David Elks *Off Diary*

Salvation could be at hand for ailing ceramics companies after surprise appearance of famous design

Posh's pottery ware could start a whole new pattern

I WAS saying last week that one solution to Waterford Wedgwood's financial crisis is to create demand for its wares by having its products associated with celebrities.

Apparently, the technical term for this is 'seeding', with fashion giants willing to give away new clothes, creating demand for a product months before launch.

Of course, promoting clothes which can be worn at a glitzy bash is far simpler than asking someone to show off their set of posh crockery or crystal, but the broad principle is the same.

Another way of creating demand is by joining forces with designers with expertise in areas such as clothing.

Wedgwood has always done this. Some of the most notable artists associated with the Wedgwood name in the 18th century include George Stubbs and Sir Joshua Reynolds.

Nowadays, the firm links up with the likes of John Rocha, Jasper Conran, Vivienne Westwood and Vera Wang — who designed Victoria Beckham's wedding dress.

What is interesting is that while the pottery industry has increasingly turned towards the fashion industry for its forward direction, few fashion companies have tipped a wink towards ceramics.

Well, that could now be changing.

Mrs Beckham grabbed yet more headlines last Friday after stepping out of the posh London hotel Claridges, in a dress inspired by the world-famous willow pattern.

It was the image of the footballer's wife looking like a China doll in the Robert Cavalli dress, that got me thinking how many other patterns might translate into clothing.

You could have Abi Titmuss adorning a bikini bearing the Old Country Rose motif, or Jordan in a catsuit featuring the garish art deco designs and colours of Lorna Bailey.

Or what about Irish comic Graham Norton in a suit plastered with the many characters produced by toby jug maker Bairstow Manor Pottery?

Going one step further, I can see no reason why the design excellence of the likes of Dudson, Steelite International and Wedgwood could not in some way become the inspiration for all sorts of other products.

After all, the design talents of the region's pottery industry are equal to those in other sectors, possibly greater given the specific challenges of designing and forming products from liquid clay.

You only have to look at what Michelin and JCB are doing in North Staffordshire to use their brands as bases to spring into other market sectors.

Michelin Lifestyle has become one of the fastest-growing parts of the tyre giant by creating innovate new products which live up to the Michelin brand values.

Its foot pump takes its style from the group's iconic Bibendum character, yet has won industry awards for both its design and performance. Now I'm not suggesting that Wedgwood or any other pottery manufacturer should look to suddenly start producing branded diggers or tyres.

But if tailor Paul Smith puts his name on coffee cups which are produced by Caverswall China, what is to stop other companies trying to raise their brand profile by getting their designs into new arenas?

At the end of the day, it's all about selling pottery and making money from it.

● Ornate look: Victoria Beckham sporting her dress inspired by the famous willow pattern. Who'll be the first to wear something like one of Lorna Bailey's teapots?

DIVORCE is one of the most painful experiences people have to go through in life — but it could be a prime indicator of a good business.

That's according to Jon Moulton, managing partner of venture capitalists Alchemy Partners, who last week revealed one secret of his private equity investing.

The Tunstall-born tycoon, who made an unsuccessful bid for MG Rover in 2000 and once mulled over an approach for Royal Doulton, said a measure in weighing up a potential investment was to find out how many times the target firm's chairman or chief executive had been divorced.

Reports in the Financial Times, ahead of a summit on Management Leadership at Chelsea Football Club, Mr Moulton said his experience showed one divorce provided the optimum opportunity — better than none at all.

However, more than one is not a good sign. Mr Moulton has invested in five companies chaired by men divorced twice or more — and every one of these investments failed. He puts it down to not learning from mistakes.

BEER companies have always been known to test the boundaries of humour in trying to sell their products.

Fosters, Castlemaine XXXX and Carling have among them produced some of the best and most entertaining adverts in the UK.

So it was not surprising to hear that Venezuelan brewer, Regional, had angered women's groups by saying the difference between a wife and a lover was 30 kilos.

