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FREE

WOODFORD'S WOES KNOCK HARGREAVES

JESS CLARK

@jclarkjourno

SHARES in Neil Woodford's investment trust plunged yesterday while related funds and retail platforms also sustained a heavy hit.

The former star trader was forced to suspend trading in his flagship fund on Monday evening as investors fled.

Shares in Woodford Patient Capital Trust – which have not been frozen – fell more than 19 per cent yesterday to a low of 61.3p before recovering some ground to close at 71p.

The saga surrounding one of the UK's top stock-pickers rocked leading investment platform Hargreaves Lansdown.

Hargreaves is considered a "related party", due to its large stake in Woodford's main fund.

Hargreaves only removed the fund and the Woodford Income Focus Fund from its recommended Wealth 50 list following

Monday's announcement despite a long spell of underperformance and investor withdrawals.

Hargreaves' own shares fell 4.6 per cent yesterday.

"The suspension is understandably frustrating, but it's important to remember that the value of your investment will be dependent on the share prices of the portfolio's underlying holdings, which are not directly impacted by the suspension," Hargreaves analyst Emma Wall said.

Woodford Income Equity Fund was suspended on Monday evening, in an embarrassing moment for the City veteran – who has seen his reputation

as a star fund manager crumble over the past few years. The flagship investment vehicle's assets under management have dwindled from £10.2bn two years ago to £3.77bn last week.

A spike in investor redemption requests on Monday, including a £250m redemption request by Kent County Council, sparked the decision to freeze the fund. Kent yesterday said it was disappointed not to receive prior notification of the suspension.

A Financial Conduct Authority (FCA) spokesperson said the watchdog was "in contact with the firms involved to ensure that actions undertaken are in the best interests of all the fund's investors."

Woodford is the second largest investor in Burford Capital and New River Real Estate Investment Trust, the shares of which fell six per cent and 5.3 per cent respectively yesterday.

HURRICANE TRUMP President whips up a storm in Westminster



OWEN BENNETT

@owenjbennett

US PRESIDENT Donald Trump continued his canter through the British political landscape yesterday – taking aim at Jeremy Corbyn, doubling down on his criticism of Sadiq Khan and opening a can of worms over the potential inclusion of the NHS in any future trade deal.

Speaking in the foreign office, just yards away from thousands of anti-Trump protesters, the President

revealed Labour leader Corbyn had asked for a meeting during his three-day visit, but he had turned it down.

The revelation came minutes after Corbyn told protesters Trump had "created hate" in the world thanks to his "racist and misogynist rhetoric".

Trump blasted Corbyn as "a negative force", a description he also used for London mayor Khan as the pair's long-running feud showed little sign of cooling.

● CONTINUES ON P3



* yesterday ** over two years

WHAT WENT WRONG? P17

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CITY A.M.

THE CITY VIEW

This pensions row is still stalking Green

THese are not good times for Sir Philip Green. The scandal-hit tycoon has been spending more days than usual at his Monaco base in recent months, laying low in the sunny tax haven while both his reputation and high street empire take a beating back in the UK.

But even Green will struggle to avoid focusing on his home city today, when a crunch vote in central London will decide the fate of the Arcadia fashion group.

Green is hoping his proposals for a company voluntary arrangement (CVA) will be squeezed through after months of fierce negotiations with regulators, suppliers and landlords. "We're just trying to drag this thing over the finishing line" one fatigued Arcadia source huffed earlier this week.

Unlike a number of previous CVA votes, the results of this one have always remained firmly in doubt, but last night it emerged the Pensions Regulator has agreed to do a deal with Green, suggesting Arcadia will likely reach the 75 per cent voting threshold it requires to avoid going into administration. The fashion mogul has nonetheless left it to the very last moment, risking a major pensions row despite the collapse of BHS in 2016 still remaining fresh in the public memory.

It seems that three years on, Green has not been able to move away from controversy: in fact, he is now fighting on more fronts than ever before, both in his personal life and his business one.

With close to 18,000 jobs and hundreds of high street stores on the line, today's showdown is likely to be full of sparks. In the riverside building of County Hall, the former Greater London Authority headquarters now home to some of London's most popular tourist attractions, creditors and Arcadia executives will meet at noon to hold the make-or-break vote. While visitors on the ground floor enjoy the horrors and thrills of the London Dungeon, Green's army of directors could be subject to scares of their own in the rooms above.



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FINANCIAL TIMES

UK SPENDING REVIEW DELAYED BY TORY CONTEST

Liz Truss, chief secretary to the Treasury, admitted yesterday that the government was almost certain to postpone this autumn's three-year review of public spending, designed to end austerity. Truss said the review was "unlikely to happen" on schedule and departments would instead be given a year-long extension to their day-to-day spending plans.

KPMG PARTNER AT CENTRE OF BULLYING CLAIMS QUIT

One of KPMG's most senior partners at the centre of a bullying dispute has quit his role and taken a leave of absence after fresh allegations about his

WHAT THE OTHER PAPERS SAY THIS MORNING

conduct surfaced last week. KPMG said in a letter sent to all UK staff that Sanjay Thakkar, head of the firm's advisory unit decided to step down from his role this week "in the wider interest of the firm".

