipment	At rates from 10%–33% pa

Depreciation of fixtures and fittings commences when the relevant public house begins trading.

Valuation of properties

As permitted by FRS15, the company has changed its accounting policy in respect of property valuations to one of not revaluing its properties. In prior periods, properties were regularly revalued on a cyclical basis. In accordance with the transitional rules of FRS15, all properties are now shown at cost or, where a valuation has been applied prior to 1 August 1999, at that valuation.

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Any impairment in the value of fixed assets below depreciated historical cost is charged to the profit and loss account.

Interest and pre-opening costs

Certain costs incurred in the preparation of properties for use in the business are capitalised. This includes interest on borrowings, which is capitalised at 8% per annum of the cost capitalised before the pub is substantially complete. 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.

Pensions

The company makes contributions to defined contribution personal pensions schemes, the costs of which are accounted for as they become due.

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 the first rent review to market value, usually on the fifth anniversary of the lease.

Where a sale & leaseback arrangement is established at fair value and results in an operating lease, any profit or loss is recognised immediately.

Financial instruments

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

Notes to the accounts *continued***2 Analysis of continuing operations**

	2000 £000	Before exceptional items 1999 £000	Exceptional items £000	After exceptional items 1999 £000
Turnover	369,628	269,699	-	269,699
Cost of sales	(304,344)	(219,035)	-	(219,035)
Gross profit	65,284	50,664	-	50,664
Administrative expenses	(19,006)	(14,438)	(837)	(15,275)
Operating profit	46,278	36,226	(837)	35,389

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

3 Employee information

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

	2000 Number	1999 Number
Total employees		
Managerial/administration	2,032	1,644
Hourly paid staff	10,091	6,670
	12,123	8,314

	2000 Number	1999 Number
Full-time equivalents		
Managerial/administration	2,032	1,644
Hourly paid staff	3,364	2,394
	5,396	4,038

Employment costs were:

	2000 £000	1999 £000
Wages and salaries	74,170	49,026
Social security costs	5,324	3,897
Other pension costs	246	250
Total direct costs of employment	79,740	53,173
Less: wages and salaries capitalised	(592)	(498)
	79,148	52,675

A detailed numerical analysis of directors' remuneration and share options forms part of these accounts. This analysis is included in the remuneration report on pages 20 and 21 and shows the highest-paid director and the number of directors accruing benefits under money purchase pension schemes.

Notes to the accounts *continued***4 Exceptional items**

	2000 £000	1999 £000
Charged against operating profit:		
Additional costs relating to a review of capitalised expenditure on unopened properties	-	(837)
Non-operating items:		
Net profit on disposal of trading properties, other properties and fixed asset investments	-	22,625
	<u>-</u>	<u>21,788</u>

5 Net interest payable

	2000 £000	1999 £000
Interest payable on bank loans and overdraft	11,767	14,358
Interest payable on US notes	5,526	-
Less:		
Interest capitalised	(3,846)	(3,282)
Interest receivable	(3,221)	(1,064)
Charge to profit and loss account	<u>10,226</u>	<u>10,012</u>

6 Profit on ordinary activities before taxation

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

	2000 £000	1999 £000
Depreciation	20,946	15,771
Repairs and maintenance	4,783	3,796
Auditors' remuneration for: audit	50	48
other services	10	237
Profit on disposal of fixed assets	-	22,625
Rent receivable	(175)	(175)
Operating lease rentals:		
- property rents	27,459	19,872
- equipment and vehicles	628	479

Notes to the accounts *continued***7 Taxation**

	2000 £000	1999 £000
Current tax		
UK corporation tax on profits for the year at 30% (1999: 31%)	2,342	1,802
Adjustments in respect of prior periods	(66)	(299)
Advance corporation tax	(491)	(752)
	<u>1,785</u>	<u>751</u>

At the balance sheet date, advance corporation tax of £2.6 million (1999: £3.1 million) remained available for offset against future mainstream corporation tax liabilities.

