Apple defies the doubters to clear iPhone 8 hurdle and beat expectations

COURTNEY GOLDSMITH

TECH giant Apple’s share price lifted more than five per cent last night as it beat analyst forecasts in its fourth quarter, helping to ease concerns that the iPhone 8 was facing a production delay.

Tim Cook, boss of the firm, said Apple posted unit and revenue growth in all product categories in the third quarter. “With revenue up seven per cent year-over-year, we’re happy to report our third consecutive quarter of accelerating growth and an all-time quarterly record for services revenue,” Cook said.

Unit sales of iPhones shot up more than 14 per cent to 11.4m with revenue up 1.9 per cent to $47.9bn, and Mac units sales edged up 0.94 per cent to 4.1m with revenue up 6.7 per cent to $55.59bn. Phone sales rose 1.53 per cent to 41m with sales of $24.63bn.

However they fell quarter-on-quarter as punters held out for the iPhone’s next iteration.

Michael O’Leary jets in for crunch Brexit talks

RYANAIR boss Michael O’Leary jets in for key talks with transport secretary Chris Grayling today as concerns mount over airlines’ flight rights post Brexit.

From March 2019, the UK no longer automatically has the same flight permissions as an EU member, meaning the right of its carriers to fly to the EU and beyond will have to be renegotiated.

The aviation industry has warned repeatedly that flights from the UK could be disrupted and even grounded if a new legal framework is not agreed by then. The situation has become increasingly urgent because the industry and its regulators have to finalise flight timetables many months in advance.

“We are committed to getting the right deal for Britain,” a government spokesperson said.
East’s takeoff puts CEO pay into perspective

ROLLS-ROYCE boss Warren East has endured something of a rollercoaster ride since taking control of the British engine engineer two years ago, and so have investors. Shares climbed to 994p in April 2015 when East’s appointment was announced, but subsequently declined as markets absorbed the full extent of the new chief’s task at hand. By the time the former Arm CEO took over in July of that year, the stock had dropped to 824p, and following East’s first week in the job a profit warning pushed shares down to 728p. The turbulence continued throughout 2015, and Rolls’ stock finally bottomed out at around 500p in January last year. Since then, East’s turnaround plan has gradually convinced traders to get back in on the action. Yesterday’s 10 per cent jump in the value of the company was just reward for forecast-smashing profits, far better than expected cash flow, and decent progress in its determination to double production of civil aircraft engines.

Aviation analyst Howard Wheelton was gushing, agreeing with a statement that East “is a truly outstanding CEO”. While there is ample time for East and his new team of execs to disappoint, their progress so far is undeniably impressive. Moreover, the case of Rolls demonstrates the value of a strong chief executive, and indeed the cost of not having one. Around £1.6bn was added onto the value of the company by yesterday’s stellar results.

Such numbers remind us why some top bosses are paid so handsomely for their work. East’s £916,000 bonus was slammed by critics just a few months ago, but now looks insignificant compared to the £4bn added to Rolls’ market cap since the payout was announced.

There will be more debate about chief exec pay this week (see tomorrow’s City A.M. for our coverage) and rightly so – it is a subject that requires scrutiny. This newspaper has always encouraged fiscal discipline at big public companies and applauded the rigorous attention paid to remuneration schemes by large investors and shareholder activists. However, we have also argued that high salaries and bonuses are not a bad thing per se. On the contrary, they are fully justified when executives such as East deploy their talent and hard work to extract billions of pounds’ worth of shareholder value and ensure Britain’s biggest companies can compete on the world stage.

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BANK OF ENGLAND WORKERS ON STRIKE
Shadow chancellor joins workers on picket line as they protest ‘derisory’ pay offer

Four in 10 Leave voters would drop job for Brexit

IT PREVIEWS LOSS

AMC Entertainment shares fell 27 per cent in after-hours trading yesterday after the movie-theatre chain said it expects to post a steeper than-expected loss when it reports second-quarter results next week.

THE TIMES

MPS TELL CORBYN TO CONDEMN MADURO
Jeremy Corbyn is under pressure from MPs and socialist politicians in Europe to condemn personally President Maduro’s violent regime in Venezuela. British MPs from all parties called last night for Corbyn to speak out after his historical support for the state’s leadership.

GPS SPENDING £1BN TREATING DIABETES

One in 20 prescriptions written by GPs is for diabetes drugs, after an 80 per cent rise in the past decade. Treatments for the condition now cost family doctors almost £1bn a year, one in every £9 they spend on medicines.

THE DAILY TELEGRAPH

THREE SET FOR HUGE NETWORK OVERHAUL

The mobile operator Three is poised to begin a multibillion-pound overhaul of its network as demand for data skyrockets and it prepares for the introduction of 5G technology.

ASTRA BOOSTED BY SECOND FAST-TRACK DESIGNATION

AstraZeneca has been boosted by US regulators awarding fast-track status to a second cancer drug in as many days. The FTSE 100 drugmaker’s treatment for mantle cell lymphoma, a type of blood cancer, has been granted ‘breakthrough’ status by the Food and Drug Administration. This should mean the drug is reviewed more quickly.

THE WALL STREET JOURNAL

US CAR MAKERS REPORT STEEP SALES DECLINES

Vehicles sales slid in July, the seventh month of a slowdown marked by manufacturers’ reluctance to sell discounted cars through leases and rental chains. Sales fell seven per cent last month, compared with a year earlier, according to Autodata.

SPRINT SAYS A MERGER DECISION IS NEAR

Sprint said it would decide soon on whether to pursue a merger with either T-Mobile US or Charter Communications, with an announcement coming “in the near future,” according to the wireless carrier’s chief executive.
STALEY QUIZZED Barclays chief exec questioned in whistleblowing investigation

CATHERINE NEILAN
AND HELEN CAHILL

THE SERIOUS Fraud Office (SFO) yesterday opened an investigation into British American Tobacco (BAT), the FTSE 100-listed cigarette maker, according to The Times.

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Shares in BAT fell 3.7 per cent to 4,694.5p at the open but recovered throughout the day to end up 2.5 per cent. The cigarette producer’s stock plunged in late trading last Friday, after the US FDA announced plans to cut nicotine in cigarettes.

AA tanks as boss departs after ‘misconduct’

CATHARINE NEILAN AND HELEN CAHILL

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Bob Mackenzie was yesterday fired from the AA, but his son said he resigned

However last night Mackenzie’s son Peter told the Times his father was “very unwell,” was in hospital and left the company due to ill health.

“My father tendered his resignation this morning and resigned his directorship due to acute ill health, from which he has been suffering symptoms for some time.

A consultant clinical psychologist advised him last week that he needed to take at least six month’s leave.

“He is very unwell and has been admitted to hospital,” City A.M. understands the reason for his exit is subject to legal action, but is not thought to have any bearing on the company itself.

A company spokesperson told Reuters Mackenzie was not being referred to financial industry regulators.

Analysts at Liberum sent a note out following the AA’s statement restoring their “buy” rating on the stock, saying: “We do not believe that it is fraud related.

AA declined to comment on Peter Mackenzie’s comments.

Mackenzie was central to a sophisticated management buy-in deal three years ago, which led to the firm being floated on the London Stock Exchange.

The arrangement was backed by big City names such as Ariva, BlackRock, Legal & General and legendary stockpicker Neil Woodford.

His role has been split in two with senior independent director John Leach appointed as chairman, while former Uber Europe boss and Expedia founder Simon Breakwell has been appointed acting chief executive.

Both men have been with the business since 2014.

Martine Clarke continues as the chief financial officer.

The roadside recovery company said it had already begun the process of splitting the combined roles of executive chairman as it neared the end of a transformation programme.

The AA’s statement included a pre-close update which said the business had experienced “a robust performance in the first half”.

Shares in the roadside recovery firm closed down 14.04 per cent to end the day at 210p.

Serious Fraud Office places British American Tobacco under microscope
**Surprise bounce back for British manufacturing**

**JASPER JOLLY**

The British manufacturing sector bounced back from a slowdown to post a much stronger than expected expansion in July, according to a closely watched indicator.

The purchasing managers' index (PMI) for the manufacturing sector in July rose to 55.1, well above economists' consensus expectations of a 54.4 reading, according to data company IHS Markit. Any reading above 50 indicates the sector is in expansionary mode.

The index had previously fallen from its April high to reach a still strong reading of 54.2 in June. The sharp increase in July was caused by "strong inflows of new work" and yet another strong export reading, IHS Markit reported.

New export business increased at the second-strongest rate in the history of the survey, beaten only by the reading in April 2010. Export demand came from around the world, both in Europe and beyond, the survey found.

Analysts have long predicted a boost for exporters from the devaluation of sterling after the EU referendum. PMI surveys show buoyant demand, while the Confederation of British Industry reports that manufacturing output grew at its fastest pace since 1995. However, economists have been left scratching their heads as to why the survey evidence is not reflected in a boost to the overall economy.

The latest survey adds more evidence that parts of the manufacturing sector are enjoying a healthy expansion, despite the fact that production actually proved to be a drag on growth in the second quarter of the year. Office for National Statistics data showed manufacturing output fell by 0.5 per cent in the second quarter, although the latest survey data suggests the sector could strengthen during this quarter.

**UK food price increases slow down as supermarket wars shield shoppers**

**HELEN CAHILL**

Food price rises pared back last month as retailers tried to protect shoppers from inflationary pressures. Overall shop price inflation was 0.4 per cent in July, according to figures released today by the British Retail Consortium (BRC), and food price inflation fell to 1.2 per cent from a rate of 1.4 per cent the month before.

Non-food retailers haven’t started increasing prices yet. Prices fell by 1.3 per cent, which the BRC said was due to businesses trying to keep prices low where possible. However, retailers would not be able to absorb the increased cost of importing indefinitely, the industry body said. Sterling-related price rises have impacted food retailers faster than non-food retailers because food stock cycles are shorter.