IN MEMORIAM Second World War planes prepare to head to France as Europe commemorates 75 years since D-Day landings



MORE THAN 30 planes will take off from Cambridgeshire to fly over the Channel today, as Europe marks 75 years since the Allied landings on the beaches of Normandy. US Dakota planes, the type most associated with D-Day, will be escorted in formation by Second World War fighters. Parachutists will jump out near Sannerville, where Allied troops dropped on 6 July 1944.

Tories skirt NHS in US trade deal

CONTINUED FROM FRONT PAGE

However, it was Trump's comments on a future UK-US trade deal that provoked the most reaction.

When asked if he envisaged access to the UK's health service for US firms as part of any agreement, Trump replied: "Look, I think everything with a trade deal is on the table."

"When you're dealing with trade, everything is on the table. So NHS or anything else – a lot more than that. Everything will be on the table, absolutely."

Theresa May moved quickly to point out that just because the US wants to see the health sector included in future talks, it does not mean the UK will make such a move.

"The point about making trade deals is that both sides negotiate and come to an agreement about what should or should not be in that trade deal for

the future," she said.

Several Conservative leadership candidates were swift to rule out including the NHS in any trade deal, with current health secretary Matt Hancock tweeting: "Dear Mr President. The NHS isn't on the table in trade talks – and never will be. Not on my watch."

As well as meeting May, Trump also had audiences with Brexit Party leader Nigel Farage and environment secretary Michael Gove.

Ahead of the meeting, Trump claimed he didn't know Gove, despite the Conservative leadership contender having interviewed him for the Times in January 2017.

The President also asked for a meeting with Boris Johnson, but the former foreign secretary turned down the request so he could focus on preparing for a leadership hustings event that took place last night.

Fiat-Renault talks nearing a compromise

LAURENCE FROST

FIAT Chrysler (FCA) has resolved key differences with France over its proposed merger with Renault, three sources told Reuters, as talks on the \$35bn (£28bn) tie-up plan progressed towards a possible agreement today.

An emerging compromise over French influence on a combined FCA-Renault could clear the way for Renault's board to approve a framework deal and begin the long process of a full merger.

FCA, Renault and its 15 per cent shareholder, the French state, have been locked in talks over the Italian-American manufacturer's bid to create the world's third-biggest carmaker.

France has broadly welcomed the deal, on condition it guarantees Renault's domestic blue-collar jobs and plants.

Talks will continue today. Reuters

THE TIMES

RISING SALES ARE JUST THE TICKET FOR LOTTERY

National Lottery sales rose by 3.7 per cent last year on the back of record sales of scratchcards and instant win games, but the amount returned to good causes fell slightly.

FARAGE GIVEN 24HRS TO EXPLAIN ARRON BANKS GIFT

Nigel Farage has been given 24 hours to explain undeclared gifts to the EU parliament. He could face a suspension, including a speaking ban, if he fails to comply. The Brexit Party leader must attend a session of the EU assembly's code of conduct committee today or face penalties, including fines and bans from parliamentary sessions.

THE DAILY TELEGRAPH

SANTANDER TO CUT 200 JOBS IN THE UK

Spain's Banco Santander will slash around 200 UK jobs in an attempt to focus on cost savings in Europe and pursue higher profitability in Latin America. It said the restructure would affect its corporate and commercial banking division and that it was consulting 330 staff about redundancy while creating 130 new roles.

SAINSBURY'S BOSS PAY RISE DESPITE ASDA DEAL FAILURE

Sainsbury's boss Mike Coupe has been given a seven per cent pay rise to almost £4m despite the collapse of his planned mega-merger with Asda and its share price falling to historic lows.

THE WALL STREET JOURNAL

DEMOCRATIC CONTENDERS OUTLINE CLIMATE PLANS

Joe Biden and Elizabeth Warren released competing proposals yesterday to pump billions of dollars into the US economy to fight climate change, seeking to connect with Democratic presidential primary voters animated by global warming.

CHINA WARNS ITS CITIZENS ABOUT VISITING THE US

China advised its citizens to reconsider visiting or studying in the US, a sign that Beijing might be targeting the lucrative tourism and education sectors as it tries to pressure Washington in their trade dispute.

Regulator puts final nail in NSF Provident offer

AUGUST GRAHAM

@AugustGraham

NON-STANDARD Finance (NSF) will abandon its hostile takeover of Provident Financial, it said yesterday, after regulators stamped out any hope of the deal going through.

The Prudential Regulation Authority (PRA) told doorstep lender NSF the enlarged group would not have enough capitalisation unless more shareholders accepted the deal.

"Accordingly, NSF has decided, with the consent of the takeover panel, to lapse the offer," the company said in a statement.

If more shareholders had backed the deal, NSF said it believed it could have won PRA approval.

However, that looked increasingly unlikely in recent weeks, as several prominent Provident shareholders expressed concerns over the hostile offer.

Last week Aberdeen Standard, a 3.1 per cent shareholder in the sub-prime lender, announced it would not accept the bid.

SHORT CHANGED

Anti-Brexit MP splinter group disintegrates after election disaster



CHANGE UK, the party formed by ex-Tory and Labour MPs, has split after just four months, with six of its MPs resigning. The group, which opposed Brexit and favoured another EU referendum, polled just 3.3 per cent in last month's EU elections.

DIAGNOSING TRUMP'S NHS CLAIM

DONALD Trump's claim that the NHS would be "on the table" in any UK/US trade negotiation provoked howls of outrage from both Tory and Labour MPs.

However, including the health service in any talks does not mean the NHS would suddenly stop becoming free at the point of use or introduce extra charges for patients.

