DAILY EXPRESS

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Improved digital connectivity could boost rural economy

RURAL businesses could add billions to the economy if they are given the tools to embrace digital technology, according to a report.

Greater adoption of digital tools and services by rural firms could add between £1.2 and £2.5billion to Gross Value Added (GVA), according to Scotland's Rural College and Rural England.

The report says this is on top of more than £30bn GVA which Scotland's rural economy already contributes in the UK.

Analysis published today also says at least £1.44bn could be added to Scotland's rural business turnover.

Doug Gurr, UK country manager for Amazon which commissioned the report, said: "Over the past 20 years, we've seen opportunities for rural entrepreneurs transformed through e-commerce, better delivery services and growing access to fast broadband.

"But as the report shows, there's much further to go before anyone can say the rural-urban divide has closed. Embracing digital technology not only benefits the economy; it also allows rural communities to combine great quality of life with access to global opportunities." The report found that south west, eastern and south-east England, which have the largest share of rural businesses in the UK, would benefit most from greater digital adoption.

Scotland accounts for 9.6 per cent of all rural businesses which could boost its rural economy if business owners were able to access reliable broadband.

What the Sunday papers say

SUNDAY EXPRESS

HIGH-STREET retailers are in greater danger than they were during 2008's great recession, with 44 per cent showing signs of financial distress, according to research from Company Watch.

VIRGIN Atlantic is to offer flights to Australia again, four years after it scrapped its route to Sydney, according to chief executive Craig Kreeger.

NEARLY 40 per cent of start-ups have had to use their owners' personal savings to stay afloat over the last 18 months, according to Hitachi Capital.

SUNDAY TIMES

MELROSE will raise its £7.3billion offer for GKN this week in an effort to clinch the hostile takeover of the FTSE 100 engineer.

THE embattled outsourcing giant Capital is plotting a £700million fire sale of assets alongside a heavily discounted rights issue intended to raise a similar sum.

SUNDAY TELEGRAPH

ANDREW Bailey, the head of the City watchdog, has called for a cultural overhaul in Britain's finance industry following fresh controversy over gender pay gaps and in the aftermath of the Presidents Club scandal.

FIRMS in the aerospace, hospitality and manufacturing industries, together with business leaders in the North West, Northern Ireland and East Midlands, are the most bullish about Brexit.

OBSERVER

NEXT is facing a demand for up to £30m in back pay from thousands of mainly female shop-floor staff in the first major equal pay claim against a British fashion retailer.

Schuh won't get the boot says Temple

By **Kalyeena Makortoff**

THE chief executive of Schuh has dismissed the prospect of the company being sold off, despite its US parent facing pressure from an activist investor to offload the business.

Boss Colin Temple said he was confident in the footwear chain's performance and that the retailer will continue to prosper under the ownership of Genesco, which bought the firm for £100million in 2011.

"I'm not sat here and nervous that we will be put up for sale in the foreseeable future," he said. "I am intrigued about what will happen with the activist investor, but I'm confident that it makes sense to be part of the organisation."

Intrigued...Temple

Temple, who was speaking on the sidelines of the Retail Week Live conference, said the retailer has benefited from "being part of the wider group" and that "if the activist investors were able to understand that, it might help".

The comments come after Legion Partners wrote to Genesco last week, saying that the UK footwear chain was among the businesses that stood to improve under "separate ownership".

It added that it was "unacceptable" for Genesco to continue operating with a "disparate set of assets with such a poor record of value creation".

Mr Temple said: "There is value in our business product and processes and that's not going to change."

Schuh, which has 105 stores across the UK and is headquartered in Livingston, Scotland, has yet to report its 2017 results, though a year earlier it reported a 5 per cent rise in turnover to £280.9m for the 12 months to January 2017. This helped pump up underlying earnings 15 per cent to £29.7m over the same period, according to filings at Companies House.

Temple said the shoe chain has been competing for shoppers' pounds not only with fellow footwear retailers but restaurants and entertainment venues as consumers tighten up their spending on non-essential items amid rising inflation sparked by the slump in the pound.

The Schuh boss does not expect his company to face the same fate as retailers like New Look which have been forced to shutter a raft of stores, or Maplin and ToysRUs which have collapsed into administration.

"Our profitability has gone down a little bit over the years but we're still profitable and that means that we're not forced to close stores. I don't see the need to be taking a knife to our store portfolio," he said.

LEGO VOTED UK'S LEADING SUPERBRAND

Picture: PA IMAGES

POPULAR: Lego saw off competition from more than 1,500 firms

LEGO has been voted the UK's strongest brand as previous winner British Airways fell from the top 20 ranking entirely.