News website Ananova explained that the groups say that the advert is misogynist and are demanding a public apology from the company.

What was slightly more surprising was the reaction from a spokesman for Regional, who said it won't apologise unless it is forced to do so by the courts.

He said: "I bet all these women's groups are run by women who are at least 30 kilos overweight."

Nervous investors book on Rowling

RESULTSForecast

CURRENT trading will be key when HMV unveils its annual results on Tuesday. Investors are worried that the music and books retailer is being badly hit by the consumer spending slowdown, but should take heart from the recent releases of albums by Coldplay and Oasis and the imminent arrival of the new Harry Potter novel.

HMV revealed last month that like-for-like sales fell by 2.2 per cent during the 14 weeks to April 30, although the picture was brighter for total sales which rose 1.2 per cent at constant exchange rates.

Simon Proctor, an analyst at Charles Stanley, said only optimists will be expecting a significant upturn in trading since the start of May — although the release schedule for books and music will have helped.

"Given weak sales we will be looking carefully for news of what is being done to manage costs in the short term," he said.

Mr Proctor is forecasting pre-tax profits of £131.5 million for the year to April 30, up from £117.6 million.

Investors in Carpetright will have shivered when rival Floors 2 Go, which specialises in laminates and wood flooring, said that its like-for-like sales were down 20 per cent in the second quarter after dropping 2.6 per cent in the first three months of its financial year.

The spending slowdown and end to the housing boom were to blame and the same factors were behind the 5.9 per cent fall in like-for-like sales at Carpetright in the 25 weeks to April.

With survey evidence and the views of many analysts holding that April and May have been extremely tough for retailers, the annual results announcement from Carpetright on Tuesday will be scrutinised for its outlook and any update on current trading.

The consensus among analysts is that Carpetright will report pre-tax profits of £61.5 million for the year to April 30 after stripping the effects of goodwill amortisation and exceptional items such as gains on the sale of property. This would be lower than the £65 million reported a year earlier.

Wet weather during the first half of the year is likely to cast a small cloud over the interim results of Dobbies Garden Centres on Tuesday.

The Edinburgh-based group, which has about 17 centres in England and Scotland, is expected to report a slight fall in like-for-like sales.

However, broker Seymour Pierce is forgiving about that, saying the business is an "excellent operation".

Although unable to provide an interim profit forecast, Seymour's latest forecast for full-year pre-tax profits is about £5.35 million against £4.7 million last time around.

Seymour's retail analyst, Richard Ratner, said the forecast would probably be a little bit high and he expected to have to shave it a little.

But he added: "Dobbies' standards of visual merchandising, shop fittings and their non-horticultural product offering is excellent."

Hemel Hempstead-based Northgate Information Solutions is expected to turn in a large increase in full-year pre-tax profits on Monday.

The group is expected to say pre-tax profits before goodwill and exceptionals came in at £27.4 million against about £10 million last time.

Northgate supplies software applications and outsourcing solutions to the public sector, human resources and corporate markets and is one of the UK's leading suppliers of HR software.

It recently said it had agreed to acquire Service and Systems Solutions from Viridian Group for £155 million.

The group is tipped to report growth through acquisitions as well as internal expansion.

One analyst, who did not want to be identified, said: "I would expect a reasonable outlook statement from them. Everything looks okay."

Parkdean Holidays should post interim pre-tax losses of about £9-£10 million against losses of about £5.6 million on Monday, analysts say.

The group told analysts at the end of April that it remained confident about the outcome for the full year.

Parkdean had about 14 holiday parks this time last year, but has since bought a further six. The company is attempting to grow organically and through acquisition and has said that strategy should continue.

It announced new debt facilities at its annual meeting that should give the group the capacity for significant organic and acquisitive growth.

It said Parkdean's cost of capital was thought to be lower than that of its rivals.

Prudential is the best buy in Life Assurance

SHARETips

IN 1998 Prudential took a number of steps towards fulfilling a strategy of developing its retail financial service and fund management activities in the UK, Asia and U.S.

