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4 Apr 17 - Licensing Act, inflation, real incomes, terrorism & other:

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A DAY IN THE LIFE:

I know I should keep my socks in pairs but I've always preferred the 'massive pile' method of storage.

And this can be interesting as the pile diminishes because, at some point, all you'll be left with is one bright red Father Christmas sock and an amber & black and rather holey Hull City Premiership Promotion effort.

Which is all well and good on dark mornings when your fellow commuters couldn't see your feet even if they wanted to look at them. But it's a little less appropriate when sitting in a business meeting discussing millions of pounds (of admittedly other people's money) with your legs crossed.

Still, it's interesting watching people grimace as they try to figure out if you're a somewhat afflicted mega-brain or just a colour-blind idiot. On to the news:

HOUSE OF LORDS COMMENTS ON LICENSING ACT:

- A House of Lords committee has concluded that the Licensing Act, introduced over 11yrs ago, is 'fundamentally flawed'
- It suggests integrating licensing committees with planning committees
- Setting licensing fees locally, scrapping the Late Night Levy and introducing minimum pricing
- Trade bodies have reacted with the BBPA CEO Brigid Simmonds commenting 'I very much welcome the Committee's statement that "pubs, clubs and live music venues are a vital part of our cultural identity. Any decline in our cities' world-famous night life ought to be prevented and the businesses supported.'
- Ms Simmonds says 'I also welcome the Committee's opposition to making public health a licencing objective.'



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Trading Statements, etc.

TRADING STATEMENTS & EVENTS:

Upcoming results are set out below:

- 6 Apr 17 Constellation Brands Q4 & FY numbers
- 6 Apr 17 Ruby Tuesday Q3
- Est. 13 Apr 17 EasyHotel H1 update
- 13 Apr 17 B of England MPC decision
- 13 Apr 17 Sodexo FY numbers
- 20 Apr 17 Domino's Pizza UK

- Both the BBPA and the ALMR have welcomed the suggestion that the Late Night Levy be scrapped. The BBPA comments ‘partnership working, between the police, local councils and local businesses, is the best way to tackle any problems in the night-time economy.’

- The BBPA says that licensing fees should not be set locally. The ALMR says ‘while locally set fees could work, there would need to be a national framework to provide consistency, fairness and transparency.’

- The ALMR says that ‘licensing and planning are very separate issues’ and it suggests that they should be addressed separately

PUB, RESTAURANT & DRINK PRODUCERS:

- Let them eat turnip. Aldi has cut the price of cauliflower in the light of a bumper harvest. The price of most other things has gone up.

- ASDA Income Tracker suggests 47% of consumers think their income is about to fall. Only 6% see it rising.

- ASDA Tracker suggests ‘60% of UK families’ spending power falls year on year as the average growth continues to slow’. The report says that fuel prices are +20% y-o-y and adds that lowest income groups are being worst hit. Whilst its highest income group is up 2.3% in spending power, the lowest are only 0.2% better off. ASDA adds ‘in February the rate of inflation exceeded the Bank of England’s target rate of 2% for the first time in over three years. Over the next months, we expect the cost of living to increase further as the effect of the weak pound and higher oil prices continue to exert upwards pressure on inflation.’ It adds ‘in combination with falling wage growth, this means that families will actually see their spending power decrease over the next months. This will especially be felt by lower-income households, who spend a larger share of their budget on essentials such as food and clothing. As a glimpse of things to come, we’ve seen discretionary incomes decline for three out of five households this month, the first time this has happened since June 2014.’

- EAT, which now runs 110 stores, has posted a 9.3% increase in like-for-like sales for the three months to the end of February, per MCA. The Lyceum Capital-backed sandwich shop chain plans to expand internationally with a focus on transport hubs.

- Fish and chip operators are losing visits and face an uncertain future despite other quick-service restaurants attracting more customers than ever before, according to NPD Group. There were 327 million visits to fish and chips for YE February 2017, down 4.4% over the past eight years, meaning fish and chip shops trail the expansion of Britain’s wider QSR market by nearly 14 percentage points. Fish and chips now only represent 5.6% of total QSR, compared to 6.4% for YE February 2009.

- Brasserie Bar Company is on track to hit £45m turnover for the financial year to the end of June thanks to 9% like-for-like sales growth.