It is thought that prices on clothing, furniture and other items will start to feed through soon, but competition in the non-food sector is helping to keep price rises in check. In the coming months, consumer spending is likely to be restrained by price pressures on other essential items.

"The government should be doing everything they can to support growth," said Helen Dickinson, BRC chief executive.

**Inflation peak will be lower say wonks, easing pressure on Bank**

**JASPER JOLLY**

British inflation will peak lower than previously thought this year, according to a group of influential economists, giving the Bank of England more leeway to leave interest rates at current low levels.

Inflation will only peak at three per cent in the last quarter of this year, according to forecasts published today by the National Institute of Economic and Social Research. That represents a significantly lower peak than May forecasts of a 3.4 per cent peak in the annual rate, reflecting the surprise dip in inflation to 2.6 per cent in June. The Bank announces its latest monetary policy decision tomorrow.

**London salaries showing small signs of growth**

**CATHERINE NEILAN**

Salaries in London are beginning to show signs of recovery, a new report suggests, with a 0.2 per cent rise for the year to June 2017 – the first annual increase since July 2015. That’s according to Adena’s latest job report, which also found that advertised vacancies are at a 19-month high.

The jobs site claims UK firms scaled back recruitment because of uncertainty around the EU referendum, with salaries “stagnant” for the past two years. It noted that workers were still feeling the pinch and “forced to be shrewder with spending power” as inflation continues to outpace wage growth. The average London salary has risen to £39,232. Advertised salaries in south east England surged 2.3 per cent year-on-year to £30,986.
AEROPLANE engine-maker Rolls-Royce reported a return to profit in its half-year results yesterday, reversing a loss of more than £2bn this time last year.

Chief executive Warren East’s two-year plan to drive efficiency led the company to increase revenue by 12 per cent to £7.57bn, the company said in a trading update.

After suffering a loss of £2.15bn last year, the manufacturer this year recorded a profit of £1.94bn in the six months to 30 June.

Although headline figures were largely affected by a fluctuating currency, underlying revenue was up six per cent.

Shares closed up more than 10 per cent yesterday at 979p.

Last year the company saw its biggest loss ever, just a year after newly appointed chief executive East announced a plan to drive efficiency across the group by cutting costs and streamlining senior management.

But East said that cost savings were now ahead of plan and contributing to the higher-than-expected results. He said the company will be on track to cut costs of £200m by the end of the year.

Underlying revenue in the company’s biggest sector, civil aerospace, grew the most at 14 per cent. Improvement was also seen in power systems and nuclear operations.

But weaker offshore markets hit marine operations, which make up eight per cent of total earnings. Underlying revenue was down 15 per cent, while performance also dipped in defence aerospace.

East said that despite the good results, “this is no time for complacency”.

OVERSHADOWING its interim results, British Gas owner Centrica yesterday announced it will increase the price of electricity by 12.5 per cent from next month.

The energy group said gas prices will remain at their current level, but the average annual dual fuel bill for a typical household on standard tariff will rise by £76 to £1120 – an increase of 7.3 per cent.

“British Gas hasn’t had a price rise for nearly four years. In fact we’ve been reducing prices. It’s been a very difficult decision to make but the costs of providing electricity are rising,” said Mark Hodges, chief executive of Centrica Consumer.

Customers on fixed-term deals will not be affected.

Adjusted earnings were down 11 per cent to £449m including a higher net interest cost, although earnings before interest, tax, depreciation and amortisation were up two per cent.

Looking healthy, up 10 per cent in the second quarter on the same period last year, with “significant” gas discoveries in Senegal and Trinidad. Meanwhile, first half earnings in its downstream fuels marketing campaigns were up 20 per cent.

“We continue to position BP for the new oil price environment, with a continued tight focus on costs, efficiency and discipline in capital spending,” said boss Bob Dudley.

The fall was largely down to a write-off of $753m on exploration in Angola. Operating cashflow rose by $1bn to $11.3bn in the first half of the year, although payments from the Gulf of Mexico oil spill rose by $1.8bn to $4.3bn.

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State pension age increase hands government more than £5bn a year

HELEN CAHILL

THE INCREASE in the state pension age for women has brought in an extra £5.1bn a year to government finances but has placed a financial burden on 1.1m women.

The state pension age for women rose to 63 between 2010 and 2016, meaning the government has saved £4.2bn on pension and benefit costs, according to analysis released today by the Institute for Fiscal Studies (IFS).

The employment rate for women aged between 60 and 62 has subsequently increased, boosting the earning of this group by £2.3bn, equivalent to a gross income increase of £44 per week.

This, combined with the associated increase in the national insurance contributions, has lifted government revenues by a further £900m.

However, affected households receive £74 a week less in state pensions and benefits. Accounting for taxes and the individual circumstances of the women affected, the IFS calculated they would be worse off by an average of £32 per week.

Jonathan Cribb, senior research economist at the IFS, said the changes had increased the income poverty rates for the affected group.

OLIVER GILL

BRITAIN’S blue-chip firms paid out four times more in dividends than they did in pension contributions, a report released today has revealed.

Some £150bn has been paid into pension schemes by FTSE 100 firms over the last 10 years.

But the report by LCP found this has failed to plug the gap: an aggregate surplus of £112bn in 2007 stands at a deficit of £17bn at the end of June 2017.

Meanwhile, total FTSE 100 pension liabilities have rocketed from £336bn in 2007 to £625bn, ten years later.

The ratio of dividends to pension contributions has been the subject of increased scrutiny in recent months. In July the chair of the Work and Pensions Select Committee, Frank Field, said more needs to be done to divert more cash into pension pots.


The Pensions Regulator has promised to get tough on companies paying out dividends while neglecting the needs of their pension schemes. The work and pensions ministry has recently proposed plans to give the UK’s pensions watchdog greater powers to “intervene” where it has concerns.

LCP said firms were struggling to plug pension gaps because of an age-population and falling bond yields – which drives up the valuation of liabilities.

However, leading pensions bodies disagreed that companies should divert more cash into pension pots.

Pensions and Lifetime Savings Association spokesperson Graham Vidler said: “The need to pay for past promises could divert employer resources away from the investment necessary to ensure their firms’ future... The current system is not fixing itself as it is too fragmented, managers risk inefficiently and has a rigid approach to benefits.”

FIVE FIRMS IN FACING A PENSION PICKLE

1. BRITISH AIRWAYS OWNER IAG

Pension liabilities (currently standing at £25bn) as a proportion of the airline’s share price have rocketed. At the end of 2015 liabilities were 152 per cent of market capitalisation, this rose to 268 per cent at the end of 2016 – far away the largest proportionally on the FTSE 100.

2. ROYAL MAIL

The firm has the best funded blue chip pension scheme. Assets totalled £7.4bn compared with liabilities of £3.8bn, equating to cover of 193 per cent. This is against the backdrop of the mail giant’s plans to shut its pension scheme in March 2018. Royal Mail said the cost of keeping the scheme open means it will soon fall into a deficit.

3. ROYAL DUTCH SHELL

The oil behemoth has both the largest deficit (£6.9bn) and the largest liabilities (£73bn) of the FTSE.

4. ROYAL BANK OF SCOTLAND

Despite forking out £4.2bn in pension contributions to steady the ship at the start of 2016, RBS has liabilities representing 167 per cent of its market capitalisation.

5. BT

The telecoms giant is currently undergoing a three-yearly review of its pension scheme. It will be negotiating future contributions with trustees, which may not be helped by the fact it has the second largest pension liability (£50bn) and the third largest deficit (£6.4bn) on the FTSE 100.
Shareholder activism outside US on the rise

LUCY WHITE
@LucyGJWhite

INVESTORS are getting more plucky, it seems, as shareholder activism outside the US is on the rise, according to FTI Consulting.

A total of 201 activism campaigns took place beyond the US border in the first half of 2017, compared to just 70 in the whole of 2010.

Although the US has traditionally been the most active country for activist investors, research by FTI shows that Australia, Canada and the UK are at the highest risk of a surge.

It attributes this to changing economic factors such as a strong US dollar, undervalued asset prices and increased global scrutiny of corporate governance standards.

As the report observes, notable activist investors such as ValueAct, Elliott Management and Third Point are becoming increasingly global.

Five of Elliott’s 12 campaigns so far this year were outside the US, including its battle to try and make Dulux manufacturer AkzoNobel accept a takeover offer from US rival PPG.

Despite fears that activism might increase in the UK, there is currently no sign of an uptick. Some 30 campaigns were waged in the country in the first half of 2017, similar to previous years.

Of those that were launched, FTI found an increasing proportion of activist investors were from the UK or mainland Europe rather than the US.

Further afield, Australia was found to have supplanted Canada as the second highest jurisdiction for shareholder activism. Elliott’s tirade against mining manufacturer AkzoNobel accept a takeover offer from US rival PPG.

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Alth...
Morrison's unveils its Safeway deal with corner shop McColl's

CAITLIN MORRISON

MORRISONS yesterday announced a new, long-term wholesale supply deal with convenience-store chain McColl's.

The group will provide Safeway products and national brands to 1,300 McColl's convenience shops and 350 newsagents across the UK, with the new partnership replacing all McColl's existing supply arrangements in the group.

Morrison's has been developing a new Safeway range ever since the end of 2016, when it reintroduced the brand. It now comprises more than 400 food products, and McColl's will be given a one-year period of exclusive access to Safeway products.

The supermarket said the tie-up is expected to lead to wholesale supply sales of more than £1bn “in due course”.

By the end of 2018, Morrison's said it expects total annualised wholesale sales to its partners to be in excess of £700m (including tobacco). “We expect this new initiative to make an initial profit contribution in 2018/19, and increase thereafter,” the firm said.

Morrison's shares closed up around 242.7p yesterday.

John Lewis maintains home sales despite rising inflation

HELEN CALHILL

JOHN Lewis maintained its homeware sales last week as customers continued to shell out for big-ticket items.

Total sales for the week ending 29 July totalled £78.6m, up 2.5 per cent on last year, the company said yesterday. Home sales grew 7.9 per cent, building on a strong performance the week before, when sales in the division rose 11 per cent.