Alison Renison, head of Europe and trade policy at the Institute of Directors, said it is hard to ascertain precisely what having the NHS "on the table" means. She said: "US companies are already able to act as suppliers to the NHS and several have won some big contracts to date."

Kristian Niemietz, head of political economy at the Institute of Economic

It joined Coltrane Asset Management, Schroders and others in rejecting the bid.

NSF had hoped approval from the Competition and Markets Authority (CMA) would convince more shareholders to get behind the offer.

It filed paperwork with the CMA last week.

But such hopes were not enough for the PRA, which questioned the level of capitalisation ahead of a deadline on its bid today.

NSF chief executive John van Kufeler said the deal had fallen through "despite our best efforts".

"I am very disappointed... Customers, employees and shareholders will not now benefit from our transformation plan," he said.

"Each of our businesses has a top-three position in its respective market segment and we believe each is capable of delivering attractive long-term returns for NSF shareholders through a combination of capital and dividend growth."

The announcement came after markets closed yesterday.

Green pledges fresh £25m to plug Arcadia pension fund ahead of vote

SEBASTIAN MCCARTHY

@SebMcCarthy

SIR PHILIP Green's hopes of securing the go-ahead for a major overhaul of his retail empire were boosted last night after the tycoon agreed a deal with the Pensions Regulator.

The embattled tycoon has pledged a further £25m to plug a hole in Arcadia Group's pension fund, in exchange for the regulator's support

at a crucial vote today. Arcadia's creditors are set to choose whether or not to approve a company voluntary arrangement (CVA), a type of cost-cutting insolvency process used to reduce rents and close stores.

If approved, a CVA would allow the group to close at least 20 stores and cut jobs. The deal falls below the regulator's request of £50m, as first reported by Sky News.

Ian Grabiner, chief executive of

the troubled fashion group, which includes brands such as Topshop and Dorothy Perkins, said the last few weeks had been a "challenging time" for Arcadia and its staff.

One source told City A.M. the fate of the vote now lies "entirely in the hands of the landlords".

The extra £25m in the pension fund comes on top of a promise by the Topshop tycoon to inject £360m over the next three years.

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UK M&A value plunged before Brexit deadline

JESS CLARK

@jclarkjourno

UK MERGER and acquisition (M&A) value plunged in the first quarter of this year as business confidence was shaken in the build-up to the March Brexit deadline.

The value of deals in which foreign companies bought UK firms fell 83.7 per cent compared to the fourth quarter of last year.

Deal values fell from £38.8bn to £6.3bn in the first three months of 2019 due to a lack of high-valued transactions completed in the quarter, according to data published by the Office for National Statistics (ONS) yesterday.

The fall came in the lead-up to the original 29 March deadline for the UK to leave the European Union.

"If proof were needed that Brexit has caused major corporates to put big decisions on hold, then the bleak M&A data for the first quarter is it,"

Mark Collings, chief commercial officer at Code Investing, said.

Notable transactions that took place during the quarter include Coca-Cola's acquisition of Whitbread and Norwegian firm DNO's takeover of Faroe Petroleum.

The value of deals where UK companies bought foreign businesses also fell, dropping by £5.1bn to £5.4bn.

However, many small- and medium-sized firms (SMEs) saw Brexit uncertainty as an opportunity for growth and M&A in the sector fared better than larger corporate firms.

"Many of the UK's SMEs are looking at Brexit as an opportunity to grow and acquire market share rather than a reason to sit tight," Collings said.

Daniel Domberger, partner at Livingstone, added: "M&A volumes are holding up quite nicely in this area as investors look to fulfil long-term strategic goals, and business leaders demonstrate clear growth trajectories."

HS2 has become a battleground among the Tories vying to replace

99 PROBLEMS... GETTING RICH AIN'T ONE Jay-Z breaks into billionaires list

RAPPER Jay-Z, born Shawn Carter, has become the first hip-hop artist to surpass \$1bn (£787m) in personal wealth. Forbes said the rapper's money comes from a champagne brand he owns, and a large investment portfolio, including a \$70m stake in ride-hailing app Uber.



HS2 chair carries out review to ensure project is 'deliverable'

ALEXANDRA ROGERS

@city_amrogers

THE CHAIR of under-fire high-speed rail project HS2 is undertaking a review to "make sure the costs and budget are right and that it is deliverable," transport secretary Chris Grayling has said.

HS2 has become a battleground among the Tories vying to replace

Theresa May as Prime Minister, with some pledging to continue with the project and others vowing to scrap it. "What we've got with HS2 is a new chairman in Allan Cook who is rightly taking his first period of the project to make sure it's in good shape to make sure the budget is right, the costs are right and that it's deliverable," Grayling told the New Civil Engineer on Monday.

Finance firms should treat operational resilience as 'commercial imperative'

JAMES BOOTH

@Jamesbooth1

FINANCIAL services firms need to treat operational resilience as a 'commercial imperative', a report published today said.

The industry must face threats ranging from climate change, cyber crime and complex supply chains to technological innovation and ageing legacy systems.

The report from lobby group The

City UK and audit firm PwC said financial services companies and regulators are well-placed to boost operational resilience.

They said the positive impacts of doing so include more sustainable performance, leadership in the global context and boosting the reputation of the UK as an investment destination.