Lego beat more than 1,500 companies to pole position as it celebrates its 60th anniversary, rising from 25th place in 2014 to second position last year in the annual UK Superbrands ranking.

Gillette rose three places to take the runner-up position, while Apple placed third having risen three places from last year.

Marks & Spencer leapfrogged John Lewis to seventh place as the department store slipped nine to 15th position.

Google and Amazon both dropped out of the top 20 as Disney and Heathrow both re-entered the ranking for the first time since 2013, as did BP and Shell after a four and three-year absence respectively.

The list is determined by 2,500 consumers, who are asked to rank each brand for quality, reliability and distinction on behalf of the Centre for Brand Analysis.

Superbrands chairman Stephen Cheliotis said: "British Airways tumbling from top spot to outside of the top 20 should be a wake-up call. No brand, however strong, is immune to changing consumer sentiment."

Gin sales hit another record high

GIN sales hit a record high at Christmas after consumers bought the equivalent of a bottle for every adult in the UK last year, according to latest figures.

Britons bought 51 million bottles of the spirit last year, and sales were up by £104million this Christmas compared with the previous year, the Wine and Spirit Trade Association said.

The figure is 27 per cent higher in volume, the equivalent of more than nine and a half million more bottles, than 2016.

Over 16 million bottles of gin, worth £413million, were sold in the 12 weeks to the end of December – an extra three and a half million bottles bought or 28 per cent in volume on the 2016 festive period.

Britain's love for the tipple made gin a popular gift this Christmas, along with a wide range of gin-themed gifts such as gin baubles, gin advent calendars and gin glassware.

Last year was also a record-breaking year for British gin exports, which broke the £500million barrier to hit £530m in value sales.

There are now 315 distilleries in the UK, more than double the number that were operating five years ago.

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Rolls-Royce boss East delivering on plans

RECENT years have been turbulent for Rolls-Royce. However, Wednesday's full year results showed CEO Warren East's turnaround plans are working.

Underlying revenues came in 6 per cent higher at £15.1billion and pre-tax profits rose 25 per cent to £1.1bn. Every division at the Derby-based engineer delivered a stronger than expected performance.

The flagship Civil Aerospace division, where operating profits rose 34 per cent to £520million, and the Power Systems business, which saw profits jump 61 per cent to £330m, were the star performers.

The shares rose 12 per cent on the back of the numbers. We like the work East is doing. Improving the transparency of Rolls' notoriously complex accounting and simplifying the group's structure make perfect sense from a financial standpoint.

Unfortunately, this will come at a cost. Around 600 managerial roles have been cut, and the continued restructuring means there could be more to follow.

The plans to consolidate Rolls' five current divisions into three could also see parts of the business put up for sale. Marine has been under particular pressure, with the future of the fuel injector business under review. A sale, which could raise $700m, seems likely.

Continued operational improvements should help Rolls generate stronger cash flows. That's particularly important for shareholders – higher dividends will only be possible once the cash is rolling in.

The shares only offer a dividend yield of 1.4 per cent in the coming year. However, if the group can hit its target of generating £1bn of annual cash flows by 2020, there's potential for the payout to grow significantly.

The catch is this still involves a fair bit of blue-sky thinking, and operating performance hasn't been flawless.

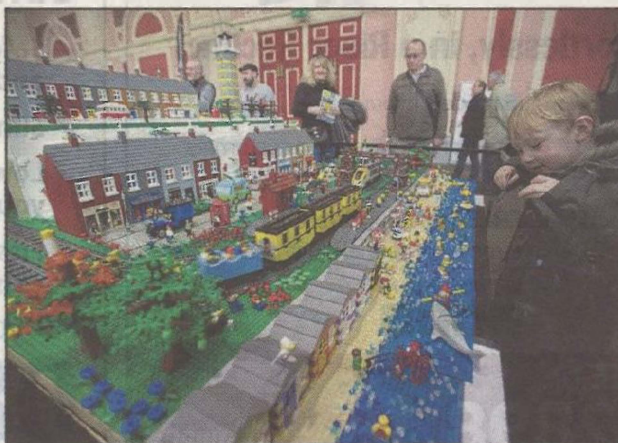
Problems with turbine blades in the Trent 1000 and 900 series engines cost £170m last year, with another £580m expected to be soaked up by fixing the issue over the next two years.

The fact East is confident of hitting that magic £1bn number on cash flow despite these headwinds is testament to the progress he's made. But we feel there's still plenty left to do before Rolls is comfortably cruising.

"This article is designed for investors who make their own decisions without advice, if unsure whether an investment is right for you, you should seek advice. Shares can rise and fall in value so you could get back less than you invest."

12th March 2018

LEGO VOTED UK'S LEADING SUPERBRAND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