Analysts have been forecasting home and furniture sales to fall across the retail industry as inflation forces consumers to put off big-ticket purchases. Some firms have suffered: in June, DFS was hit by a profit warning due to “softer” trading.

Surprisingly, the research also found that London is not the least affordable place for first-time buyers. Brighton was found to be the worst city for first-time buyers, according to new research by Post Office Money.

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WIN £1,000 IN AMAZON VOUCHERS

WIN £1,000 IN AMAZON VOUCHERS

Source: YouGov

Ofcom to cap BT Openreach rental charges

OLIVER GILL

@ogill

The UK’s telecommunications regulator is planning to impose a cap on the amount BT’s infrastructure arm can charge rivals for accessing telegraph poles and underground cables.

Ofcom yesterday published a proposals to limit the amount Openreach can bill telecoms firms to put in their own lines. The aim of the plans is “to increase certainty and predictability for investors”. The watchdog has previously highlighted a desire to make “it cheaper and easier for competing providers to connect their own fibre broadband directly to homes and offices”.

Ofcom said: “We anticipate this would also result in material reductions for the majority of rental charges.”

An Openreach spokesperson said the firm would consider the proposals before responding formally.

Southampton named best place for first-time buyers in UK

SURPRISE SURPRISE

The study also found that

Southampton named best place for first-time buyers in UK

KFC’s ad ruffles feathers and fails to help brand take flight

KFC’S ‘THE WHOLE CHICKEN’ AD ACHIEVES CUT-THROUGH

Regardless of whether the advert has had an adverse effect. KFC’s buzz score (which measures whether someone has heard something negative about the brand) has dropped into negative territory, falling from two to minus two.

Our data points to another source of worry for KFC. Its overall impression score has also decreased recently, declining from minus four to minus seven. The quality score has also dipped from minus 11 to minus 16, placing it above rival McDonald’s, but below Burger King.

However, one big positive for the brand is that any fallout from this incident is unlikely to alter how likely prospective customers are to visit one of its restaurants. Indeed, KFC’s purchase consideration score has remained fairly resolute over the last few weeks.

In time customers may begin to recognise and appreciate the message the campaign tries to convey. After all, getting noticed is the first challenge when you want to change your image.

© Stephan Shakespeare is the chief executive of YouGov
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TOGETHER WE GO FURTHER.

£2,250* COMBINED SAVING
£1,750† CUSTOMER SAVING PLUS AN EXTRA
£500* WHEN YOU TAKE A TEST DRIVE BY 31ST AUGUST

ON FORD EDGE TITANIUM 2.0 TDCI 180PS MANUAL REGISTERED BY 31ST AUGUST 2017. TO FIND OUT MORE VISIT FORD.CO.UK

Official fuel consumption figures in mpg (l/100km) for the New Ford Edge Titanium 2.0 TDCI 180PS: urban 44.1 (6.4), extra urban 52.3 (5.4), combined 48.7 (5.8). Official CO2 emissions 149g/km.
The mpg figures quoted are sourced from official EU-regulated test results (EU Directive and Regulation 692/2008), are provided for comparability purposes and may not reflect your actual driving experience.

*£2,250 Combined Saving off the Recommended On The Road price (Inc.VAT) of a New Edge Titanium or Titanium X contracted and registered between 1st July and 31st August. Combined saving comprises of £1,750† customer saving and £500* Test Drive promotion.
Test Drive promotion excludes KA+, Focus RS and Mustang. Test drive a Ford vehicle between the 1st July and 31st August 2017 and receive an additional £500 customer saving (including VAT) off the Recommended On The Road price of selected new Ford cars or £500 customer saving (excluding VAT) off the Recommended Retail Price of any new Ford Commercial Vehicle, that are contracted and registered between 1st July and 31st August 2017. At participating Ford dealers only. Promotion available to Retail, Privilege, Ambassador and eligible Fleet customers only. The £500 Customer Saving is in addition to all other existing promotions. See ford.co.uk
†£1,750 customer saving off the Recommended On The Road price (Inc. VAT) of Edge Titanium and Vignale models only (exc. Zetec, Sport & ST-Line). Vehicles must be contracted between 1st July and 30th September 2017 and registered by 31st December 2017. Retail, Privilege and Ambassador Customers only. Subject to availability. Contact your nearest participating Ford dealer for more information.
**Chancellor kicks off unicorn fund consultation**

**MAN Group’s profits rocket as consultation on financing growth in innovative UK companies, in response to a £4bn funding gap identified between American and British firms.**

Fewer than one in 10 firms that receive seed funding in the UK go on to get fourth round investment, compared to nearly a quarter in the US. But just four per cent of all these companies are based in the UK, compared to 24 per cent in China.

The consultation asks 26 questions, including whether the government should increase investment in university startup hubs and if investment is better value for money than tax cuts.

The consultation opened yesterday and will run until 22 September. It is part of an ongoing review into patient capital announced last year, which is looking into providing UK firms with long-term finance to scale up.

Sir Damon Buffini, governor at the Wellcome Trust, said: “This consultation is asking the right questions to inform what the government and industry must do to enable businesses to access the capital they need, at the scale they need, in order to grow.”

The proposed new fund could either take the form of a public-private partnership or could be placed fully on the government’s balance sheet to be sold off at a later point once it has a proven track record of investments.

**S&P 500 will exclude Snap Inc after voting rights debate**

The S&P 500 will start excluding companies that issue multiple classes of shares, managers of the index said on Monday, a move that effectively bars Snap Inc after its decision to offer stock with no voting rights.

The decision took effect starting yesterday, according to a statement by the manager of the widely used benchmark, S&P Dow Jones Indices LLC.

Snap did not immediately respond to a request for comment.

Existing components of the S&P index with several share classes – such as Google-parent Alphabet and Berkshire Hathaway – will not be affected.

“Companies with multiple share class structures tend to have corporate governance structures that treat different shareholder classes unequally with respect to voting rights and other governance issues,” the index provider said in a statement.

The S&P changes, which extend to the S&P MidCap 400 and S&P SmallCap 600 indexes, reflect a toughening stance by index firms and the investors they represent who increasingly emphasise the importance of corporate governance rights.

**Deadline extends for Worldpay bid**

The deal signals a first step into the European market for Didi, which has previously partnered with other companies to expand beyond its base market. There are more than 400m users and operates in 400 cities. That includes 99 in Brazil, 51 in the UK, 61 in India and GrabTaxi in southeast Asia.

The fresh cash for Estonia-founded Taxify will fund plans to expand to London, where City AM first revealed it is getting set to launch, and take on Uber in the capital and elsewhere.

The service operates in 19 countries in Eastern Europe and Africa and has raised around $2bn (£1.5m) from investors, just a fraction of the billions which have been ploughed into Uber and Didi, which is backed by Apple, Foxconn, Alibaba andSoftbank making it the second most valuable private tech company in the world.

The value of Didi’s investment in Taxify has not been disclosed, but is understood to be a significant increase on its most recent valuation when it raised $1.4m from early stage investors including London-listed TMT Investments. The two firms will also work together on developing technology. Uber conceded its business in China to Didi last year.

**Man Group’s profits rocket as funds under management lift**

**Didi Chuxing invests in Uber rival Taxify**

**INTER-COMPANY**

**STATIC BIKE CHALLENGE**

**Tour de City**

**Tavistock managed investments rise 332 per cent in a year**

**Man Group’s profits rocket as funds under management lift**

**Deadline extends for Worldpay bid**

**Chancellor kicks off unicorn fund consultation**
Taylor Wimpey’s first-half profits on shaky ground

SHRUTI TRIPATHI CHOPRA
@shrutitripathi6

TAYLOR Wimpey’s first-half profits dropped nearly 24 per cent due to a £130m provision the housebuilder set aside to compensate shareholders affected by a leasehold scandal, it was revealed yesterday.

In April, the FTSE-100 listed firm apologised to customers over leasehold contracts where byground rents – that are paid to owners of the property – doubled every 10 years.

Pre-tax profits for the period to 2 July were down to £205m from £268.8m in the same period last year.

Earnings in the first half of the year dropped 23 per cent to £165.7m from £215m in the same period last year.

The group also revealed that it built nearly 2,500 homes last year.

Focuses on the north of England, the midlands and central Scotland – built nearly 2,500 homes last year.

Earlier this year, it was reported that bankers at Moelis have been appointed for the deal.

The housebuilder reports a 44 per cent boost to pre-tax profit to £89.1m last year with an average selling price of £231,000.

Revenue rose 13 per cent on 2015 to £2.5bn, with operating profit 31 per cent higher at £103m.

In 2014, Miller Homes dropped plans to float on the London Stock Exchange.

At the time, it hoped to raise £140m by selling off at least 469,000 square feet on a 25-year lease.

The building is still waiting for planning permission, but Land Securities hopes the project will be completed in November 2021.

Deutsche Bank has committed to at least 469,000 square feet on a 25-year lease.

“It’s a committed and very strong bank,” said the head of the financial team.

“arneitubegyos in a deal in which the lease agreement for Deutsche’s new London headquarters would go ahead.

The move comes despite saying just weeks ago that it would

Deutsche Bank commits to new HQ above Moorgate station

LUCY WHITE
@LucyGWmte

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Easyhotel rolls back Old Street site for offices

ALYS KEY
@alys_key

THE Old Street site of hospitality chain Easyhotel is set to be partially converted into offices while the hotel segment will be made smaller.

The 162-bedroom hotel, which last year contributed £1.7m of EBITDA to the company’s accounts, will be reduced to 92-bedroom capacity.

Meanwhile the addition of an upper floor, making the building six storeys tall, will coincide with the conversion of the upper floors to office space.

The plan is subject to planning permission but has so far met with no opposition during meetings with Islington Borough Council.

Chief executive Guy Parsons explained that “the board considers the retention of the 92-bedroom hotel, together with an extension to the upper floors for additional office accommodation, to be the best outcome for shareholders”.