Prudential's UK-based business now operates under three customer-facing brands, each offering different ways of accessing the company's products and services. Scottish Amicable, bought in 1997, is the lead brand for customers who prefer advice through an independent financial adviser (IFA). M&G was purchased in 1999 to enhance the group's retail fund management presence. The group's banking service, Egg, provides limited advice and dealing by means of the Internet. In addition, Prudential Fund Management incorporates Collective Investments.

The final results to December 2004 were at the top end of the consensus range. The company produced record new business profits and group margins were stable at 27 per cent. The U.S. business Jackson Life returned $120m back into central funds. The Asian business produced a strong performance and, similar to the U.S. model, will start to return cash back into central funds at the end of 2006. All of Prudential's divisions reported very buoyant sales and the group has maintained new business margins at around 38 per cent for the last five years. As income revenues fell in the UK, in particular the last three years, the group allocated the majority of its capital to its niche Asian market businesses.

However, the UK business has had £1bn of cash injection via a rights issue because of the opportunities that depolarisation will create for the well capitalised life companies. Only time will tell whether or not the group can deliver. Early indications look promising as the group has made progress on getting its name on some of the larger IFA panels, and is one of five companies named by Barclays to sell products through its branch network.

The group's subsidiary M&G had a very strong year with underlying profit growing by 57 per cent. Driven by higher equity markets and tightly controlled costs, the management are confident the momentum can continue in 2005. Prudential Corporation Asia is the largest European Life Assurance in Asia, and with its portfolio of insurance licences it is now in the position to benefit from economies of scale. New business from that region increased substantially in 2004. Changes in solvency regimes and distribution rules continue to take up management time. The new regulatory regime should benefit well-capitalised, efficient insurers although investors may continue to apply discounts in valuing UK insurers until the full effect of the changes are known.

Despite management's poor track record over the last couple of years, the group is at last enjoying the benefits of having exposure to three of the most attractive savings markets in the world.

Prudential is now the preferred play in the Life Assurance sector by many analysts and is a **BUY**.

SHAREWatch

PRIVATISATION

Alliance & L	877 -10.5
Aviva	522 -3.5
Brad & B	327.25 -7
Brit Airways	272.75 -6
Br Energy	399.5 +0.5
BAA	610 -2.5
BG Grp	456.75 +0.5
BP	587 nc
BT Grp	224.5 -1.25
Corus Grp	40.5 -0.75
Base Grp	0.08 nc
Centrica	229.5 +6
HBOS	866 -6
Lloyd TSB	474 -2.75
MMO2	129 +1.5
R Royce	285.5 -2.25
NatGrid	528 -3.5
Severn Trt	1003 -1
Int Power	199.5 -0.25
Viridian	761.5 -7

LOCAL COMPANIES

B'ford Ord	0.23 nc
Churchill	175 nc
CobraBioMan	55 nc
Cookson	309.25 -1.5
Dechra	212 -2.5
Goodwin	405 -2
GSH Group	175 nc
Halstead (J)	540 nc
J Matthey	1052 -4
Smart Grp	3.50 nc
K3BsTechGp	90 nc
N Foods	158.25 -1
Pearson	658 -4.5
Portmeirion	155 nc
Powerlege Gp	49 nc
Slimma	62 nc
St M'wen	432 +0.75
UCM Group	77 nc
W'ford Wd	€0.05 nc
A J Worth	25 nc

Brewin Dolphin

FTSE Index: Down 21.6 at 5092.8. Prices (for selling) supplied by Brewin Dolphin Securities Ltd of Hanley.

Route to simple pension is complicated ride

I have either worked for companies without pension schemes or been self-employed for most of my working life, so I have ended up with four personal pensions. The earliest was started in 1983, the latest last year. I have heard something about changes to pensions in general, to make them simpler. Will I be able to carry on paying into my pension plans or take out a new one?