Deferred tax

On a full provision basis, the maximum potential liability to deferred tax (excluding property gains) would be £33.3 million (1999: £26.1 million), representing primarily accelerated capital allowances of £35.9 million (1999: £29.2 million) offset by surplus ACT of £2.6 million (1999: £3.1 million). Based on the company's investment plans, no liability to deferred tax would arise in the ordinary course of the company's business.

No provision has been made for tax on any gains which might arise in the event of properties being sold at their revalued amounts, as the proceeds from any such disposal would be used to fund the continuing expansion programme and would therefore attract roll-over relief.

8 Dividends

	2000 £000	1999 £000
Interim paid of 0.91p per share (1999: 0.83p)	1,904	1,639
Final proposed of 1.76p per share (1999: 1.60p)	3,695	3,170
	<u>5,599</u>	<u>4,809</u>

9 Earnings and cash flow per share

The calculation of basic earnings per share is based on profits on ordinary activities after taxation for the period of £34,267,000 (1999: £25,463,000 before exceptional items, £47,251,000 after exceptional items) and on 204,035,428 ordinary shares (1999: 197,270,170), being the weighted average number of ordinary shares in issue and ranking for dividend during the period.

Fully diluted earnings per share has been calculated in accordance with FRS14 and is after allowing for the dilutive effect of the conversion into ordinary shares of the weighted average number of options outstanding during the period. The number of shares used for the fully diluted calculation is 208,311,375 (1999: 198,829,600).

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 existing pubs, after funding interest on existing pubs, tax and dividend payments and all other reinvestment in pubs open at the start of the period ('free cash flow'). It is calculated before taking account of proceeds from property disposals and inflows and outflows of financing from outside sources and is based on the same number of shares in issue as for the calculation of basic earnings per share.

Notes to the accounts *continued***10 Net cash inflow from operating activities**

	2000 £000	1999 £000
Operating profit before exceptional items	46,278	36,226
Depreciation of tangible fixed assets	20,946	15,771
Change in stocks	(841)	(650)
Change in debtors	779	1,102
Change in creditors	9,003	8,414
	<u>76,165</u>	<u>60,863</u>

11 Reconciliation of net cash flow to movement in net debt

	2000 £000	1999 £000
(Decrease)/increase in cash in the year	(20,893)	49,828
Cash inflow from increase in debt financing	(23,286)	(44,216)
Movement in net debt during the period	<u>(44,179)</u>	<u>5,612</u>
Net debt at 1 August 1999	(125,304)	(130,916)
Net debt at 30 July 2000	<u>(169,483)</u>	<u>(125,304)</u>

12 Analysis of net debt

	1999 £000	Cash flow £000	2000 £000
Cash at bank and in hand	62,578	(20,893)	41,685
Debt due within one year	(10,819)	10,819	-
Debt due after one year	(177,063)	(34,105)	(211,168)
Net Debt	<u>(125,304)</u>	<u>(44,179)</u>	<u>(169,483)</u>

Notes to the accounts *continued***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
Cost or valuation					
At 2 August 1999	94,276	196,546	79,127	42,430	412,379
Reclassification	19,154	6,637	6,501	(32,292)	-
Additions	58,218	27,960	31,160	38,456	155,794
At 30 July 2000	171,648	231,143	116,788	48,594	568,173
Depreciation					
At 2 August 1999	1,793	12,980	27,458	-	42,231
Reclassification	-	(402)	402	-	-
Charge for the year	2,195	5,278	13,473	-	20,946
At 30 July 2000	3,988	17,856	41,333	-	63,177
Net book value					
At 30 July 2000	167,660	213,287	75,455	48,594	504,996
At 1 August 1999	92,483	183,566	51,669	42,430	370,148

Included in unopened properties is capitalised interest of £3,158,000 (1999: £3,186,000).

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

Where the company's properties have been subject to revaluation in previous financial periods, they have been valued on an existing use basis by Christie & Co, a specialist licensed property valuer.