The City UK chief executive Miles Celic said: "Operational resilience is not a choice, it is a commercial

imperative... Firms that maintain safety and efficiency through a crisis will have a clear commercial advantage and be more sustainable over the long term. Those who don't, might not last very long."

Simon Chard, financial services partner at PwC, said: "Technological advances are a double-edged sword for the industry as consumers and businesses demand more tailored, more efficient and more secure technology."

Fox warns of 'upheaval' if global economy stalls

AUGUST GRAHAM

@AugustGraham

INTERNATIONAL trade secretary Liam Fox last night warned the world is facing a period of upheaval and economic slowdown.

Speaking at the 100th anniversary of UK Export Finance (UKEF), he launched new initiatives to back small British exporters. Under the changes, UKEF will guarantee loans for buyers of British goods overseas,

Investment cap for P2P lenders to be launched

JESS CLARK

@jclarkjourno

THE CITY watchdog will implement a cap for first-time peer-to-peer (P2P) investors as it clamps down on the sector.

The Financial Conduct Authority (FCA) confirmed yesterday that it will introduce a 10 per cent investment cap.

Investors must pass a test to prove they understand the risks involved, the regulator said.

The announcement came just weeks after property finance firm Lendy collapsed into administration following an investigation by the FCA.

Rhydian Lewis, chief executive of Ratesetter, which is one of the UK's largest P2P lenders, said some parts of the new regulation "patronises normal people".

However he added other parts of the regulation would help to clean up the sector.

"No longer can our sector be dismissed as the Wild West of investing," Lewis said.

The cowboys are being driven out and the regulation is now on a par with mainstream savings and investment choices."

while exporters will be supported with general costs.

Fox hailed the efforts as "potential gamechangers" for exporters which will "help us tap a fresh vein of potential."

UK exporters set new records last year, selling almost £640bn abroad, official data shows.

Fox came under fire in 2016 for saying British executives would rather play golf than sell their products overseas.

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AO World losses deepen on poor Europe results

HARRY ROBERTSON

@henrygroberson

ELECTRICALS retailer AO World extended its losses in the 2018 financial year, its results showed yesterday, as the firm's earnings fell in Europe.

The Bolton-based company's loss before tax rose 40 per cent to £18.9m for the year ended 31 March 2019, compared to £13.5m the previous year.

Revenue rose 13 per cent to £902.5m for the year, compared to £796.8m a year earlier, its results showed.

Chief executive John Roberts, who in January took back charge of the company he founded, said: "We can do better."

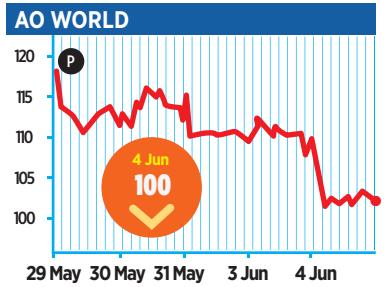
AO World delivered double-digit revenue growth in the UK, while its losses in adjusted Ebitda (earnings before interest, tax, depreciation and amortisation) terms fell to £0.4m for the year to 31 March compared to £3.4m a year earlier.

However losses in Europe increased, which Roberts put down in part to problems with drivers in Germany and weak margins.

Shares in the company fell 9.1 per cent yesterday.

Roberts said: "The UK result was achieved against an ongoing tough trading environment."

"We can do better, and I'm pleased with the progress that we are now making in the first few months of this financial year," he added.



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WHAT'S THE TORY? Junior ministers pull out of Conservative leadership contest



HOUSING minister Kit Malthouse and Brexit minister James Cleverly both yesterday quit the race to become the next Tory leader, leaving 11 candidates remaining. The Tory party has confirmed it will have a new leader by the week starting 22 July.

HSBC set to hire Morgan Stanley as broker over Goldman Sachs

CALLUM KEOWN

@CallumKeown1

HSBC is to hire Morgan Stanley as a joint corporate broker to replace rival Goldman Sachs.

The bank has cut ties with Goldman Sachs in favour of Morgan Stanley after a review by new financial chief Ewen Stevenson, Sky News reported.

Goldman Sachs steered Europe's largest lender through its £12.5bn rights issue in 2009 – the biggest capital-raising in UK market history and one of the biggest capital raisings by a financial institution following the financial crisis.

It is unclear whether Credit Suisse, a joint broker for HSBC since 2011, will also lose out.

Hampden & Co boosts income in strong year

CALLUM KEOWN

@CallumKeown1

PRIVATE bank Hampden & Co posted double-digit growth in both lending and deposits last year as income rose 63 per cent to £6.4m.