Money Worries
Caroline Speirs

YOU will be able to carry on paying into the pension plans you have, but you may well decide not to if they are not flexible enough to allow you to take advantage of the new rules.

Before describing the new rules, however, let me point out that you have a pension plan which has tremendous advantages for you, advantages that will disappear entirely on the day the new rules come in, April 6, 2006 (known as 'A' Day).

Any personal pension plan started before May 31, 1988, is correctly called a retirement annuity contract (RAC) or self-employed retirement annuity. You may also have heard the technical name, Section 226, as they were governed by this section of the Income and Corporation Taxes Act 1970.

Why are RACs so special? They offer an option to pick up tax relief on the contributions you could have made to a pension going back over seven, maybe even eight, years. Of course, you have to make the contribution now to get the tax relief. But the ability to do this is especially useful to people who can afford to pay lump sums into their pensions now, but who perhaps did not wish, or could not afford, to do so until recently.

The demands of a young family or starting a business often mean that pension planning gets neglected, as I am sure you know.

There are two dates you should know if you would like to do this, April 5, 2006, and January 31, 2007. If you want to pick up tax relief from the past (called 'carry forward'), you must do so by the first date. If you want to have a contribution treated as made in the previous tax year, you must do so by the second date.

Another advantage that RACs have is that your earnings are not capped, unlike personal pensions and most company schemes.

The earnings cap is £105,600 for this tax year, so obviously only affects high-earners. Earnings over the cap cannot be used to justify pension contributions, unless you have an RAC.

I have only touched here on a couple of advantages of your old pension plan; there may well be others, depending on which insurance company your RAC is with.

It makes sense, given the changes coming in so soon, to have an independent financial adviser check all your pension plans in preparation for 'A' Day if you have no employer or pension scheme trustee to do it for you.

On 'A' Day the eight pension regimes that we have (suffer!) at the moment will be merged into one. It will be a simpler pension world – the Inland Revenue terms the whole process 'pensions simplification' – but the route there is fraught with complications.

● **Cash benefits: take advantage of new pension rules**

RESULTSDiary

Companies reporting results next week include:

June 27
Finals: Designer Vision, Northgate Information Solutions
Interims: Beale, Parkdean Holidays
EGMs: Western Selection

June 28
Finals: Carpetright, HMV, International Greetings, Profile Media, Stonemartin
Interims: Dobbies Garden Centres, Domino Printing Science, Porvair
AGMs: Shell

June 29
Nothing major scheduled

June 30
Finals: La Tasca
AGMs: Group4Securicor, SR Pharma
EGMs: Creightons

June 31
Nothing major scheduled

Annual meeting: Shell will report on Tuesday

SAVINGSFile

HIGH FIVER SAVER

	Rate	Phone No/ Web Address	Account	Notice	Min Dep	Int
Portman BS	5.50%	0845 045 0114	25 Day Notice ISA	25 Days	£3,000	Yly
Leeds & Holbeck	5.50%	0113 225 7777	Bonus Tracker ISA	01/07/08	£1	Yly
Stroud & Swindon BS	5.50%	local branch	Branch Premier	Instant	£100	Yly
National Counties BS	5.50%	01372 747 771	Guaranteed ISA	Instant	£1	Yly
Northern Rock	5.41%	www.northernrock.co.uk	Tracker Online	None	£1	Yly

LOW FIVE BORROWERS

	Rate	Phone No	Period	MaxAdv	Fee	Inc
West Bromwich	2.10%	0800 298 0008	to 31/07/07	95%	£499	Yes
Derbyshire BS	2.20%	0800 085 2020	to 31/07/07	80%	£495	Yes
Portman BS	2.29%	0845 845 7000	to 31/07/07	95%	£599	Yes
Portman BS	4.39%	0845 845 7000	to 31/07/07	95%	£499	Yes
Lambeth BS	4.49%	08000 286928	to 31/07/07	80%	£395	Yes

All rates are shown gross Source: Money£acts - Tel: 01603 476476 (All rates subject to change without notice).