Menzies is a top 20 firm of accountants, finance and business advisors. We operate out of a network of offices across Surrey, Hampshire and London, providing our clients with easy access and local knowledge. Many of our clients are expanding overseas and benefit from the outward perspective we can provide via our active membership of HLB International.

Our key strength is focus. We focus on our clients – understanding your business via our in-depth sector expertise, which enables us to provide you with insights that add real value.

Our Relationship Partners focus on getting to know you. We use a consultancy-led approach and a variety of diagnostic tools we’ve developed to challenge your objectives and guide your business growth.

Clients also benefit from our diversity, we offer the full range of services you’d expect from your accountants, plus some you might not – like strategic consultancy, outsourced HR and FD support and business valuations.

And it’s not just about your business. Our subsidiary company, Menzies Wealth Management, provides independent financial advice to both private and corporate clients, to reduce your tax exposure and meet your financial goals.
GREAT GROWTH BUT FIERCE COMPETITION

Work hard, play hard. Judging by the current healthy state of the UK hospitality & leisure sector, this seems to be a motto that the population is embracing. More people are eating out, with the strongest growth being in ‘grab and go’ dining. Brand loyalty is increasing, resulting in the confident expansion of certain chains (e.g. Costa). And budget hotel chains have experienced dramatic growth, especially in London.

KEY CHALLENGES FOR THE HOSPITALITY & LEISURE SECTOR

PUBS

Although conditions for pubs are likely to remain challenging, the worst seems to be over, with a predicted growth of 2% pa to reach £20 billion by 2020, with a similar growth in profitability. Declining beer consumption and competition from the on-trade sector are the downsides but the removal of the beer tie for tenanted publicans, together with increased food, wine and premium beer sales are expected to offset this. Those pubs that have reinvented themselves as family-friendly, all day dining, food-focused free houses and managed pubs are forecast to outperform the sector.

HOTELS

The UK hotel sector turnover is expected to increase by 2.4% pa over the next five years, bolstered by robust growth in business and tourist travel, fuelled partly, by a rise in retirement age travellers. However, it is a highly competitive market, so room rate increases are tight and the continued growth of larger chains will cause smaller operators to suffer. All operators are also being squeezed by the impact of online booking providers and the rise in popularity among younger travellers for concepts like Airbnb and HomeAway.

NIGHTCLUBS

This is the only sub-sector that is expected to continue struggling, with revenues down 1% pa during the next five years. Competition from alternative late-night venues is expected to force inefficient operators to exit the sector and relatively high youth unemployment continues to curb spending.

CUSTOMER EXPECTATIONS

These are rising and satisfaction levels are falling, perhaps due partly to the influence of social media/Tripadvisor.

RESOURCES

Rent increases and increased prices for food and drink are putting pressure on margins. Control of energy usage and supply chain costs, combined with management of the impact of commodity prices, are key to ensuring competitiveness.

PEOPLE ISSUES

The sector continues to face skills shortages, although the influx of migrant EU workers has helped somewhat. The increase in the national minimum wage is expected to push up costs and reduce margins for the sector.

TECHNOLOGICAL ADVANCES

There is a stronger focus on the use of technology, for example, online booking, mobile apps, customer database management and social media.

FUNDING/FINANCE

Despite interest rates being low, there are still issues with credit supply, which are preventing operators from undertaking certain projects, like acquisitions, re-branding and refurbishments. The threat of rising interest rates continues, and with global economic and political instability, the outcome remains uncertain. Whilst the high street lenders are very risk averse (aided by valuations that continue to be on the low side), there has been a growth in mezzanine finance and specialist funders.