The smaller hotel will be refurbished to match ‘new look’ format hotels which the group said had been successful in raising revenue per available room in Manchester and Birmingham.

Pret A Manger’s owner hopes to gulp down UK housebuilder in £655m deal

SHRUTI TRIPATHI CHOPRA
@shrutitripathi6

PRET A Manger owner Bridgepoint is eyeing a £655m deal to snap up private housebuilder Miller Homes, it emerged yesterday.

The private equity giant is currently in talks with Miller Group, founded in Edinburgh in 1934 and expanded into England in the late 1940s.

The Edinburgh-based firm – which focuses on the north of England, the midlands and central Scotland – built nearly 2,500 homes last year.

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**Halal service looks to gobble up a slice of the food delivery boom**

**COURTNEY GOLDSMITH**

HALALEAT, the London-based food delivery startup, has today launched a crowdfunding campaign to fund its plan to expand nationwide.

The company, founded in 2015, currently delivers food in East London and has limited coverage in Birmingham, Luton, Kingston and Portsmouth.

Halaleat’s equity raising campaign on Seedrs reached 40 per cent of its £100,000 goal in a matter of hours, leading the company’s executives to believe it is well on its way to exceeding the target.

Food delivery services are booming in the UK, with popular online delivery firm Just Eat’s order numbers rocketing 24 per cent in the first half of the year.

Halaleat, led by chief executive Abul Rob, aims to grab a slice of the global Halal economy, which is set to rise to $3 trillion (£2.3 trillion) by the end of the decade.

Funding from Seedrs will be funnelled into the company’s next stage of growth.

Rob said: “We have big ambitions to go nationwide and we know that the market is ready.

“We are also currently developing a Halaleat app for smartphones and tablets so that consumers have access to 100 per cent halal food 100 per cent of the time.”

**World’s rarest perfumery targets boutiques in 10 luxury hotspots**

**ALYS KEY**

ELEGANTES London, the self-styled “world’s rarest perfumery”, is targeting establishing a presence in 10 key cities by the end of the year.

The premium brand, whose perfumes retail at £750 for a 50ml bottle, has already launched in London, Milan, Paris and Riyadh.

The brand officially launched at the end of 2016, with a range created by “nose” Julien Rasquinet, who was given a limitless budget.

Now former City banker Thomas Smit and his wife Dagmar, who co-founded the company, are looking to expand into other luxury hotspots.

The perfumes are set to go on sale at boutiques in Los Angeles, New York, Geneva and Singapore.

Other possible locations for future outlets include cities in the south of France, Russia, and Switzerland.

Elegant’s launched at Harrold’s last month, offering exclusive additions to the range for the department store. Premium ingredients include oud, a liquid extracted from infected Southeast Asian agar trees.

Charlotte Weatherall, head of global sales and marketing for Elegant said that “sales have been excellent” in the current locations.

Connection triples edtech firm’s value on its sale to Investcorp

**LUCY WHITE**

@LucyGWhite

IMEPRO, an educational technology (edtech) business, has been sold to Bahrain-based buyout firm Investcorp Technology Partners for £275m.

Connection Capital, the private client investment firm which sold the business, has more than tripled its value since backing Impero’s £9m management buyout in 2014.

Impero’s software is used by teachers in the classroom to assist with learning, by school IT managers to help run networks efficiently, and to help protect students online.

“When we invested in Impero three years ago, it was an opportunity for our clients to back the continued development of best-in-breed education software which addressed huge market potential,” said Connection partner Bernard Dale.

“Today, in an increasingly crowded marketplace, the business is performing extremely well, with a... market-leading presence in the UK.

The Nottingham-headquartered business supplies more than 1,400 UK secondary schools.

**COSTAIN KER-CHING**

London Bridge renovator bags £1.8bn HS2 deal to tunnel between Euston and Old Oak Common station

A CONSORTIUM co-led by Costain, the firm charged with revitalising London Bridge station, formally secured a £1.8bn HS2 contract to build tunnels and bridges linking Euston station with Old Oak Common. Yesterday’s announcement follows initial awards made by the government made on 17 July. Costain chief executive Andrew Wylie said he was “delighted”.

A new station will be built at London’s Old Oak Common as part of the HS2 expansion. The station is to be a key interchange, with its six platforms welcoming trains to heading north to Liverpool, Glasgow and Edinburgh; and a connection to Crossrail and Heathrow.

The Elegantes range retails for upwards of £750 a bottle

*Image*
SOME of Britain’s biggest beasts made strong gains yesterday, supported by Rolls-Royce and oil major BP among a raft of robust results, while a recovery in cigarette makers British American Tobacco and Imperial removed a drag on the index.

The FTSE 100 jumped 0.7 per cent, starting the month on a firm footing, while mid-caps rose 0.42 per cent. Shares in engine maker Rolls-Royce rocketed up 10.25 per cent, their best day in a year, after a solid first half which saw profits rise more than expected as it delivered a 27 per cent increase in large civil aerospace engine deliveries.

Shares in BP jumped 2.39 per cent after the firm beat profit expectations for the second quarter. Tobacco stocks BAT and Imperial Brands rose 2.5 and 2.7 per cent respectively after sharp losses in the two previous sessions as investors digested a US regulatory clampdown on the amount of nicotine in cigarette products.

Aerospace engines. The S&P financial index led with a gain of 0.81 per cent. JP Morgan Chase rose 0.89 per cent as Wall Street anticipated Wall Street’s second-quarter earnings, 72 per cent of companies having reported their second-quarter earnings, 72 per cent above consensus expectations.

The Dow rose 0.89 per cent as Wall Street awaited the largest publicly listed UK stockbroker's quarterly report after the bell, with the iPhone maker expected by analysts to post a six per cent rise in revenue.

The S&P 500 information technology index is up 22 per cent so far this year, outpacing the Dow's rise of 11.5 per cent.

August names deliver strong start to month

Analysts at Berenberg have been electrified by the recent form of Centrica. Well, not exactly. But they did upgrade the company from “sell” to “hold”. “No frills, the share price has simply fallen too far”, they said. Keeping the Grid’s price target at 1.050p, the analysts also noted that the company is a net beneficiary of sterling weakness against the dollar, because US profits outweigh debt exposure, and is currently exposed to “limited political risk” in the UK. They said: “Government pressure on supply companies has no direct implication for National Grid.”

Impeccable first half which saw profits rise more than expected was delivered a 27 per cent increase in large civil aerospace engine deliveries.

British American Tobacco and Imperial removed a drag on the index.

In a typical quarter, 64 per cent of companies beat expectations. The Dow rose 0.33 per cent to a record-high close of 21,963.32. It breached the 22,000 milestone in January and the 21,000 mark barely one and a half months later.

The S&P 500 gained 0.24 per cent to 2,476.35 and the Nasdaq Composite added 0.23 per cent to 6,362.94. The S&P financial index led with a gain of 0.81 per cent. JP Morgan Chase rose 1.34 per cent after the firm beat profit expectations for the second quarter.

Economic data showed US consumer spending barely rose in June as income failed to increase for the first time in seven months.

Under Armour fell to a record low after the sportswear maker cut its full-year profit forecast. Car maker Ford fell 2.41 per cent and General Motors lost 3.39 per cent after they reported lower monthly sales.

Sprint jumped 11.15 per cent after swinging to a quarterly profit for the first time in three years, while monthly sales rose 5.84 per cent after its profit beat expectations.
It’s time to tackle the UK’s dangerous addiction to debt

It’s time to tackle the UK’s dangerous addiction to debt

D

EBT has a bad name. But while there are clear risks associated with living beyond our means, there are also potential benefits associated with borrowing. It may enable us to own our own homes, start or expand a business, and finance training or education that boosts earnings later in life. In fact, there is a well-recognised life-cycle within which the young borrow to finance consumption, the middle-aged save and accumulate assets, and the old dis-save. My own youthful borrowing included buying my late wife a grand piano on an overdraft, a deci-

sion that underpinned 13 years of happy marriage. (And I paid off the debt a few years after a struggle.)

The issue with debt is one of limits and sustainability, for both the individual and the financial system. The same, clearly, applies to government debt and corporate and financial sector leverage. What the 2008 financial crisis and its aftershocks have taught us is that some limits may be closer than we think – and, once crossed, can lead to rapid and painful corrections.

Prior to the late 1990s, the share of household debt as a proportion of household income in this country was largely stable, sitting somewhere between 90-100 per cent. It then rapidly grew as credit conditions eased and lending standards weakened, reaching a peak of 160 per cent in 2008. As the financial crisis hit, I achieved some fame by warning about the credit frenzy, epitomised splendidly by RBS offering a £10,000 unsecured loan to a borrower who turned out to be a dog.

While the crunch may have been initially triggered by British banks’ exposure to the US subprime mortgage collateralised domestic household debt magnified the downturn. As the economy weakened, hitting jobs and wages, indebted individuals chose either to default or cut spending, further reducing demand and worsening the crisis. According to the Bank of England, this dynamic explains half of the drop in consumer spending after 2007.

Was Irving Fisher right to describe a century ago by warning about the credit “debt deflation”, explains the use ever say since about the way the media policies.

Ultimately, interest rates are now feeding a new round of borrowing. Despite falling in the wake of the financial crisis, household debt to gross domestic product percentage of GDP remains high at 342 per cent and is rising fast. Of the G7 countries, only Canada ranks higher than the UK. What’s more, the Office for Budget Responsibility predicts it reaching 153 per cent by 2022. But this estimate may prove conservative since, in the words of the Brexit candidate for the pound’s subsequent devolution, weak growth and falls in real terms mean that living standards are being maintained through personal borrowing, which has risen 80 per cent over the last year.

Optimists would accuse me of scaremongering, given the asset side of the household balance sheet looks healthy. Mortgage debt accounted for around 90 per cent of the total, and asset prices have boomed such that the housing stock is worth roughly five times mortgage liabilities. No problem, then? Well, not quite. As is usually the case, the problems are on the margins rather than in the averages. Recent Bank of England figures show unsecured debt (credit card spending, personal loans) growing at five times the rate of mortgage debt, while the household savings ratio has fallen to its lowest level ever.