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	167,696	209,183	376,879
Depreciation	4,187	15,864	20,051
Net book value 30 July 2000	163,509	193,319	356,828
Net book value 1 August 1999	82,498	166,254	248,752

Notes to the accounts *continued***13 Tangible fixed assets** *continued*

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 1997 and prior	40	22,564	20,953	43,517
31 July 1998	76	1,312	70,083	71,395
31 July 1999	81	2,097	47,058	49,155
	197	25,973	138,094	164,067
At cost	231	141,687	75,193	216,880
Net book value	428	167,660	213,287	380,947

14 Investments

	2000 £000	1999 £000
Traded on Alternative Investment Market	100	253

15 Debtors

	2000 £000	1999 £000
Amounts falling due within one year:		
Other debtors	3,125	5,967
Prepayments	4,253	5,505
	7,378	11,472
Amounts falling due after more than one year:		
Other debtors	5,588	5,588

16 Creditors due within one year

	2000 £000	1999 £000
Bank loans (note 20)	-	10,819
Trade creditors	40,420	30,477
Corporation tax	1,651	966
Other tax and social security	4,829	5,594
Other creditors	3,848	3,226
Dividend payable	3,695	3,170
Accruals and deferred income	13,493	13,044
	67,936	67,296

Notes to the accounts *continued***17 Creditors due after one year**

	2000 £000	1999 £000
Bank loans repayable by instalments (note 20)	124,353	177,063
US senior notes due 2009 (note 20)	86,815	-
	<u>211,168</u>	<u>177,063</u>
Other creditors	2,811	3,529
	<u>213,979</u>	<u>180,592</u>

18 Called up share capital

	2000 £000	1999 £000
Authorised:		
220,000,000 ordinary shares of 2p each (1999: 220,000,000)	4,400	4,400
	<u>4,400</u>	<u>4,400</u>
Allotted and fully paid:		
209,916,425 ordinary shares of 2p each (1999: 198,106,801)	4,198	3,962
	<u>4,198</u>	<u>3,962</u>

9,915,000 ordinary shares were issued in connection with a share placing representing 5% of the issued share capital prior to the placing, raising a net consideration after issue costs of £43.8 million.

1,531,782 ordinary shares were issued during the year on the exercise of share options, at an average price of £1.79 per share.

362,842 ordinary shares were allotted in connection with the offer to shareholders of a scrip dividend alternative to the 1999 final and 2000 interim dividends.

19 Capital, reserves and shareholders' funds

	Called up share capital £000	Share premium account £000	Revaluation reserve £000	Profit and loss account £000	2000 Shareholders' funds £000	1999 Shareholders' funds £000
At start of year	3,962	65,463	25,166	111,405	205,996	159,192
Allotments	236	47,618			47,854	2,424
Revaluation					-	1,938
Transfer			(672)	672	-	-
Profit for the year				34,267	34,267	47,251
Dividends				(5,599)	(5,599)	(4,809)
At end of year	4,198	113,081	24,494	140,745	282,518	205,996

Notes to the accounts *continued***20 Financial instruments**

The company's objectives and policies on the use of financial instruments, including derivatives, can be found in the finance director's report on pages 11 and 12. Amounts dealt with in this note exclude short-term assets and liabilities, except cash and bank loans repayable in one year or less.

Interest rate and currency risks

An analysis of financial liabilities denominated in sterling, except for those detailed below, is set out in the following table.

	2000 £000	1999 £000
Floating-rate borrowings	111,168	77,882
Fixed-rate borrowings	100,000	110,000
Non-interest-bearing liabilities	2,811	3,529
Total financial liabilities	213,979	191,411

The floating-rate borrowings are interest-bearing borrowings at rates based on LIBOR, fixed for periods up to 3 months.

The fixed-rate hedging comprises swaps with a weighted average interest rate (excluding margin) of 7.13% (1999: 7.27%) and which are fixed for a weighted average period of 2.1 years (1999: 2.8 years).