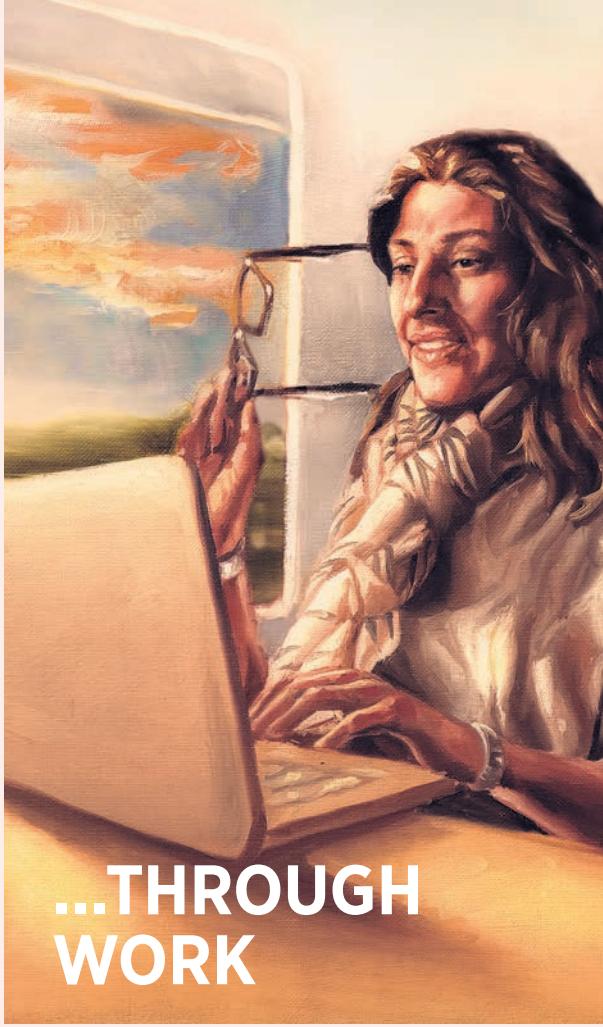
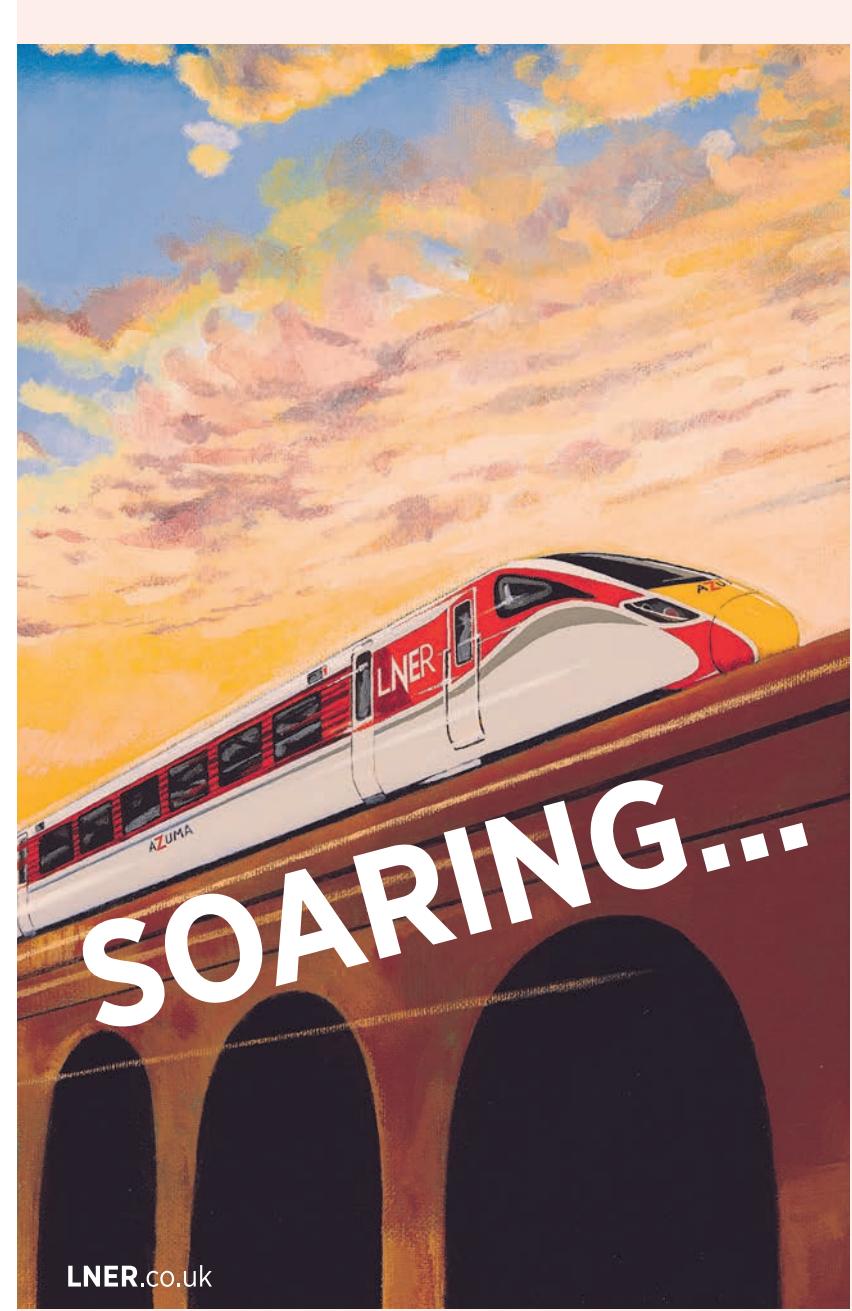
The Edinburgh-based bank, which has an office in London, reported 40 per cent lending growth to £132.5m, while deposits grew 38 per cent to £276.5m.

The bank, founded in June 2015, added a digital banking platform and mobile app to its offering earlier this year and was also successful in joining the £350m RBS incentivised switching scheme, which encourages businesses to move banks.

Chief executive Graeme Hartop said: "This growth demonstrates the demand for our truly personalised private banking service."

"And we added to it in February 2019 our digital banking service and mobile app."