Within mortgage debt itself, the IMF has picked up on a worrying number of new mortgages with high loan-to-income ratios, leading it to conclude that “such high lever-

age significantly exposes house-

holds and banks to interest-rate, income, and house-price shocks.”

I personally suspect that, after more cautious regulatory policy since 2008 and better prices, the risk has reduced somewhat. But many individuals, especially the young and poor, are potentially exposed to serious dis-

tress as the economy slows further and interest rates eventually rise. The key risk we face is that growth becomes almost wholly dependent on the housing market, with higher spending rather than intelligent, long-term investment. Although unemployment is historically low and growth (until recently) has been respectable, the UK faces deep problems reflected in low and falling productivity, stag-

nent real wages, and regional inequality.

By artificially propping up con-

sumer demand, debt has kept our economy going while delaying the urgent need to boost investment and innovation.

“This cannot, and should not con-

true any longer – it is time now to put our economy on a more sustain-

able footing.”

Sir Vince Cable is leader of the Liberal Democrats and former secretary of state for Business, Innovation and Skills.

The credit frenzy was splendidly epitomised by RBS offering a £10,000 unsecured loan to a borrower who turned out to be a dog

The British Gas price rise has sparked a debate on whether or not it’s justified.

**Q:** Is the British Gas price hike a sign that the market requires government intervention?

**Greg Jackson**

**YES**

The 12.5 per cent price rise from British Gas drew predictable ire. But the issue isn’t whether or not it’s justified (who asks that when it’s the market?), but whether the real problem is that the energy market is so grotesquely distorted that there’s no competitive pressure on companies to keep prices down for loyal customers. The current system was created by regulators to improve efficiency and cut prices. Against that measure has manifestly failed – our analysis indicates that The Big Six “bloat” is up to £150 per customer. For a market to work effectively, you need price transparency. Energy couldn’t be less clear – with four variables, estimated consumption and tariffs with all kinds of gotchas, the majority of consumers are too bamboozled to act. That’s why we back the government implementing a simple rule to link the prices for loyal customers to those advertised for new customers. This would finally introduce competitive pressure on the prices paid by most customers – and make energy as competitive as supermarkets.

**Kate Andrews**

**NO**

British Gas claims that its price hike is partly the result of costly government policy. This is in line with evidence from the past 30 years: increased state intervention often translates into higher costs and burdens for consumers. Throughout the 1990s and early 2000s, when energy policy was characterised by a liberalisation of the market, energy costs fell for consumers by 26 per cent. Compare that to post-2001, when state interference grew electricity costs for households in Wales and England rose by a staggering 50 per cent in real terms. (See Diego Zuluaga’s 2017 report for the (EA). Many of the regulations implemented in recent years are related to green energy policies. While combating CO2 emissions is a worthwhile goal, this has resulted in increased energy costs, while the regulations themselves have often proved ineffective. If the government is serious about tackling climate change, it should address the issue with a simple and straightforward carbon tax or emissions trading policy. But increased tripping and regulating will only worsen the burden felt by customers.

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**Embarrassing academic reversals show expert opinions are often built on sand**

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AST week we saw yet another major reversal of opinion by experts. For years we have all been lectured severely on the need to fin-

ish every single course of prescrip-

tion drugs. But the latest wisdom is that this is unnecessary.

The announcement that petrol and diesel cars will be banned by 2040 only serves to remind the mil-

ions of diesel car owners that they were told only a few years ago that дизельные агрегаты were a thing of the past. These stories have been very promi-

nent in the media. But they are by no means isolated examples. Such reversals of opinion are all too common in the softer social and medical sciences. The “evidence base”, a phrase beloved of metropolitan liber-

al experts, is often built on sand. This is nearly illustrated by psy-

chology. Science is probably the most prestigious scientific journal in the world. At the end of 2015, a group of no fewer than 270 authors published a paper in it. They were all part of the teams which had published 100 scientific articles in top psychology journals. Yet, in only 16 out of the 100 cases could the experimental results be replicated sufficiently closely to be confident that the original finding was valid.

The papers had been published in top psychology journals, and the original authors were involved in the replication experiment. So the replication rate should have been high.

Instead, it was so low that the lead author of the Science piece points out that they effectively knew nothing. The original finding could be correct, the different result in the attempted replication could be. Or neither of these could be true.

There is no suggestion at all that any sort of fraud or misrepresen-

tation was involved when the original results were submitted for publi-

cation. But economic theory helps us understand how this absurd situa-

tion came about. The great insight of economics is that people react to incentives.

Academics now face immense pressure to publish research papers. if they do not, they get more bur-

densome teaching loads, miss out on promotions, and might even get sacked. Their incentive is to publish. Academic journals will only very rarely accept a paper which contains negative results. The whole culture is to find positive ones. So experiments will be redesigned, run with different samples, until that sought-after positive finding is obtained.

More and more academics are now desperate to publish more and more research papers. To meet this increase in demand, there has been a marked increase in the supply of journals willing to publish. Many of these are highly dubious, prepared to accept papers on payment of a fee by the authors.

For all except a small elite of indi-

viduals and institutions, academic life has become increasingly prole-

tauianised. In the old Soviet Union, workers could get medals for exceed-

ing the quota of, say, boot produc-

tion. By no matter if all the boots were left footed. Many universities are now similar, with useless articles being churned out to meet the demands of bureau-

crats. Time for a big purge, both of the system and the institutions.

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**Greg Jackson is chief executive of challenger energy firm Octopus Energy.**

**Kate Andrews is news editor at the Institute of Economic Affairs.**
Letters to the Editor

Fund-amental financing

[Re: Chancellor Philip Hammond launches consultation into funding the next UK unicorn startups]

The chancellor’s commitment yesterday to a new National Investment Fund is welcome news for Britain’s most ambitious entrepreneurs. This country needs a mega-fund on a scale that can compete with the giants of Silicon Valley, otherwise our unicorns will never be home-grown. Ironically, there is no shortage of capital. The UK is the world’s leading financial centre with £7 trillion of assets under management, yet we still have a funding gap that leaves our most innovative businesses starved. This problem is set to get worse as Brexit threatens access to the European Investment Fund.

The National Investment Fund could change all of this with the right level of ambition and great execution. The Fund should be driven by the private sector, where ample resources are available. The focus must be on pension funds, insurance companies and major financial institutions, with the government actively supporting in the background. Over our five years, the success of the Business Growth Fund (BGF) has shown the potential. The National Investment Fund could go on to become unicorns.

Andrew Hammond

Take the United States, for example, where concerns over inequality and stagnant living standards have led to surging support for some populists, including Donald Trump. These two opposing forces, like tectonic plates, are pushing against each other. While the net global trend for the past 200 years has been towards greater overall income inequality, there is now significant evidence since the turn of the millennium that the positive effect of growing income equality between countries, spurred by the development of the global south, is superseding the negative effect from increasing inequality within nations.

While uncertainties remain about the data, it is undeniable that the overall lot of the south has improved dramatically, as exemplified by the progress of the Brics. The most prominent beneficiaries have been a much heralded new middle class – estimated to now make up a third of the world’s population – disproportionately located in key Asian emerging economies like China and India.

The collective economic growth of India and China has lifted millions of people out of poverty. With every day that passes, the minimum tenure to get the Trump administration to finally announce its plan for the Mooch, @potus comms director comes closer. #lastmansstanding @campbellkiburtz Help! I don’t know if I should do the fandango after all. #Scaramucci @EscapologistFI

Stephen Welton, chief executive of BGF
## FRESENIUS

- Price: 72.87
- Chg: 1.44
- High: 80.07
- Low: 63.62

## ALLIANZ

- Price: 182.75
- Chg: 2.75
- High: 184.35
- Low: 122.65

## DEUTSCHE BANK N

- Price: 15.32
- Chg: 0.23
- High: 17.82
- Low: 8.83

## ROY PHILIPS

- Price: 32.63
- Chg: -0.48
- High: 34.34
- Low: 23.24

## SAINT-GOBAIN

- Price: 47.49
- Chg: 0.11
- High: 52.40
- Low: 36.73

## Elementis

- Price: 295.6
- Chg: -0.8
- High: 317.1
- Low: 203.9

## BAE Systems

- Price: 607.0
- Chg: 5.5
- High: 677.0
- Low: 519.5

## Tsy 2.500

- Price: 369.33
- Chg: -0.04
- High: 375.0
- Low: 368.8

## Tsy 5.000

- Price: 130.26
- Chg: -0.10
- High: 138.1
- Low: 128.8

## Tsy 6.000

- Price: 149.87
- Chg: -0.09
- High: 161.8
- Low: 147.0

## AEROSPACE & DEFENCE

- Price: 16

## City of London In

- Price: 427.6
- Chg: 1.5
- High: 441.0
- Low: 384.0

## British Empire Tr

- Price: 689.5
- Chg: -1.0
- High: 702.0
- Low: 538.0

## Marshalls

- Price: 387.2
- Chg: 3.9
- High: 412.5
- Low: 261.5

## Galliford Try

- Price: 136.0
- Chg: 4.0
- High: 1583.0
- Low: 952.0

## JPMorgan Indian I

- Price: 758.5
- Chg: 0.0
- High: 758.5
- Low: 579.0

## John Laing Infras

- Price: 135.9
- Chg: 0.0
- High: 140.4
- Low: 126.0

## Witan Inv Trust

- Price: 1027.0
- Chg: -4.0
- High: 1034.0
- Low: 796.0

## 3i Group

- Price: 940.0
- Chg: 4.0
- High: 944.5
- Low: 604.5

## Worldwide Healthcare

- Price: 2470.0
- Chg: -30.0
- High: 2563.0
- Low: 1905.0

## ELECTRONIC & ELECTRICAL EQ.

- Price:

## ELECTRICITY

- Price: 1270.95
- Chg: 3.40

## CONSTRUCTION & MATERIALS

- Price: 7423.66
- Chg: 51.66
- High: 7445.26
- Low: 7372.06

## Gold

- Price: 1270.95
- Chg: 3.40

## Severn Trent

- Price: 2229.0
- Chg: -11.0
- High: 2553.0
- Low: 2073.0

## National Grid

- Price: 944.2
- Chg: 7.4
- High: 1110.4
- Low: 895.0

## Cranswick

- Price: 2923.0
- Chg: 21.0
- High: 3005.0
- Low: 2118.0

## London Stock Exchange

- Price: 3787.0
- Chg: 39.0
- High: 3825.0
- Low: 2621.0

## City of London In

- Price: 415.5
- Chg: -0.5
- High: 428.0
- Low: 332.5

## Provident Finance

- Price: 2089.0
- Chg: 27.0
- High: 3320.0
- Low: 2062.0

## BT Group

- Price: 316.0
- Chg: 2.5
- High: 410.0
- Low: 282.0

## Food & Drug Retailers

- Price: 44.5
- Chg: 0.0
- High: 46.0
- Low: 38.5

## Sports Direct International

- Price: 379.3
- Chg: 0.2
- High: 384.2
- Low: 268.3

## Marks & Spencer Group

- Price: 324.1
- Chg: 1.9
- High: 395.5
- Low: 309.9

## Dunelm Group

- Price: 614.0
- Chg: 12.0
- High: 932.0
- Low: 545.0

## McCarthy & Stone

- Price: 168.0
- Chg: -1.7
- High: 209.5
- Low: 154.0

## Bellway

- Price: 3209.0
- Chg: 19.0
- High: 3232.0
- Low: 2012.0

## FTSEurofirst 300

- Price: 1493.90
- Chg: 8.67
- High: 1502.57
- Low: 1485.23

## Kaz Minerals

- Price: 703.0
- Chg: -2.1
- High: 711.1
- Low: 680.9

## Spire Healthcare Group

- Price: 388.0
- Chg: -2.0
- High: 427.0
- Low: 315.0

## Greencore Group

- Price: 217.5
- Chg: -2.8
- High: 253.0
- Low: 185.2

## AA

- Price: 210.0
- Chg: -14.0
- High: 224.0
- Low: 148.3

## Rio Tinto

- Price: 3502.0
- Chg: -18.0
- High: 3679.5
- Low: 2257.0

## Antofagasta

- Price: 944.0
- Chg: -2.0
- High: 954.0
- Low: 480.7

## Trinity Mirror

- Price: 103.8
- Chg: -0.8
- High: 121.0
- Low: 76.0

## Kennedy Wilson Europe

- Price: 1140.0
- Chg: -3.0
- High: 1154.0
- Low: 919.0

## Wood Group

- Price: 620.0
- Chg: 9.5
- High: 894.5
- Low: 601.0

## Safestore Holdings

- Price: 424.4
- Chg: 2.0
- High: 454.4
- Low: 326.1

## British Land Company

- Price: 611.0
- Chg: 0.5
- High: 674.0
- Low: 578.0

## REAL ESTATE INVESTMENT TRUSTS

- Price:
AVOIDING THE LOYALTY PENALTY

Katherine Denham explores how you can avoid falling victim to hefty mortgage fees

WHETHER we think of family, friends or our pets, most of us see loyalty as a positive attribute to have. But for homeowners, it can be quite the opposite, as new evidence suggests many of us are forking out thousands of pounds every year in excessive mortgage fees by sticking with one lender.

A loyalty penalty occurs when a customer rolls onto the lender’s standard variable rate (SVR) after their initial fixed rate has expired.

Last week, Citizens Advice published a report which revealed that around 1.2m borrowers are being slapped by these penalties.

Figures from the consumer watchdog found that an average SVR payer faces a penalty of £439 a year, while one in 10 are paying £1,000 too much every year in excessive mortgage fees.

“Variable rate has expired. Your fixed rate has come to an end.”

The Trussle founder says: “While some companies are starting to modernise their prompting methods, not all will send text or email reminders. So until this becomes standardised across the market, it’s vital that you read all of your letters.”

Experts are calling on the City regulator, the Financial Conduct Authority, to force lenders to improve the way they nudge customers into action and to standardise how rates are advertised so that consumers can easily compare.

The financial services industry is so complicated – and sometimes a costly affair.

Some of these brokers also offer additional services, such as notifying you when your fixed rate period is coming to an end.

ON THE PROWL

Finding out if you’re eligible for a better deal doesn’t involve a credit search, so don’t be afraid to shop around for a product that is well suited to your needs.

It’s easy to feel bombarded by the sometimes opaque – mortgage market, but this doesn’t mean you should stay loyal to your lender and fall victim to extortionate fees.

NEW BREED

A mortgage broker can help you find the most suitable deal. Technology has created a new breed of mortgage broker, and online services – such as Trussle and Habito – can search for thousands of mortgage products within minutes.

One in 10 are paying £1,000 too much every year in excessive mortgage fees by sticking with one lender.

The Trussle founder says: “While some companies are starting to modernise their prompting methods, not all will send text or email reminders. So until this becomes standardised across the market, it’s vital that you read all of your letters.”

Fewer than one in 10 are paying £1,000 too much every year in excessive mortgage fees by sticking with one lender.

The Trussle founder says: “While some companies are starting to modernise their prompting methods, not all will send text or email reminders. So until this becomes standardised across the market, it’s vital that you read all of your letters.”

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A mortgage broker can help you find the most suitable deal. Technology has created a new breed of mortgage broker, and online services – such as Trussle and Habito – can search for thousands of mortgage products within minutes.
A berry good food that’s tasty, too

Our resident chef only has time for one superfood and that’s sea buckthorn

MY FOOD DIARY

Mark Hix

The whole world might be banging on about superfoods – you know the ones, avocados, pomegranates, kale – but I think this whole fad is boring. I don’t want to see another dull quinoa salad on a menu until someone’s made an effort to make it taste of something. It should taste good, not just be scattered on a salad to bluff the consumer into thinking it’s a healthy dish.

If you want to get your chops round a berry that’s just as delicious as it is nutritious, then try some sea buckthorn instead. I’ve been using it for years now for all sorts of drinks and desserts, and in cooking generally, and it’s much more interesting. The trouble is, a lot of people I come across haven’t heard even heard of it.

Years ago, sea buckthorn were planted as a sea defence to keep animals in and predators out, and were rarely used for their health and nutritional properties, let alone for cooking. I can only describe these tiny bright orange berries as tasting somewhere between a passion fruit and a mandarin.

They popped up on my radar some years ago at a dinner I hosted at His Oyster and Chop House. I was sat next to David Eagle, of Devereux Farm on the Essex coast, who told me how he was cultivating various varieties of sea buckthorn. He recently sent me the fruits of his experimentation and patience and, I must say, they’re the best I’ve ever tasted.

David’s business, the British Sea Buckthorn Company, sells the berries fresh when they’re in season in the summer months and frozen out of season. He also does fruit and seed oil in capsules. Activated charcoal has become the latest health fad, and now, it’s hit London. For me, nothing beats this lamb dish this time of year, it’s summer on a plate.

This is a mix of really great flavours. The lamb is the true hero here, but the activated charcoal adds a real depth to the dish. Activated charcoal has become the latest superfood to hit Los Angeles, Melbourne and now, it’s hit London. For me, nothing beats this lamb dish this time of year, it’s summer on a plate.

GRILLED LAMB RACK

SERVES 2

1 lamb rack 8 bone
2 tbsp burnt aubergine puree
250ml charcol/japonais
3 button onions

When ready to cook, get your BBQ ready and let your coals get to a nice temperature before cooking. Add the cutlets, fat side down, and sear to colour the fat. Season before cooking. Add the cutlets, fat side up for 5 minutes or so and season to taste with the excess water. Bring the sea buckthorn berries on a high heat. Once coloured, cut out the core and pick the onion petals carefully turn out onto cold serving plates and spoon around the sea buckthorn berries.

Leaving the cutlets to rest for 5 minutes, then grill for 8 minutes for medium-rare.

Other dishes are served with palate-cleansing directions: our server instructed us on the correct way to enjoy the yellowtail sashimi and the surprisingly kicking whitefish tiradito, by picking each piece with a leaf of coriander. The Nobu House Special, a stack of large, five-fish sushi rolls, is a must if you’ve got the appetite.

YOU’RE NOT A SPRING LAMB ANYMORE

Chef Mike Reid, of M Restaurant in the City, on the dish that makes his summer

This is a mix of really great flavours. The lamb is the true hero here, but the activated charcoal adds a real depth to the dish. Activated charcoal has become the latest superfood to hit Los Angeles, Melbourne and now, it’s hit London. For me, nothing beats this lamb dish this time of year, it’s summer on a plate.

INGREDIENTS

150ml charcoal mayonnaise
100ml Olive Oil
50g Activated Charcoal (food grade)

Combine the Mayonnaise and activated charcoal together and season to taste with a touch of salt.

THE VERDICT...

The unrivalled case of sushi further assists his culinary dominance over London, and Nobu Shoreditch refuses to loosen its tie or soften its edge as its reach extends eastwards. Sophisticated Manhattan-style dining is taking over London’s coolest postcode, it seems.

THE WORKING LUNCH

Steve Hogarty on the best places to eat during office hours in the City and Canary Wharf

WHERE?

The ever-expanding Nobu empire of classy and upmarket Japanese restaurants plants an incongruous outpost in the gritty hipster backlands of Shoreditch. A cavernous basement lounge hidden beneath the first Nobu hotel in London, the restaurant exudes the refined early-era Bond villain aesthetic of Tokyo’s a fine dining scene. A giant glass wall allows an adjacent light well to flood the subterranean space with natural light, while the descent from street level is striking, revealing a towering cocktail bar so tall that its busy staff are reduced to the floor.

ORDER THIS...