Maturity profile of financial liabilities

	Total £000	Bank loans (note 17) £000	US senior notes (note 17) £000	Other long-term creditors £000
Between one and two years	1,490	-	-	1,490
Between two and five years	75,933	74,612	-	1,321
After five years	136,556	49,741	86,815	-
Total at 30 July 2000	213,979	124,353	86,815	2,811
In one year or less (note 16)	10,819	10,819	-	-
Between one and two years	19,821	18,291	-	1,530
Between two and five years	60,590	58,591	-	1,999
After five years	100,181	100,181	-	-
Total at 1 August 1999	191,411	187,882	-	3,529

The company has total UK committed bank facilities of £225 million which comprises a drawn £125 million unsecured term loan facility repayable between 3 and 7 years from draw down, together with a £100 million unsecured revolving loan facility maturing in 2004 which is at floating rates and undrawn at the balance sheet date.

In addition to the UK facilities, in September 1999, the company issued \$140 million unsecured US senior notes due 2009, carrying a fixed rate of US dollar interest of 8.48%. The company entered into currency and swap agreements covering the duration of these notes which removes all US dollar exposure and converts the interest rate to one based on LIBOR.

Notes to the accounts continued

20 Financial instruments continued**Fair values**

The table below compares, by category, the book value and fair values of the company's financial assets and liabilities as at 30 July 2000.

	2000 Book value £000	2000 Fair value £000	1999 Book value £000	1999 Fair value £000
Financing instruments				
Short-term borrowings	-	-	(10,819)	(10,819)
Long-term borrowings	(212,218)	(211,528)	(177,063)	(177,063)
Other long-term creditors	(2,811)	(2,490)	(3,529)	(3,056)
Cash deposits	41,685	41,685	62,578	62,578
Derivative instruments				
Interest-rate and currency swaps	-	6,230	-	(1,728)

The fair value of derivative instruments is calculated by discounting all future cash flows by the market yield curve at the balance sheet date.

21 Financial commitments

	2000 £000	1999 £000
Capital expenditure contracted but not provided for	20,608	27,560

22 Lease commitments

	2000 £000	1999 £000
The company operates a number of leasehold public houses and occupies leasehold office accommodation. The total annual rental commitment under these leases, all of which have more than 5 years to run, is as follows:	31,206	27,665

The annual rental commitment pertaining to other leases, primarily motor vehicles, are as follows:

Expiry within one year	54	121
Expiry between one and two years	179	121
Expiry between two and five years	445	236
	678	478

Notes to the accounts *continued***23 Share options**

	1 August 1999	Granted	Exercised	Lapsed	30 July 2000	Exercise price per share	Exercisable from	Expiry date
ESOP Scheme								
Date granted								
April 1993	28,754	-	20,180	-	8,574	49.6p	30/04/96	30/04/03
April 1994	205,500	-	131,250	-	74,250	69.4p	18/04/97	18/04/04
October 1994	390,000	-	135,000	-	255,000	78.4p	25/10/97	25/10/04
April 1995	163,375	-	56,500	-	106,875	92.4p	17/04/98	17/04/05
November 1995	619,500	-	223,000	-	396,500	127.2p	16/11/98	16/11/05
April 1996	139,025	-	70,075	3,225	65,725	176.0p	11/04/99	11/04/06
January 1997	572,250	-	171,780	20,750	379,720	244.2p	03/01/00	03/01/07
April 1997	232,000	-	55,750	6,750	169,500	237.0p	10/04/00	10/04/07
October 1997	573,125	-	45,500	26,600	501,025	299.0p	05/10/00	05/10/07
April 1998	571,538	-	29,425	26,505	515,608	326.0p	16/04/01	16/04/08
October 1998	1,257,000	-	54,000	98,000	1,105,000	167.0p	25/10/01	25/10/08
	4,752,067	-	992,460	181,830	3,577,777			
SAYE Scheme								
Date granted								
February 1993 (5yr)	40,390	-	40,390	-	-	35.1p	02/02/00	02/08/00
February 1999 (3yr)	507,245	-	1,257	107,233	398,755	159.0p	01/02/02	01/08/02
February 1999 (5yr)	623,839	-	-	123,954	499,885	159.0p	01/02/04	01/08/04
	1,171,474	-	41,647	231,187	898,640			
CSOP Scheme								
Date granted								
December 1996	830,350	-	421,125	65,300	343,925	243.0p	15/12/99	15/12/06
April 1997	185,500	-	65,000	23,875	96,625	234.5p	12/04/00	12/04/07
October 1997	599,125	-	750	113,250	485,125	301.0p	08/10/00	08/10/07
April 1998	615,350	-	1,000	131,800	482,550	326.0p	16/04/01	16/04/08
	2,230,325	-	487,875	334,225	1,408,225			
NDSO Scheme								
Date Granted								
December 1998	1,362,550	-	3,000	225,000	1,134,550	191.5p	17/12/01	17/12/08
April 1999	1,958,600	-	6,000	427,600	1,525,000	268.0p	20/04/02	20/04/09
September 1999	-	503,415	800	118,600	384,015	333.8p	10/09/02	10/09/09
March 2000	-	2,192,318	-	272,135	1,920,183	356.5p	07/03/03	07/03/10
	3,321,150	2,695,733	9,800	1,043,335	4,963,748			

