

Wetherspoons crashes to £155 million loss due to Covid shutdowns

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D [Wetherspoons](#) crashed to a £155 million [loss](#) after a year of turmoil that highlights the pressure facing the pub trade.

Founder and chairman [Tim Martin](#) partly blames the [government](#), which he thinks has singled out [pubs](#) for unfair treatment. He dubbed lockdowns a “threat to democracy”.

He said: “In the last year, the country moved, in succession, from lockdown, to ‘Eat Out to Help Out’, to curfews, to firebreaks, to pints with a substantial meal only, to different tier systems and to further lockdowns. Pub management teams, and indeed the entire hospitality industry, had an almost impossible burden in trying to communicate often conflicting and arbitrary rules to customers.”

Martin says there has been a low-level of [Covid-19](#) transmission in pubs. Wetherspoon, he said, had zero outbreaks of the virus among customers in the second half of 2020.

He added: “Yet there has clearly been a high level of transmission in some other environments, including private parties, weddings, production facilities, university halls of residence and homes. Pubs have been at the forefront of business closures during the pandemic, at great cost to the industry – but at even greater cost to the Treasury.”

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Sales for the year to July fell 39% to £772 million. The company has only made a loss in three out of its 37 years – 1984, 2020 and 2021. This year is the worst by a long way.

The VAT rate paid by pubs and restaurants goes up to 12.5% from today, following a cut to 5% last year to help the hospitality trade.

Hospitality and tourism bosses are pleading with the government to permanently lower the VAT rate on their businesses to help protect thousands of jobs.

Martin admits Wetherspoons has struggled to find enough staff in some areas, especially “staycation” areas in the West Country. He earlier called for a visa scheme for EU workers.

‘Spoons shares rose 18p to 1025p, up from 845p a year ago.

Martin added: “The biggest threat to the pub industry, and also, inter alia, to restaurants, theatres, cinemas, airlines and travel companies, relates to the precedent set by the government for the use of lockdowns and draconian restrictions, imposed under emergency powers. This threat, which is also a threat to civil society and democracy, has been regularly articulated by many commentators, including the former Supreme Court judge Lord Sumption.”

Wetherspoons opened five new pubs, but sold or closed another 16. That leaves it with an estate of 861 pubs.

Martin says the company beer cellars are as full as they were in 2019, though there have been delivery problems with some products.

There is “no beer crisis as of today,” he told the Standard. “We’re optimistic, but everyone is wondering what next? A plague of locusts?”