There are few dishes as synonymous with their creators as Nobu’s black cod miso is with him. It is the man’s “Freebird”: a sticky, sweet, weddng, warming, piece of glazed fish that would be just as home on the gents menu. It goes well with the smoky character of the roasted cauliflower, which comes lightly seasoned with jalapeno and soy salt. Other dishes are served with palate-cleansing directions: our server instructed us on the correct way to enjoy the yellowtail sashimi and the surprisingly kicking whitefish tiradito, by picking each piece with a leaf of coriander. The Nobu House Special, a stack of large, five-fish sushi rolls, is a must if you’ve got the appetite.

NEED TO BOOK?

You can book a table by visiting nobushoreditch.com
It’s never too early to launch a startup

Don’t let anyone tell you you’re too young or inexperienced to start your own business.

WAS 19 when I founded my first company. That might sound early, but my international background – along with moving around a lot while I was growing up – had taught me the importance of being able to adapt to new languages and cultures from a young age, as well as really toughening me up along the way. So I thought, why wait?

I decided early on in my life that I had to carve out my own path and build an identity that would allow me to adapt to new surroundings, which has played an integral part in building my business nous. It’s a path I would urge more young people to consider.

**EMBRACE FEARLESSNESS**

Fearlessness is the one characteristic young people possess in abundance. And we had to be fearless when we first envisaged our fitness company, as we knew we were launching a new business in what was an already saturated market – the global wellness industry grew 10.6 per cent between 2013 and 2015, the year we started out. But despite our numerous competitors, we felt that the consumer wanted more options in terms of access to fitness.

I saw a gap in the market for a product that made an active lifestyle both convenient and accessible in order to work around the busy lifestyle that so many of us lead. It was important for TruBe to offer a new freedom of choice – how, when and where you want to work out – but it was by no means an instant miracle.

**LISTEN, LEARN, AND ADAPT**

My experience proved to me beyond any doubt that being a problem-solver is central to every aspect of running a startup. I quickly learned that adaptability – another advantage millennials have over their older rivals – was key to our survival and development as a company.

Listening to our customers was essential to improving our product, and as a petite company, with a young and creative team, we are able to be incredibly nimble in this respect.

Keeping an eye on the consumer’s response is crucial to the development of all companies, and we are constantly analysing our customers’ behaviour in order to improve the platform.

When we first launched – after months of hard work – we didn’t get as many bookings coming through as we expected. I was forced to reconsider our business model and introduced session bundles as a direct response to our clients’ needs. TruBe now has several thousand bookings a month.

Our ability to recognise when we needed to change and respond dynamically is what allows us to survive and to thrive in such a crowded app space. We had to tackle the challenges in a way that was unique to our business, and that responsiveness comes from knowing ourselves and our clients inside out.

**FAILURE IS NOT THE ENEMY**

Launching a startup is always a very creative and technically demanding process, but it gives you the chance to be fully hands-on from conception to reality. Building your vision from scratch inevitably involves a number of hurdles and challenges, and it won’t always work out. It really comes down to your mentality: if you can stay focused and push past the aches and pains (just like at the gym), you’re far more likely to succeed.

My advice to young entrepreneurs would be to realise that the enemy of success is not failure. Failure teaches us some of our most valuable lessons in life. It’s also really important to ignore the voice of doubt in your head and look at the bigger picture. Step back, remove yourself from the smaller details and take a longer term view of the challenges you’re presented with. And don’t ever let anyone tell you you’re too young or inexperienced to launch your own business.

Daria Kantor is founder and director of on demand personal training app TruBe (trubeapp.com).

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**Zombies, Run!**

Free for the first four missions

If you need some motivation to exercise, how about running away from an army of zombies? With this immersive running game and audio adventure, you’ll embark on missions which put you at the heart of your own zombie story. It even provides pulse-pounding songs from your own playlist. Fitness meets horror.

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**FOOD CHALLENGE**

Coffee Break

SUDOKU

KAKURO

Quick Crossword

Wordwheel

Quick Crossword

**COFFEE BREAK**

SUDOKU

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KAKURO

Place the numbers from 1 to 9 in each empty cell so that each row, each column and each 3x3 block contains all the numbers from 1 to 9 to solve this tricky Sudoku puzzle.

<table>
<thead>
<tr>
<th>5</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>4</td>
<td>9</td>
</tr>
</tbody>
</table>

**Quick Crossword**

**ACROSS**

1 Planet near the Sun (7)
2 Mrs Major, wife of former UK prime minister John (5)
3 Rapid escape (7)
4 Excuse for failure (5)
5 Plant (eg ivy or periwinkle) that grows by crawling (7)
6 Twilight (4)
7 Challenge to do something dangerous (4)
8 Canvas shoe with a rubber sole (7)
9 Pop music not issued by a major record company (5)
10 Aonachaidh (7)
11 Fencing swords (5)
12 Machine that processes materials by crushing (7)

**DOWN**

1 Enrains (7)
2 Trudge (7)
3 Wiccardry (5)
4 Having a fine network of cracks (6)
5 Peruser of text (6)
6 Wheat-like cereal plant (3)
7 Blades of a water wheel (7)
8 Discharge (7)
9 Marked by injustice (6)
10 Fine white clay (6)
11 Vertical pipes in a building (5)

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Daria Kantor is founder and director of on demand personal training app TruBe (trubeapp.com).
Bill Esdaile previews this afternoon’s Group One Qatar Sussex Stakes

BILL ESDAILE’S SUSSEX STAKES 1-2-3

O NLY nine runners have been declared for this afternoon’s Qatar Sussex Stakes (3.35pm), but what the field lacks in numbers, it more than makes up for in terms of quality.

We have been lucky enough to have witnessed some great duels on the Downs in recent seasons and with RIBCHESTER and CHURCHILL among the final nine, the stage is set for another one.

Frankel beat Canford Cliffs back in 2011, while Toronado was too good for Dawn Approach two years later. This year’s match-up sees multiple Group One winner Ribchester, a fast-finishing third in this race 12 months ago, take on dual Guineas hero Churchill in another intriguing clash of the generations.

The classic generation have won 12 of the last 20 renewals of this prestigious prize and an even closer inspection reveals they have been successful in seven of the last nine runnings.

However, I’m prepared to stick with the older horse Ribchester at 11/10 on the back of three Group One wins in his last five outings. He has won both his starts this campaign, including an impressive seasonal reappearance in the Lockinge Stakes at Newbury.

He then followed that with an equally dominant show in the Queen Anne Stakes at Royal Ascot.

That latest win came on ground that was fast enough to be of mild concern for connections, so any forecast rain would be a benefit rather than a hindrance.

As for Churchill, he would have been a warm odds-on favourite for this contest if he hadn’t lined-up in the St James’s Palace Stakes at Royal Ascot.

For whatever reason, the son of Galileo just didn’t fire that day, finishing a well beaten fourth behind Barney Roy.

Whether it was just a result of a busy early season schedule that saw him win both the English and Irish 2000 Guineas, we just don’t know.

Connections stressed that nothing obvious came to light after the race and felt his flop was down to the fact that it was the hottest day of the year and he overheated.

If the weather forecast is to be believed then he won’t have that problem this afternoon, with the race more likely to be run in rain than sunshine.

The three-year-olds get a 7lb weight allowance from their elders here and Enable showed us all just how handy a weight concession can be when streaking clear in the King George on Saturday.

There is no getting away from the fact that Churchill is a special colt, I just think he won’t have that problem this afternoon, with the race more likely to be run in rain than sunshine. The three-year-olds get a 7lb weight allowance from their elders here and Enable showed us all just how handy a weight concession can be when streaking clear in the King George on Saturday.

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There is no getting away from the fact that Churchill is a special colt, I just think he may meet his match in Ribchester who seems to be getting better with age.

The terms of the race means there shouldn’t be much between the pair, but I’d like a little bit bigger than the 7/4 on offer about Churchill to jump ship.

If there is to be a turn up, then it...
William Buick will be hoping to celebrate aboard Ribchester again this afternoon.

Ribchester, Churchill and Zelzal look most likely to be French colt Zelzal who could upset the party.

He won the Group One Prix Jean Prat on his penultimate start as a three-year-old and was beaten by overdone waiting tactics on his reappearance.

Whether he is quite good enough to mix it with the big two here remains to be seen and his stable still don't seem to be firing on all cylinders.

Looking at the others and regular readers of this column will know that I am a huge fan of Aidan O'Brien's Lancaster Bomber, who once again will take up a pace-making role for Churchill.

The key to this colt is lightning fast ground and he won't get that even if the forecast rain stays away.

He'll lead them into the straight, but will be vulnerable at the business end.

The likes of Here Comes When and Kool Kompany look very much in the deep end here, but it would be no surprise to see Lightning Spear run well.

He was a good second to Ribchester on his reappearance, but things haven't gone to plan since.

Something was definitely amiss at Royal Ascot when he trailed in a well-beaten ninth and the step up in trip didn't suit in last month's Coral Eclipse.

He has won at the course, but has finished behind Ribchester in all five of their meetings and that pattern looks set to continue.

WIN HIS ‘DUEL WITH CHURCHILL’

Extra Places

1/5 ODDS 1-2-3-4 GOODWOOD 2.25PM & 1/5 ODDS 1-2-3-4-5 GALWAY 5.35PM

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Racing Post
Bill Esdaile previews the rest of Glorious Goodwood and the Galway Plate

**THE PUNTER**

**Front-running Sofia can Rock MJ’s world**

Mark Johnston is always a front runner for leading trainer at Glorious Goodwood and he will be hoping SOFIA’S ROCK can boost his tally in today’s 1m4f handicap (2.25pm).

The three-year-old finished a close third behind Raheen House in the Group Three Bahrain Trophy at Newmarket last time out and runs off the same mark here.

He looks versatile when it comes to ground, having won on both soft and firm, so the impending rain shouldn’t harm his chances should it hit the Sussex Downs earlier than is forecast.

Johnston has his stable in great heart of the seven-day Galway Festival.