At 30 July 2000, there were 1,110 members of the executive share option scheme (ESOP), with average option holdings of 3,223 shares, there were 340 members of the SAYE scheme, with average holdings of 2,643 shares, there were 4,140 members of the all employee company share option plan (CSOP), with average holdings of 340 shares and there were 4,907 members of the new discretionary share option scheme (NDSO), with average holdings of 1,012 shares.

The exercise of an option under the ESOP scheme and the NDSO scheme will, normally, in accordance with institutional shareholder guidelines, be conditional on the achievement of performance conditions. In respect of the ESOP scheme, options are exercisable only on condition that the earnings per share of the company between the date of grant of an option and the date of exercise increase by at least the increase in the RPI.

In respect of the NDSO scheme, both basic and super options can be granted. Basic options are exercisable 3 years after they have been granted and only if the company's normalised earning per share over any 3-year period has exceeded the growth in the RPI by an average of at least 3% per annum. Super options are exercisable after 5 years and only if the company's normalised earnings per share over any 5-year period has exceeded the growth in the RPI by an average of at least 7.5% per annum.

As the CSOP and SAYE scheme were available to all staff, there are no performance conditions attached to the exercise of options under it. The options in issue shown above include those of the directors shown on page 21.

Financial record

for the five years ended 30 July 2000

	1996 £000	1997 £000	1998 £000	1999 £000	2000 £000
Sales and results					
Turnover from continuing operations	100,480	139,444	188,515	269,699	369,628
Operating profit from continuing operations	17,003	22,939	28,367	36,226	46,278
Interest receivable	106	254	401	1,064	3,221
Interest payable	(4,004)	(5,627)	(8,603)	(11,076)	(13,447)
Profit on ordinary activities before exceptional items and taxation	13,105	17,566	20,165	26,214	36,052
Exceptional items	-	-	14,968	21,788	-
Taxation	(564)	(770)	(726)	(751)	(1,785)
Profit on ordinary activities after taxation	12,541	16,796	34,407	47,251	34,267
Dividends	(3,417)	(3,894)	(4,321)	(4,809)	(5,599)
Retained profit for the year	9,124	12,902	30,086	42,442	28,668
Recognised gains and losses					
Profit for the financial year after taxation	12,541	16,796	34,407	47,251	34,267
Unrealised surplus on revaluation of properties	4,839	1,673	2,086	1,938	-
	17,380	18,469	36,493	49,189	34,267
Net assets employed					
Fixed assets	182,123	244,513	334,695	370,148	504,996
Net current assets/(liabilities)	(6,938)	(22,561)	(34,948)	16,440	(8,499)
Non current liabilities	(67,077)	(97,289)	(140,555)	(180,592)	(213,979)
	108,108	124,663	159,192	205,996	282,518
Shareholders' funds	108,108	124,663	159,192	205,996	282,518
Ratios					
Operating margin	16.9%	16.5%	15.0%	13.4%	12.5%
Operating margin (excl. sale & leaseback rentals)	16.9%	16.5%	15.3%	14.9%	14.6%
Basic earnings per share (excl. exceptional items)	6.7p	8.7p	9.9p	12.9p	16.8p
Dividends per share	1.80p	2.00p	2.20p	2.43p	2.67p

