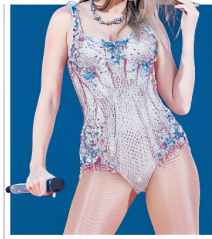


# BUSINESS



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## Soaring diesel prices spark supply chain fears

Daniel Woolfson

Wholesalers to thousands of shops, schools, care homes and hospitals have warned Rachel Reeves of supply chain chaos as surging fuel prices threaten the sustainability of their businesses.

The letter, seen by The Sunday Times, said continued fuel price increases would "severely impact the long-term sustainability of the UK's food and drink supply chain". It added: "Wholesalers operate on significantly lower margins and supply other businesses, including many on the high street, rather than selling directly to consumers. If prices for fuel continue to rise, wholesalers will be forced to pass the costs onto local businesses, which in turn will drive up prices and food inflation."

Bosses urged Reeves to extend the emergency 5p cut to fuel duty, introduced following the outbreak of war in Ukraine in 2022. Diesel costs have soared

because the UK is a net importer of the fuel. Guy Swindell, managing director of Parfett's, an £500 million wholesaler that supplies thousands of high street shops, said his company was already grappling with the impact of severe price rises for diesel across his fleet of about 100 trucks.

He said: "You can imagine what we're facing into with diesel increases that are substantial. It seems to be creeping up each week. It could run into the hundreds of thousands of pounds for us. It will affect profitability if it goes on long term."

A government spokesman said: "We know businesses are paying more because of the war in the Middle East. This is not our war and that is why we did not join it. We are determined to keep costs down, which is why we have extended the 5p fuel duty cut twice until September."

It follows warnings that food inflation across the UK could surge to 10 per cent by the end of the year, according to the Food & Drink Federation, which represents manufacturers and suppliers.

Some large firms, such as the Princes, the canned goods giant, have already raised prices as a result of the war. The food and drink sector is particularly vulnerable to fluctuations in the price of energy because of the amount used in production.

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## D-Day looms for Telegraph deal

William Turvill and Oliver Gill

The Telegraph's German suitor is facing a looming deadline to complete its takeover and avoid further complications in the news group's ownership saga.

Axel Springer, the news giant that also owns Politico and the German tabloid Bild, is hopeful the deal will be waved through by the culture secretary Lisa Nandy as soon as this week without further regulatory investigation.

But Whitehall officials cautioned that the timetable could slip. Sources inside the Telegraph's newsroom are concerned that Nandy is likely to order an investigation by the media regulator Ofcom, which could take six weeks or more.

This would cause complications because Axel Springer has agreed to buy the Telegraph through a "call option" that lapses at the end of May. This gives the owner the right to convert the debt of the Telegraph, currently held by Abu Dhabi-backed RedBird IMI, into equity that is technically still owned by former owners the Barclay family.

Inside the Telegraph there is anxiety, especially because the Barclays are in the midst of bankruptcy proceedings brought by HSBC bank.

A spokesman for IMI, the Abu Dhabi fund that owns 75 per cent of RedBird IMI in a joint venture with the US private equity firm, said: "There are no circumstances under which ownership reverts to the Barclay family." The Telegraph has been in a state of flux since the summer of 2023, when Lloyds Bank seized it from the Barclay family while pursuing more than £1 billion in debts. This kicked off an auction process that was ultimately hijacked by RedBird IMI, which agreed to buy the Barclays' debt from Lloyds before converting that into equity ownership.

That debt-for-equity swap was blocked by the UK government, which passed legislation preventing foreign states from having influence over the British press. Later, after a second fraught auction process, RedBird itself agreed to buy the Telegraph from RedBird IMI.

That deal was, in effect, thwarted by newsroom opposition to RedBird, and then the Daily Mail owner DMGT agreed to buy the Telegraph instead for £500 million.

As doubts were beginning to rise over whether DMGT would buy the Telegraph, Axel Springer swooped, announcing a £575 million takeover.

Axel Springer, the Barclay owner, has been named for Culture, Media & Sport declined to comment.

## Vince attacks Reeves for North Sea 'betrayal'

William Turvill

Dale Vince, the green energy tycoon and Labour donor, has hit out at Rachel Reeves, the chancellor, and warned Ed Miliband, the energy secretary, that allowing new North Sea drilling would be a "betrayal".

He said he would like Miliband to "stick to his guns" and honour Labour's pledge against new drilling, adding: "I argued for it amongst Green voters and just Stop Oil supporters: The way to stop oil is to vote Labour because they've made a manifesto pledge."

Last month Reeves gave her support to the Rosebank oil field and Jackdaw gasfield, saying they would "create jobs and tax revenue" at a time when concerns are rising about oil and gas supplies from the war-torn Middle East. The Times later reported that Miliband, a green energy advocate who has warned against over-reliance on new drilling sites, would approve Jackdaw.

Vince, the Ecotricity boss who donated about £5 million to Labour, much of it at the time of the 2021 general election, told The Sunday Times: "Allowing new drilling would be a betrayal of millions of us."

He described the chancellor's assertion that new sites would generate tax revenue as "counter to the facts". He added: "Rachel Reeves should probably look a bit closer at Rosebank."

The Norwegian oil giant Equinor, which operates Rosebank, has said the UK stands to gain "substantial tax revenues" from the oilfield. But critics such as Vince believe the UK would lose money because of subsidies.

