Retail

Stonegate pubs collapse 'dire warning' for Asda

The potential collapse of Stonegate pubs raises huge questions over the future of Asda supermarket, GMB has warned MPs.

The pub chain, owned by TDR Capital, has been forced to issue a profit warning as it struggles to refinance its debts.

Private equity firm TDR - which also owns Asda - previously told a parliamentary committee it was 'very confident they would be able to refinance the debt'.

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Yet as of September 2023 – months before the committee hearing – Stonegate's accounts showed there were 'material uncertainty' over the refinancing plans.

In a letter to Liam Byrne MP, Chair of the Business and Trade Committee, GMB says TDR was not up front in answers to Parliament and asks him to recall TDR back in front of the committee.

Stonegate's collapse would put 4,400 pubs and thousands of jobs at risk as well as raising serious concerns for the future of Asda, employer of more than 150,000 people.

Nadine Houghton, GMB National Officer, said:

"TDR bosses have serious questions to answer: why was the committee told there was high confidence of refinancing Stonegate's debts, when the accounts

reference 'material uncertainty'?

"Why did the founding partner of TDR Capital resign from the Stonegate board on 1 December?

"How will they ensure Asda doesn't face a similar fate to Stonegate?

"Under TDR Capital, Stonegate has been driven into the ground.

"Now they're doing the same at Asda: slashing millions of staff hours from the shop floor, allowing standards to decline in store and losing market share.

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“TDR Capital’s private equity business model is to heap debt on companies, then leave communities and workers to pick up the pieces when things go wrong.”

“The collapse of Stonegate may be a dire warning of what’s to come for Asda.”

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