Hampden & Co also announced that former First Direct Bank chief executive Alan Hughes would take over as chairman, replacing co-founder Ray Entwistle, who retired last year.



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Coast bristles at 'opportunistic' jibe from First

ALEXANDRA ROGERS

@city_amrogers

US INVESTOR Coast Capital has said it "strongly disagrees" with claims made by First Group that it is a "opportunistic, self-interested plater that is only interested in short-term gains".

Coast, which holds a near 10 per cent stake in the transport giant, has called for a radical shakeup of the company demanding that it splits its UK assets from its US assets, withdraws from Britain's rail industry and overhauls its board.

First caved to some of the demands last week when it said it would sell parts of its operations, including its Greyhound coach business. It has also vowed to focus on First Student and First Transit, its core US bus divisions.

Coast had also been calling for an extraordinary general meeting (EGM) to vote on the removal of six current directors and the appointment of seven of its own nominees.

The FTSE-250 firm has approved the meeting, which will take place later this month on 25 June.

A spokesperson for Coast said: "Coast Capital is delighted that First Group has finally confirmed the date of the EGM which Coast has requisitioned."

"Coast strongly disagrees with the claims made by the board of First Group and will respond to these over the coming days."

First yesterday launched an attack on Coast for its alleged "scattergun, inconsistent and unusual proposals" as it warned that its latest plans were not in the interests of shareholders.

The firm criticised the choice of former transport minister Steve Norris as one of the board nominees, citing his lack of experience in running a company on a similar scale to First and his track record as chairman of Jarvis, which fell into administration in 2010.

CONSTRUCTION WOES Workers shed as activity dips across British building sites



BRITAIN's construction industry lost workers in May at the fastest rate since 2012, as overall construction activity dipped. Commercial and civil engineering workloads fell, while house-building continued its trend of propping up the sector.

Owner of Russian bank Tinkoff seeks to raise \$300m in London

AUGUST GRAHAM

@AugustGraham

THE COMPANY behind Russian online bank Tinkoff plans to raise \$300m (£237m) on London markets in a bid to fund growth.

TCS's loans portfolio grew 21 per cent in the first quarter, chief executive Oliver Hughes said. He

promised the trend would continue in the second quarter.

Most of the growth comes from personal loans, point-of-sale loans, car and home equity loans. These operations will be boosted by the new funds.

Morgan Stanley, Renaissance Capital, and UBS's investment arm will run the bookbuild.

Euro inflation slips further behind target

HARRY ROBERTSON

@henrygroberson

ANNUAL inflation in the Eurozone fell considerably in May, according to official statistics released yesterday, taking it well below the European Central Bank's (ECB) original target.

Inflation in the euro area fell to 1.2 per cent in May, a first estimate from the European Union's data body Eurostat showed, down from 1.7 per cent in April.

The figure is below the ECB's two per cent target, and will increase pressure on the bank to delay its plan to raise rates after the end of this year. It meets for its latest policy decision tomorrow.

ECB policymakers will contend with weak economic data – it forecasts GDP growth for the area of 1.1 per cent – and low inflation, increasing the chances interest rates will stay at their current record lows longer than expected.

Inflation in services dropped to 1.1 per cent last month from April's reading of 1.9 per cent.

Core inflation, which takes out energy, food, alcohol and tobacco, fell to 0.8 per cent in May from 1.3 per cent in April.

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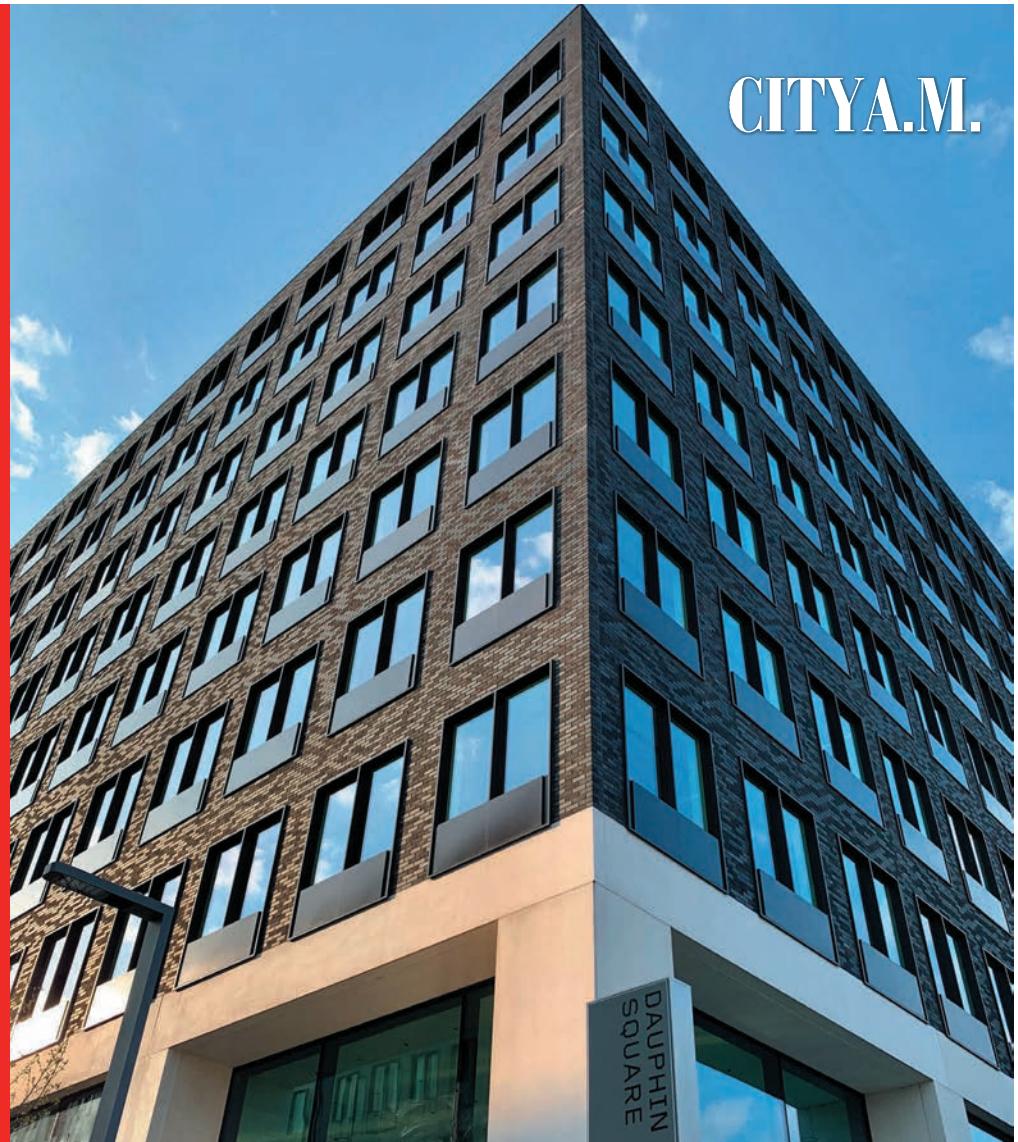
This event is designed for professionals working in the aviation industry along with business leaders based within the vicinity of London City Airport.