Take Cooper to bounce back from blow in Galway Plate

WITH almost £150,000 to the winner, this afternoon’s Galway Plate (5.35pm) is the highlight of the seven-day Galway Festival.

The 2m6f contest is always run at a breakneck gallop and it’s a race where you need plenty of luck.

Gigginstown won a plethora of valuable handicap chases last season, including this one, and they fire six bullets today.

The leading operation has been in the news once again this week following the sacking of Bryan Cooper as number one jockey.

Cooper, who has been desperately unlucky with injuries, doesn’t get first choice anymore but he might not need it today.

He rides A TOI PHIL for Gordon Elliott and it would be typical if he landed the biggest race of the week for Gigginstown just a few days after his demotion.

This seven-year-old had some strong form last season, winning a valuable handicap at Leopardstown and a couple of Grade Two events at Punchestown and Navan.

You need a classy horse to win the Plate these days, which he is, and his mark of 149 looks fair, as does his 16/1 price.

Surprisingly, Willie Mullins has only claimed this prize once, but he’s clearly targeting it this year with at least five runners lining up.

Ricky Walsh has opted for Shaneshill, but he hasn’t run over fences since the 2016 RSA Chase.

Although he could be well-handicapped, this is a tough race to reappear over the larger obstacles and I’m more interested in his stabledmate HAYMOUNT.

His last run was in the Irish Grand National where he finished a respectable seventh, while prior to that he was third in the fourmiler at Cheltenham.

The drop back in trip should suit well and he is worth adding to the portfolio at 16/1 with 188BET.

**HEAD’S UP FOR GOODWOOD.**

**188 BET**

MONEY BACK AS A FREE BET UP TO £25 IF BEATEN BY A HEAD OR LESS AT GOODWOOD.

@BillEsdaile
FULHAM’S SONE ALUKO INSISTS PROMOTION WOE HAS BEEN FIRMLY LAID TO REST

JOE HALL

WATCHING last season’s dismal play-off final between Reading and Huddersfield, those closely associated with Fulham could be forgiven for feeling particularly frustrated at the drab bore draw.

After all, Slavisa Jokanovic’s side had only been denied a place at Wembley by a single penalty in their semi-final against Reading a fortnight earlier and had routed both sides earlier in the campaign with performances that perfectly demonstrated why they were one of the Championship’s most attractive sides to watch.

For striker Sone Aluko, however, seeing Huddersfield secure a first ever season in the Premier League with a penalty shoot-out triumph was the moment he was able to turn the page on play-off heartbreak.

“Huddersfield beat Reading, they were up and that was closure,” Aluko told City.I.M.

“After that, you go on holiday, you move on and start looking forward to the next season. It was pretty sickening.

“Of course, there was a sense of disappointment but that’s football. Every time you play, you’ve got to earn the right to win, you can’t base it off what we did before — winning 5-0 [vs Reading], 5-0 and 4-1 [vs Huddersfield] — you have to go out there and keep doing it every time. They earned the right to be there.’’

Earning your dues through consistency — it’s a theme Aluko repeatedly alludes to in anticipation of the new season.

Under Jokanovic’s direction, Fulham put together more passes, created more chances and took more shots than any other side in the Championship last season while only eventual champions Newcastle scored more goals.

It was an impressive achievement for a side few expected to be in the promotion discussion ahead of the campaign, after finishing 20th and 17th in the preceding seasons and a summer in which high-profile forwards Ross McCormack and Moussa Dembele both left the club.

Yet despite an attractive brand of football helping to drive crowds to Craven Cottage to the highest they have been during Fulham’s relegation from the Premier League, the Cottagers suffered from outbreaks of poor form that derailed their progress.

“We want to build on last season,” says Aluko. “We’re not satisfied with what we did last year.

“We’re proud of what we did — at the start of last season we weren’t tipped to be anywhere near the play-offs — but we want more.

“We’re not going to go out and play you have to earn the right. Whether we were tipped last season or not, whether we’re tipped this year, it doesn’t mean teams are going to come and go ‘Fulham are a top team’.

“It’s like Newcastle last year, they had to go out and win the league. No one gave it to them and we’re no different. We know it’s going to be tough but we fancy the challenge.”

After the upheaval of last summer, Fulham have largely kept last season’s main players together, with the exception of left-back Scott Malone, who has joined Huddersfield, and Scott Parker who has retired.

Aluko himself has attracted multiple bids from an unnamed club, although the Cottagers have rejected the advances — Jokanovic said such a sale would be a “big mistake” — and are considering offering the 28-year-old a new contract having already tied the influential Tom Cairney and teenage star Ryan Sessegnon to new deals this summer.

“The more you play, the more you get to know each other,” said Aluko.

“We want to strengthen, but the team we have now we’re satisfied with. We’re confident. Very confident.

“This season we’re thinking one step further and that’s getting promoted.”

Mc Cormack and Moussa Dembele both left the club.

Frank Dalleres

PREMIER League clubs have already spent £810m on transfers this window, almost twice as much as the £480m that was committed at the same stage last year.

The figures, compiled by Deloitte, lend further weight to predictions that total spending by English top-flight teams will dwarf last summer’s record £1.62bn outlay.

“The combination of record broadcast, commercial and matchday revenues continues to fuel extraordinary levels of transfer expenditure in the Premier League,” said Chris Sheldon of Deloitte’s Sports Business Group.

The final tally could even break through the £2bn barrier by the time the window closes on 31 August, if this year’s business follows a similar pattern to 12 months ago. Almost 59 per cent of the money spent by Premier League sides last summer came in the final month. A repeat of that ratio would see total spend reach £2.208bn by deadline day.

“With one month still to go, we expect this summer’s total to comfortably surpass the previous record of £1.615bn, set in summer 2016,” Stenson added.

Manchester City have been the division’s biggest spenders in this window, investing more than £200m in six signings.

“The biggest single fee spent has been Manchester United’s £75m signing of striker Romelu Lukaku from Everton.

Frank Dalleres

Premier League spending on track to top £2bn this window

RUGBY UNION

Pro14 welcomes South African teams in bold expansion move

JOE HALL

The new Pro14 tournament will become a truly global rugby tournament by the addition of two teams from South Africa.

The new-look format has been described as “the first phase of expansion” and “exciting new chapter for the Pro12 as a global rugby championship,” said its chief executive Martin Anayi.

Teams will play 21 matches each before the top three from each conference progress into a knock-out round for the championship.

Last year’s runners-up Munster, Connacht, Ospreys, Cardiff Blues, Glasgow, Zebre and the Cheetahs are in Conference A. Conference B is made up of reigning champions Scarlets, Dragons, Leinster, Ulster, Edinburgh, Benetton and Southern Kings.

Cheetahs and the Southern Kings have left southern hemisphere competition Super Rugby, which cutting down from 18 teams to 15.

Stokes not bothered about Flintoff likeness

CRICKET: England vice-captain Ben Stokes has mitigated winning matches over fueling comparisons with former skipper Andrew Flintoff.

Stokes bowled a devastating spell during England’s victory over South Africa in the third Investec Test, prompting Stuart Broad to liken the stint to one of Flintoff’s.

Stokes said: “We’ve had some great moments for the team that swing it our way and it means we’re going to win, that’s all I’m trying to do.”

Watson fails to make progress at City Open

TENNIS: Britain’s Heather Watson was last night knocked out of the City Open after some straight-set first round defeat to Romania’s Patricia Maria Tig, World No 71, who reached the third round at Wimbledon last month, succumbed 7-6 (7-4), 7-6 (7-3) in two hours and three minutes.

Watson failed to convert set points of her own in the first before saving two match points in the second. Tig eventually won on a tie-break.

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Bolt: I want London win for Mason

Retiring track star Usain motivated by tragic death of British athlete friend

FRANK DALLERES
@frankdalleres

Bolt insists he wants to win a 12th World Athletics Championship gold medal in London this weekend as a tribute to his late friend, British high jumper Germaine Mason.

The world’s fastest man is set to make his final appearance before retirement at the 10-day competition, being held at the former Olympic Stadium from Friday.

Bolt’s main target is to defend his 100m crown – he is also part of Jamaica’s relay team but is not running the 4x100m – and he was on bullish form at a sponsor event in the City on yesterday.

Andrea Atzeni hailed a "perfectly-executed strategy after Jockey Andrea Atzeni hailed a Ross McLean

Stradivarius foils Big Orange history bid

ROSS MCLean
@rossmcleannmac

Jockey Andres Atzeni hailed a perfectly-executed strategy after riding Stradivarius to victory in the Goodwood Cup and denying Big Orange a place in flat-racing history yesterday.

Atzeni, who claimed four wins on an inspired opening day of the festival, outflanked fellow Italian Frankie Dettori to thwart Big Orange’s bid to become the first horse to win the £900,000 race three years in succession.

Big Orange adopted his usual front-running tactics, only for Atzeni to pilot the John Gosden-trained 6-1 shot Stradivarius to a 1¾ length triumph in the Group One race, while Desert Skyline came third.

"The main plan was not to go near Big Orange," said Atzeni. "You can’t go near him as he’s a fighter. Going to the two pole I knew I had plenty of horse underneath me and I could see Big Orange wasn’t going away, so I thought I had him.

"I don’t think my fella knows how good he is yet. He’s still learning. I don’t think even he knows he’s a racehorse. He could be anything, especially next year."

All three of the festival’s opening Group races belonged to Atzeni after he steered home 4-1 chance Expert Eye and 50-1 outsider Bandon Rock in the Vintage and Lennox Stakes respectively. That was followed by victory for Shanefilans in the handicap finale.

Amazon overpowers Sky in battle for ATP Tour tennis

JOE HALL
@joehallwords

Amazon has muscled Sky Sports to win exclusive rights to ATP Tour tennis in Britain, signalling the online behemoth’s growing ambition to own live sport properties.

The deal, reportedly worth up to £10m a year, will make the Amazon Prime Video subscription service the go-to destination for watching the likes of Andy Murray and Roger Federer outside of grand slams from 2019.