AGM

- 20 Apr 17 Accor Q1 sales

- Est. 21 Apr 17 Ladbrokes Coral Q1 update

- 25 Apr 17 Whitbread FY numbers

- 26 Apr 17 Pepsi Q1 numbers

- 5 May 17 Millennium & Copthorne Q1

- 5 May 17 Intercontinental Hotels Q1

- 9 May 17 William Hill AGM & Q1 update

- Est. 9 May 17 Punch Taverns H1 numbers

- 10 May 17 Compass H1

- 11 May 17 On the Beach H1 numbers

- 15 May 17 TUI H1

- 16 May 17 Premier Foods FY numbers

- 17 May 17 Marston’s H1 numbers

- 17 May 17 M&B H1 numbers

- 18 May 17 SSP Group H1 numbers

- 18 May 17 Thomas Cook H1 numbers

- 23 May 17 Cranswick FY numbers

- 23 May 17 Stock Spirits AGM

- Est. 24 May 17 EasyHotel H1 numbers

- 24 May 17 M&S FY numbers

- 9 Jun 17 Fuller’s FY numbers

- Starbucks is set to open its first-ever location that only accepts mobile orders and payments on the eighth floor of its Seattle headquarters. The coffee giant will also reopen its lobby store under its Starbucks Reserve Store banner.
- India's Supreme Court has banned the sale of alcohol near main roads across the sub-continent as it clamps down on drink-driving. Some 35% to 40% of all drink outlets are reckoned to be within the stipulated 500 metres of state and national highways.
- The Yummy Collection reported a 36% jump in trading across its six sites over Mother's Day against the same weekend a year earlier.
- Panera Bread Co share price increased 8% on the back of rumours that the company is considering strategic options after receiving takeover interest. The bakery cafe chain had a market cap of \$6bn as of March 31st. A spokeswoman for Domino's, Jenny Fouracre-Petko, has stated in an email that the company was committed to remaining a single-brand pizza provider and was not discussing the purchase of Panera.

HOLIDAYS, LEISURE TRAVEL & HOTEL

- Thomas Cook will stop selling tickets to certain wildlife attractions to protect hundreds of dolphins, elephants and other animals from appearing as cruel entertainment for tourists. An audit of 25 attractions by assessment company Global Spirit found that 16 did not meet the minimum standards for welfare set out by Abta, with reports of dolphins with badly damaged skin, eavily chained elephants showing signs of distress and other elephants forced to spin hoops, stand on small platforms and take part in a 'tug-of- war'.
- Luxury hostel brand Safestay has announced an £18.4m debt restructuring and refinancing, and sale and leaseback transactions on its Edinburgh and Elephant & Castle hostels. As of 31 December 2016, the group had unaudited borrowings of £17.6m, but the sale and leaseback has raised cash proceeds of £12.6m and the refinancing will result in 'significantly reduced cost of debt'. Larry Lipman, group chairman, said: 'Consolidating our borrowings into one new facility at a lower cost with an international lender capable of supporting our European ambitions is a logical and very positive step and has been made possible by the increasing trading strength of the business.'
- Marriott International has completed the sale of its long-term leasehold interest in The Westin Maui Restort & Spa, Ka'anapali, which it will continue to manage, for approximately \$317m. 'We are proud to announce the sale of this iconic resort property and to expand our portfolio with our strong global partners, Trinity and Oaktree,' said Leeny Oberg, chief financial officer of Marriott International. 'The sale demonstrates the strength of the Westin brand and reaffirms our commitment to our asset-light strategy as we continue our merger integration.'
- Reports from Greek media suggest that Minoan's new resort in Crete has been approved and that the Scottish travel group is in 'continuing talks' with potential

- 29 Jun 17 Greene King FY numbers
- 5 Jul 17 Ocado H1 numbers
- 13 Jul 17 DART Group FY numbers
- 13 Jul 17 SSP Group Q3 update
- 24 Jul 17 Cranswick Q1 update & AGM
- 26 Jul 17 Marston's Q3 update

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partners including, hotel operators, joint venture partners, financiers and investors to consider the best route for the project to deliver maximum value for shareholders.'

- Oasis Travel has acquired Knock Travel, the agency run by Abta's Doreen McKenzie, for an undisclosed fee.

- Explosions in two St Petersburg underground stations have killed at least 10 people, according to Russian media. President Putin said all causes, including terrorism, were being investigated regarding the blasts at the Sennaya Ploschad and Tekhnologicheskoy Institut stations. Interfax and RIA report that at least 50 people have been injured.