The Future of Aviation will be held at the RAD Altitude building which is already attracting interest from aviation businesses looking to locate close to the UK's leading business airport and the ExCeL International Exhibition Centre.

Limited parking. Closest public transport: Beckton Park DLR station (less than 1 minute walk away).

Altitude, 14 Lascars Avenue, London, E16 2YP

CITYA.M.



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Sports betting drives growth in revenue at 888

SEBASTIAN MCCARTHY

@SebMcCarthy

GAMBLING giant 888 enjoyed a bump in revenue during the first half of this year, as a rise in sport and casino bets compensated for a poker slump.

Group revenue climbed six per cent on a like-for-like basis in the six months to 18 May, according to a trading update released by the firm yesterday.

The gambling operator's share price closed up nearly eight per cent.

Revenue was bolstered by both an increased marketing investment and the launch of 888's new Orbit Casino platform, the group said, which together resulted in a 20 per cent year-on-year rise in addition to new customer acquisitions.

Sport and casino revenues jumped 29 per cent and 13 per cent respectively, while Bingo growth came in flat and poker suffered a 28 per cent decline.

Last year, 888 bought out the remaining half of All American Poker Network (AAPN) for \$28m (£22m), in

a sign of its ambitions to expand across the Atlantic. It also acquired 53 per cent of the US gaming site from its joint venture partner Avenue OLG Entertainment and other minority shareholders.

"888 has enjoyed a solid start to the year with strong momentum in Casino and Sport across a number of the group's major regulated markets," said Itai Pazner, 888 chief executive.

Pazner added: "While poker has remained challenging, we were pleased to see an improving revenue trend in [the first quarter of] 2019 against [the fourth quarter of] 2018."



CRYPT-OH NO

US financial regulator sues messaging app Kik over \$100m token raise



A US REGULATOR sued social media company Kik yesterday, alleging it conducted an illegal \$100m (£78.7m) securities offering of digital tokens in 2017. The move sets up what could be a high-profile legal fight over the US's treatment of cryptocurrencies.

Tiffany loses shine as Chinese tourist luxury spending plunges

MELISSA FARES

LUXURY jeweller Tiffany cut its profit outlook for the year yesterday and blamed dramatically lower spending by tourists at its stores around the world for missing quarterly same-store sales estimates, but reassured Wall Street the second half of the year could show improvement.

The New York-based company said tourist-related sales in the Americas were down about 25 per cent from year ago, with sharper declines among Chinese tourists.

Tiffany said it expected stronger second-half results as year-over-year comparisons get easier, foreign exchange pressures ease and more new products and associated marketing reach the market.

Chinese tourists, who account for more than a third of global sales of luxury products, are spending more at home, encouraged in part by government efforts in cutting VAT or import duties. At the same time, the number of visitors from China to the United States fell in 2018 for the first time since 2003.

Uber braced for hefty charges as it faces multiple global tax probes

JAMES WARRINGTON

@j_a_warrington

UBER has revealed it is under investigation by a string of tax authorities in the US and abroad.

The ride-hailing firm said in a filing yesterday that the US Internal Revenue Service (IRS) had launched a probe into its taxes for 2013 and 2014.

Uber said it was also under scrutiny from "various state and

foreign tax authorities".

The tech giant, which floated on the New York Stock Exchange last month, said it was "highly uncertain" when the audits would be resolved.