Vince said: "Basically I'm saying she's wrong to believe there'll be a benefit to our country, to our economy, from Rosebank."

Asked if he would donate to Labour again, Vince said: "Future decisions are made in the future, not now."

The Department for Energy Security & Net Zero said reports about Jackdaw being greenlit were premature and that no decision had been made.

## Lloyds first to bring AI bots to the boardroom

Bank opts for 'all singing and dancing' tech agent to eliminate human bias

William Turvill

Lloyds Banking Group has welcomed an artificial intelligence robot into its boardroom in what is believed to be a first for a UK blue-chip company.

While AI bots such as ChatGPT and Gemini are set-up to use in many corporations, specialist tools are needed for boardrooms, which deal with highly confidential company and market data.

Executives and board members of the lender have started using a specialist "board bot" to sift through confidential information, help them to overcome human bias when making decisions and prepare for high-level meetings. It is said to be the first FTSE 100 firm to embrace the technology in this way.

"Very few people have access to two things that are important for being able to deliver this," said Beeg, "an understanding of what typically doesn't go so well in executive rooms and boardrooms, and therefore what 'good' looks like - because there's a relatively small population of people that sit in those rooms."

Lloyds bosses are using an "all singing, all dancing" agent developed by Board Intelligence, an executive advisory outfit headed by the entrepreneur Pippa Beeg. Lloyds' embrace of board bots comes as the 200-year-old company is seeking to reposition itself as "the UK's biggest fintech". The bank estimates that generative AI tools helped it to generate £50 million in "value" in 2025 - a figure that it wants to increase to £100 million this year.

For now, Lloyds is mainly making Board Intelligence's bot available to bosses to prepare for meetings. Beeg described this as "step one" for most organisations, where AI is used to "augment the human's ability to consume information and form judgments ... before they get into the room".

Nicola Putland, Lloyds' corporate governance director, said: "We see real potential for AI to support decision making in boardrooms when used carefully and responsibly. We are trialling AI tools to support us to better prepare for discussions through faster analysis and access to a broader range of perspectives."

The second step, she said, will involve board members having an open laptop in meetings and "being able to almost interrupt and say: 'Hang on ... I think you're falling into this trap.' Or: 'I disagree.'"

Board Intelligence's agent has been trained by company experts to create an AI board adviser that can offer guidance in cybersecurity, sustainability, financial analysis, mergers and acquisitions and more. Beeg said the agent can help eliminate "human bias" from board decisions, including on making acquisitions, and help analyse executive and employee performance.

Lloyds and other big banks have been cautiously approaching the adoption of AI. This weekend, there are growing fears about the impact that Anthropic's latest tool, Claude Myths, could have on the global financial system.

## Uber rival veers into row with UK taxman

Olivia Sarguy and William Turvill

A major rival to ride-sharing giant Uber is gearing up for a scrap with the UK taxman over alleged unpaid bills. San Francisco-based Lyft has disclosed that Freenow, the German-founded taxi app that operates across London, including through black cabs, is in dispute with HM Revenue & Customs. Lyft bought the company last summer in a deal worth \$199 million (£145 million).

Freenow had been operating in the UK since 2012 under different names and during that time had caught the attention of the taxman for using the "Tour Operators' Margin Scheme (Toms)", a specific way of calculating tax for travel agents and tour organisers.

In June 2023, Transpoco UK, Freenow's British company, was notified by HMRC that the office was disputing the application of Toms to its services between August 2022 and May 2024. Freenow appealed against the decision and is awaiting a decision from a judge.

In its just-published annual report, Lyft said it "intends to vigorously defend its position regarding the application of Toms", adding that it "disputes any allegations of wrongdoing".

Other taxi apps, such as Uber and Iolit, have received high-profile court rulings recently for using the same tax model. In March 2025, the UK's upper tribunal ruled that Bolt's services did fall within the Toms framework. In the autumn budget, the chancellor, Rachel Reeves, said that private-hire vehicles would be excluded from Toms from January 2. An HMRC spokesperson said: "We cannot comment on the tax affairs of individual businesses."

## Caring sells Ivy to UAE investor for £1.4bn

Oliver Gill

Richard Caring has sold a majority stake in the Ivy, Annabel's, Scott's and the rest of his restaurant and private members' club empire to an Abu Dhabi luxury investor in a deal worth £1.4 billion. The man dubbed the "king of Mayfair" completed the sale to Diya, the Abu Dhabi-based luxury and hospitality investor and affiliate of IHC Group, according to City sources.

Tahnoun bin Zayed al-Nahyan, the deputy ruler of Abu Dhabi and younger brother of the UAE president, Sheikh Mohamed bin Zayed al-Nahyan. The final touches were being put to the deal this weekend, with an announcement expected in the next 48 hours.

It is understood that Caring, 77, will remain as executive chairman of the group, which plans to take the Ivy Brasserie concept, which has proved popular in Britain, to the US. Diya's portfolio includes Zuma and Rolo. The company is believed to have parachuted into the UK through the Emirati's investment in the UK's luxury and hospitality industry.

It will come as a rare boon to a British hospitality sector racked with rising labour costs, taxes and regulatory costs. It first emerged that Caring was seeking to sell off a stake in his empire in late 2023. Aid reports about false dawn, fears were growing that the sales process would need to be shelved. But the signing may prove Caring's doubters wrong.