Notes to the financial record:

(a) The summary of accounts has been extracted from the annual audited financial statements of the company for the 5 years shown.

(b) The earnings per share and dividend per share figures have been adjusted as appropriate to account for the 5 for 1 share split issue on 14 November 1997.

Information for shareholders

Ordinary shareholdings at 30 July 2000

Shares of 2p each	Number of shareholders	Number of shareholders %	Number of shares held	Number of shares held %
Up to 2,500	3,428	80.70	2,049,987	0.98
2,501 to 10,000	451	10.62	2,183,543	1.04
10,001 to 250,000	303	7.13	15,359,302	7.32
250,001 to 500,000	23	0.54	8,467,344	4.03
500,001 to 1,000,000	17	0.40	11,799,451	5.62
Over 1,000,000	26	0.61	170,056,798	81.01
	4,248	100	209,916,425	100

Substantial shareholdings

In addition to certain of the directors' shareholdings set out on page 20, the company has been notified of the following substantial holdings in the share capital of the company at 8 September 2000:

	Number of ordinary shares	Percentage of share capital %
Putnam International Management	22,610,253	10.77
Edgemont Asset Management Group	20,500,000	9.77
Capital Group Companies Ltd	12,871,811	6.13
CGNU plc	11,142,571	5.31

Share prices

1 August 1999	319.0p
Low	318.5p
High	464.0p
30 July 2000	361.5p

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.

This annual report is also available on our Web site: www.jdwetherspoon.co.uk

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

If you would like to contact us, please write to J D Wetherspoon plc, Wetherspoon House, Central Park, Reeds Crescent, Watford, Hertfordshire, WD24 4QL or telephone us on 01923 477777.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the company will be held at The Metropolitan Bar, Baker Street, London, NW1 5LA on Wednesday 1 November 2000 at 9.30am 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 30 July 2000.

2 To declare a final dividend for the year ended 30 July 2000 of 1.76 pence per share on the ordinary shares in the capital of the company.

3 To re-elect Ms R Schofield as a director.

4 To re-elect Ms S Baker as a director.

5 To re-elect Mr M Davies as a director.

6 To re-appoint PricewaterhouseCoopers as auditors of the company 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 the resolutions numbered 7, 8 and 10 as ordinary resolutions and, in the case of resolutions numbered 9 and 11, as special resolutions.

7 THAT the authorised share capital of the company be and is hereby increased from £4,400,000 to £10,000,000 by the creation of an additional 280,000,000 ordinary shares of 2 pence each.

8 THAT, conditionally on the passing of the resolution numbered 7 above:

(A) the directors be and are hereby, generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 ('the Act') to exercise all or any powers of the company to allot relevant securities (as defined in that section) to such persons, at such times and on such terms as they think proper, up to a maximum nominal amount of £1,400,000 during the period ('the period of authority') from the date of the passing of this resolution until the earlier of:

(i) fifteen months from the date of the passing of this resolution and

(ii) 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 ending on 29 July 2001 on which date such authority will expire unless previously varied, revoked or renewed by the company in general meeting (save that, during the period of authority, the directors shall be entitled to make an offer or agreement which would or might require relevant securities to be allotted in pursuance of such an offer or agreement, as if the authority conferred by this resolution had not expired) and

(B) the authority to allot given to the directors by this resolution be in substitution for any and all authorities previously conferred on the directors for the purposes of section 80 of the Act, without prejudice to any allotments made pursuant to the terms of such authorities.

