

recovery

Intelligent business recovery solutions from Christie + Co

- Hotels
- Public Houses
- Restaurants
- Leisure
- Care
- Retail

In January the government announced what many had known and feared for some months: that the UK was officially in recession for the first time since 1991. This was followed last week by Baugur, the Icelandic investor behind many of the UK's most recognisable high street retail brands, asking for protection from creditors.

Gross domestic product fell by 1.5% in the last three months of 2008, after a 0.6% drop in the previous quarter. It represented the biggest quarter-on-quarter decline since 1980 and a 1.8% drop on the same quarter a year ago.

Chancellor Alistair Darling said that the figures underlined the scale of the challenges that UK businesses and the government faced. The news of further job cuts, growing unemployment and increasing numbers of companies closing or falling into administration also emphasised in stark detail the problems caused by the global economic crisis.

A number of businesses in the pub, restaurant, hotel, care, leisure and retail sectors in which Christie + Co operates have also collapsed under the increasing pressure, including over the last month the Real Hotel Company and continental café chain Amano.

Recent research released by PricewaterhouseCoopers (PwC) highlighted the plight of business in the hospitality and leisure sectors. Their figures showed that restaurants accounted for 45% of all hospitality and leisure insolvencies in the quarter before Christmas, while 64% more pub companies became insolvent in 2008 than the year before.

The research also predicted that 4,000 pubs will shut their doors by 2010 and revealed that 36 hotels failed in the final three months of 2008, the highest quarterly figure since the early 1990s.



The economic downturn has also adversely impacted the values of businesses — a point which was highlighted in Christie + Co's recently launched Business Outlook 2009 publication:

Sector	Average property values in 2008
Hotel	- 18.39%
Pub	- 11.63%
Restaurant	- 14.92%
Care	- 16.89%
Retail	- 6.48%

To view or download a full copy of the Business Outlook publication, please go to: www.christiecorporate.com/ccc/news/publications/

The need for professional and up-to-the-minute business advice is more imperative than ever. Christie + Co's reputation as a business broker is well established, but the current market conditions are enabling us to demonstrate our capabilities as professional consultants and advisors who can provide timely, valuable input at various stages of business distress.

Overleaf is an overview of some of the recovery and advisory projects on which Christie + Co has recently worked, together with opinion on some of the key issues affecting UK businesses.

We hope you find this newsletter both interesting and beneficial.

Business Intelligence Seminar

On Monday 23rd February, Christie + Co will be discussing the potential outcomes of the current recession and suggesting ways of reducing risk and enhancing value in 2009 at its Business Intelligence Seminar. Join us at the Royal Institution of Great Britain in London and you will be able to hear from some of the industry experts who will offer their thoughts about the marketplace and its immediate future.

To see more details regarding this must-attend seminar and to register for a place please go to:

www.businessintelligenceseminar.co.uk

Can you afford not to be there?



Hotels

Last month the Real Hotel Company, which operated over 50 hotels across Europe, with 42 in the UK together with two offices, was placed into administration.

The group formerly operated 17 properties under its own brands (Purple Inn and Stop Inns) and 20 Quality Hotels, 2 Clarion Hotels and one Comfort Inn under franchise agreements in the UK. It also operated a suite of established function rooms in London.

Christie + Co is instructed to act for a substantial number of the landlords in securing new tenants, once administrators BDO Stoy Hayward hand back possession of the relevant properties to them.

Venners, Christie + Co's sister company, attended all 42 UK sites within 24-hours notice to carry out stock valuations and also did inventory work on behalf of some of the landlords. It is continuing to carry out further work with landlords on behalf of the administrators.

Retail

Just before Christmas Christie + Co was instructed by administrators KPMG, to sell convenience store operator Nearby Stores Limited.

The company operates an estate of 33 leasehold convenience stores located across the south and south west England. In just over a fortnight, we helped KPMG negotiate the sale of 13 of the sites to Southern Co-operatives.



Nearby Stores

Since then a further seven outlets have been sold to national chain Costcutter. Talks are continuing with a number of interested parties regarding the remaining outlets.

Care

On the instructions of Grant Thornton, administrators of Alcohol and Drug Addiction and Prevention and Treatment Ltd. (ADAPT), Christie + Co sold the freehold interest of the Barley Wood treatment centre in Wrington, North Somerset, to Briscard Property Investments Limited for an undisclosed sum.



Barley Wood, Wrington

Complementary services



Christie + Co is a member of Christie Group, which offers a portfolio of complementary professional business services. These include stock control and inventory services, which are provided by Venners and Orridge.



Founded in 1896, Venners is the UK's largest and longest established stock audit company servicing the hospitality sector. The company's services include liquor & food stocktaking, a range of health & safety services, including fire risk assessments and food safety audits, plus inventory listings and valuations.



Orridge was founded in 1846 as a stocktaking provider to the pharmacy sector. The company now employs more than 1,000 employees and supports clients in a number of different sectors including pharmacy, retail, warehouse/distribution and supermarkets. Orridge's services have expanded in line with the growth of the business. Two of the company's latest offerings include on-shelf-availability and supply chain optimisation.

To hear more about Christie + Co's intelligent business recovery solutions, please contact:

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