FINANCE & MARKETS:

- UK manufacturing PMI in slight fall. Fell to 54.2 in March from 54.5 in February. Any number > 50.0 implies expansion

- Philly Fed President Patrick Harker has said that the Fed should raise rates twice more this year. He says 'I still think that's the right call' adding 'I don't want to get behind the curve, but I don't think we need to rush, either.'

- Brexit:

- o Pro Brexit MPs want to see a return of traditional travel paperwork. It may cost circa half a billion pounds to move from red to blue passports. Individual travellers are likely to have to foot the bill rather than the taxpayer. The Home Office is reported to have asked for tenders.

- Eurozone unemployment fell to 9.5% in February from 9.6% in January. Germany has a rate of 3.9% whilst 23.1% of potential workers in Greece are currently jobless.

- Oil down at \$53.01

- Sterling lower at \$1.2472 and €1.1684

- UK 10yr gilt yield sharply lower at 1.06% (was 1.14% yesterday). Lower interest rates suggest dealers see rates lower for longer on the back of a sluggish economy.

- World markets: UK, Europe & US down yesterday. Far East down in Tuesday trade.

YESTERDAY'S LATER TWEETS:

- Fulham Shore. Will step up rollout & has ambitions for a 'nationwide presence'. Group to open c15 units in year to Mar-18

- EU migrant labour. Includes doctors as well as fruit pickers. Skill shortage looms say BHA, KPMG & others

- BHA calls on Brits to take bottom end jobs in hospitality should migrant labour leave. Says transition could take 10yrs
- Latest ASDA Income Tracker shows 46% of consumers think their disposable income is set to fall. Only 6% see it rising
- ASDA says low-income households will be hit hardest by squeeze that is just starting. Prices of 'essentials' set to rise

RETAIL NEWS WITH NICK BUBB:

- News Flow Last Week: The Booker finals and DFS interims both came out last Thursday and both were uneventful (Booker wouldn't say anything about the Tesco deal, given the CMA review, and DFS didn't talk about current trading, notwithstanding their cautious view of H2 economic prospects), but the main story that day was the dull pre-close update from AO.com, which caused slight downgrades, and the surprise £50m placing at 132.5p to fund more reckless European expansion. Interestingly, although AO.com moaned about a slowdown in the UK white goods market, the latest monthly GFK Consumer Confidence index first thing on Friday morning remained steady at -6 (although the Major Purchases sub-index ticked up). In other news, Sports Direct has increased its stake in Debenhams (via derivatives trades) to 16.1% and the fashion chain Jaeger is said to be on the brink of going into administration, whilst the new MD of John Lewis, Paula Nickolds, gave lots of press interviews on Friday about her vision of reinventing the business.

- Today's Press and News: The front pages are still dominated by the extraordinary story at the weekend that the UK might go to war with Spain over Gibraltar... and the Sun, lamentably, runs with the headline "Up Yours Senors!", although, more soberly, the Guardian flags that "May seeks to ease tensions over Gibraltar". In terms of Retail news, the news that Burberry is to franchise its struggling perfumes business to Coty gets some coverage, but the main story is that Amazon has launched its Business website in the UK, following the US and German launches: the FT flags that "Amazon is adding a trade counter to its UK website, selling everything from staplers to centrifuges via a service designed to appeal to the corporate customers who account for about two-fifths of online spending". The FT market report also leads with the bearish report on Next by Exane yesterday, arguing that turnaround hopes look unfounded...

- Trade Press: The front cover of Friday's Retail Week magazine was a photo of Simon Wolfson, flagging up a feature on "Wolfson's Next steps" and the message on Next that "from fashionability to fulfilment, the retailer aims to up its game". The front cover of Drapers magazine on Friday flagged up their main feature, one of the excellent "Hit or Miss" surveys; this time a review of Womenswear stores in Milton Keynes by Drapers' undercover reporter: Next came top with 8 out of 10 ("A well-targeted and well-priced collection, in a pleasantly relaxed store") and M&S came well down the field with a score of 5/10 ("Excellent service betrayed by an uninspiring store and messiness").

- News Flow This Week: The Topps Tiles Q4, the ASOS interims and the latest

the Mothercare Q4 and the Dunelm Q3 is out on Friday.

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