9 THAT conditionally on the passing of the resolutions numbered 7 and 8 above, the directors be and are hereby empowered pursuant to section 95 of the Companies Act 1985 ('the Act') to allot equity securities (as defined in section 94(2) of the Act) for cash pursuant to the authority conferred by the resolution numbered 8 above as if section 89(1) of the Act did not apply to such allotment, such power to expire (unless previously varied, revoked or renewed by the company in general meeting) at the earlier of fifteen months from the date of passing of this resolution and 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 ending on 29 July 2001 (save that the directors shall be entitled, before such expiry, to make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the directors may allot equity securities in pursuance of such an offer or agreement, as if the power conferred by this resolution had not expired) and to be limited to:

(i) the allotment of equity securities for cash in connection with or pursuant to an issue or offer by way of rights, open offer or otherwise in favour of the holders of equity securities where the equity securities respectively attributable to the interests of such holders are proportionate (as nearly as may be) to the respective number of equity securities held by them on the record date for such allotment, subject only to such exceptions, exclusions or other arrangements which are in the opinion of the directors necessary or expedient to deal with fractional entitlements or legal or practical problems 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

(ii) the allotment (otherwise than as referred to in subparagraph (i) above) of equity securities for cash up to an aggregate nominal amount of £209,000.

10 THAT 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 in their absolute discretion, the holders of ordinary shares in the capital of the company be permitted to elect to receive an allotment of ordinary shares in the capital of the company, credited as fully paid, instead of cash in respect of all or any part of any dividend or dividends as may be paid or declared by the company or the directors pursuant to the Articles of Association of the company on or at any time after the date of the passing of this resolution and prior to the beginning 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 ending on 29 July 2001 and

(B) capitalise a sum equal to the aggregate nominal amount of the ordinary shares in the capital of the company 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 profits which could otherwise have been applied in paying dividends in cash and to determine and apply such sum in paying up in full the appropriate number of unissued ordinary shares in the capital of the company and to allot such ordinary shares to the members of the company making such elections in accordance with their respective entitlements.

11 THAT the directors be authorised to make market purchases (as defined by section 163(3) of the Companies Act 1985) of ordinary shares in the capital of the company subject to the following conditions:

the maximum number of ordinary shares which may be purchased is 20,991,642.

the price at which ordinary shares may be purchased shall not exceed 105% of the average of the middle market quotations for the ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days preceding the date of purchase and shall not be less than the nominal value from time to time of an ordinary share, in both cases exclusive of expenses; and

this authority will expire at the earlier of the conclusion of the next Annual General Meeting of the company and 30 April 2002, except that the company may before such authority expires enter into a contract of purchase under which such purchase may be completed or executed wholly or partly after the expiry of the authority.

By order of the board
Rosalyn Schofield
Company Secretary

26 September 2000

Registered Office:

Wetherspoon House
Central Park
Reeds Crescent
Watford
Hertfordshire
WD24 4QL

Notes:

1 A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the company.

2 A form of proxy is enclosed which holders of ordinary shares in the company are invited to complete and return in the envelope provided. Completion and return of the form of proxy in accordance with the instructions on it will not prevent such shareholders from attending and voting at the Annual General Meeting in person, should they so wish.

3 To be valid for the Annual General Meeting, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is executed or a notarially certified copy of such authority must be deposited at the offices of the company's registrars, Computershare Services plc, PO Box 82, The Pavilions, Bridgewater Road, Bristol, BS99 7NH, not later than 9.30am on 30 October 2000, being 48 hours before the time appointed for the holding of the Annual General Meeting.

4 There are available for inspection at the registered office of the company during usual business hours on any weekday (Saturdays and public holidays excepted) and there will be available for inspection at the place of the Annual General Meeting from at least fifteen minutes prior to and until the conclusion of the Annual General Meeting:

(a) copies of the directors' service agreements with the company other than those agreements expiring or determinable by the company without payment of compensation within one year and

(b) the register of directors' interests.