

# Business Day

Your voice in Lancashire

## Growth slowing as uncertainty mounts

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The number of North West businesses showing signs of growth is at its lowest for over five years, while the number showing signs of distress has reached a three-year high, according to new research by insolvency and restructuring trade body R3.

In its latest survey, just 51 per cent of businesses in the region reported one or more signs of growth, down from 61 per cent in April and 78 per cent at its peak in December 2015.

Meanwhile, 30 per cent reported one or more signs of distress, up from 10 per cent in April and the highest since 2014.

Paul Barber, North West

Chair of R3 and a partner at Begbies Traynor, said: "The business climate has changed markedly since December 2015, when growth levels were at a record high and distress levels at a record low.

"Since then we seen a distinct increase in distress and a drop in growth. It looks like a new phase of the economic cycle has started.

"With the increase in the National Living Wage, rising inflation and new pensions rules all pushing up costs up, and greater uncertainty, the picture is getting murkier."

In the latest survey, 14 per cent of Northern companies said that sales had fallen, compared to just three per cent in April, while four per cent were having to make redundancies and 19 per cent

**30**  
per cent  
report  
'distress'



Paul Barber of R3

were regularly using their maximum overdraft.

Over the same period, the number investing in new equipment has dropped from 37 per cent to 27 per cent, suggesting that many business leaders may be building up cash reserves to take them through tougher times ahead.

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Paul Barber added: "With any change in the economy, there are winners and losers.

"In some cases, increased profits may be due to companies benefiting from the fall in sterling and not passing on the savings to customers, or it could be that companies are investing less."

### Biz briefs

#### £5.3m cost of fraud

Businesses in Lancashire reported more than £5.3m in fraud losses last year, data obtained by RSM under the freedom of information act has revealed. The statistics, obtained from ActionFraud, the UK's national fraud and cyber-crime reporting centre, show that businesses across the region submitted almost 247 reports to the police about fraud in 2016-17.

#### Eve joins law team

Lancashire law firm Harrison Drury has recruited a new director to head up its private client team. Eve Carter – a specialist in Court of Protection and mental capacity issues – will be based at the firm's Preston office and will advise clients and their families across the region. She joins Harrison Drury from Linder Myers.

## Care home group is top of the world

A care home group has received one of the most prestigious awards in the field of residential care provision – the Global Award.

Lakeview Rest Homes Ltd, based in St Annes, is proud to have been presented with the Global Award as "The Most Outstanding Residential Care Provider in the World in 2017".

Global Awards are sponsored by The Over 50s Housing Publishing Group which independently reviews standards and trends in senior housing in over 200 countries each year. J

Judging is overseen by the editor of 20 journals across the world, specialising in the over-50s housing sector and the provision of care.

The presentation was made at special ceremony in London, and director Nick Wood was there to accept the award on Lakeview Rest Homes Ltd's behalf.

Nick said, "I am so grateful to accept this award, not simply on behalf of Lakeview Rest Homes, but on behalf of the entire Lakeview team whose hard work, dedication and collective effort have made this possible."



### In the city

#### A Mountain of inflation

The boss of outdoor clothing retailer Mountain Warehouse said the UK's surging inflation has peaked as he unveiled a near 20 per cent rise in half-year profits. Chief executive Mark Neale said he was not surprised that inflation held steady last month and said some of the firm's price tags were already starting to fall. He said: "I think inflation has peaked. I certainly see no more inflation."

#### Asda on the turnaround

Supermarket Asda has posted another rise in quarterly sales as its turnaround continues to take hold, but admitted it has "more work to do". The group, owned by US giant Walmart, said like-for-like sales increased 1.1 per cent in its third quarter. It marked a slowdown from the 1.8 per cent growth seen in the previous three months, but is the chain's second quarter in a row of rising sales.

#### Mail hit by pension deal

Royal Mail has seen profits drop by nearly a third and warned that efforts to reach a deal with unions over workers' pay and pensions could hit its financial performance. The FTSE 250 firm said it was a "priority" to reach an agreement with the CWU – the communications union – with the mediation process likely to run until Christmas or beyond. The company's annual results hang on the festive period.

### MAJOR INDICES

Index	Price	+/-	+/-%
FTSE 100	7386.94	+14.33	+0.19
FTSE 250	19850.00	+156.62	+0.80
CAC 40	5336.39	+35.14	+0.66
Dax Xetra	13047.22	+70.85	+0.55
Dow Jones (at 6pm)	23473.87	+202.59	+0.87
Nikkei 225	22351.12	+322.80	+1.47

### WINNERS & LOSERS

Company	Price	+/-%	Company	Price	+/-%
Hikma Pharma	1021	+6.47	Dignity	1965	-9.24
Shire	3744	+6.05	Spire Health	271	-8.60
Crest Nicholson	525	+5.90	QinetiQ	204	-7.14
Close Brothers	1386	+5.32	Talktalk Telecom	168	-5.61
AO World	110	+5.23	Virgin Money	260	-5.24
Convatec	198	+4.58	GKN	296	-4.76
British Land	618	+3.69	Metro Bank	3450	-3.58
Provident Fin	900	+3.57	Polymet Int	869	-3.28
easyJet	1295	+3.52	Royal Dutch Shell A	2331	-2.94
Paytech	831	+3.36	Medimonic Int	578	-2.69

### EXCHANGE RATES

Country	Rate	Country	Rate
Australia (A\$)	1.6424	New Zealand (\$)	1.7856
Canada (C\$)	1.5987	Norway (kr)	10.32
Czech Rep	26.25	Philippines (ps)	57.29
Denmark (kr)	7.9007	Poland (zl)	4.1613
Egypt (pd)	20.46	Singapore (S\$)	1.6632
Euro	1.0651	Sth Africa (rand)	17.73
Hong Kong (\$)	9.7411	Sth Korea (wn)	1261.00
Hungary (ft)	312.05	Sweden (kr)	10.57
India (rp)	75.64	Switzerland (fr)	1.2407
Israel (sh)	4.1855	Taiwan (\$)	34.55
Japan (Y)	141.69	Thailand (baht)	38.81
Malaysia (rg)	5.1482	Turkey (lira)	4.8283
Mexico (ps)	22.50	USA (US\$)	1.2552

**FTSE 100**  
up 14.33 at 7386.94 at Close

**BUSINESS AM**

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