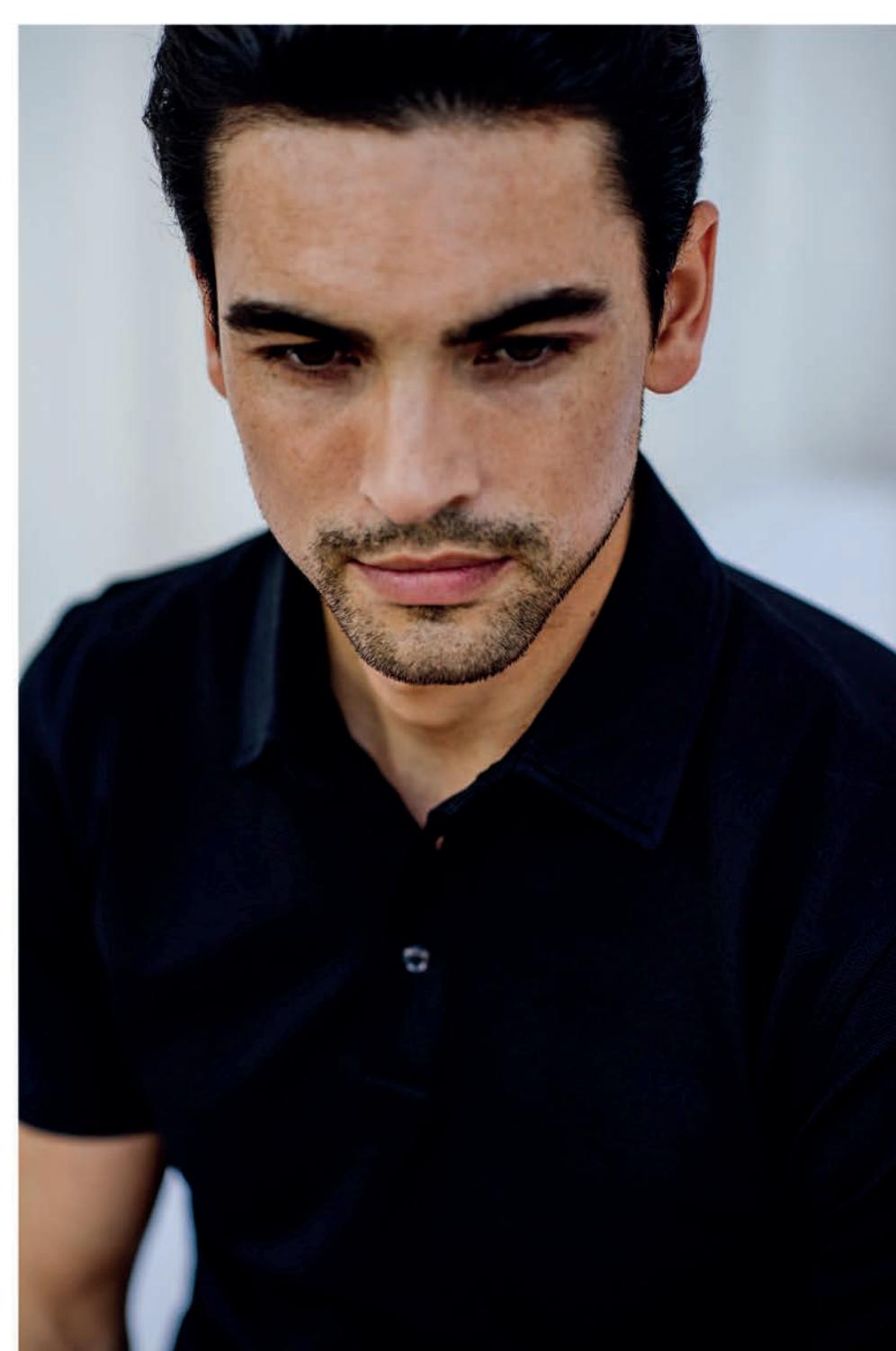
But it said it expected a reduction in unrecognised tax benefits of at least \$141m (£111m) within the next twelve months.

Uber said it has put "adequate" reserves aside to cover any additional tax bills, but warned it could face tax

adjustments in major jurisdictions including the UK, Australia, Brazil and Singapore.

HMRC last month opened an investigation into Uber over allegations it owes roughly £1bn in unpaid VAT relating to the self-employed status of its drivers.

Analysts stood by the firm, however, with many giving Uber a "buy" rating yesterday despite the probes and about \$1bn in losses.



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Metro Bank shares bounce back as investors approve £375m fundraise

CALLUM KEOWN

@CallumKeown1

METRO Bank shares recovered yesterday after investors approved the challenger bank's £375m capital raise.

Shares rose more than six per cent to 665p, having dropped more than 8.5 per cent the previous day as pressure mounted on the bank over legal claims and regulatory probes.



On Monday, more than 92 per cent of shareholders voted to approve the £375m cash raise – prompted by a major loans blunder in January.

Investors snapped up the new shares, which will begin trading tomorrow, at a discounted price of 500p last month.

Earlier this year the lender admitted that a swathe of commercial loans had been wrongly classified and should have been

among its risk-weighted assets.

Further problems mounted when it emerged that the Bank of England, not Metro, had discovered the issue.

Shares have fallen 70 per cent since the error, which has also sparked two regulatory probes.

Last week, two US law firms – Pomerantz and Levi & Korinsky – announced they are investigating whether securities fraud took place at the challenger bank.

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WE HAVE LIFT-OFF Government backs Cornish spaceport with £20m investment



THE GOVERNMENT intends to throw £20m at Sir Richard Branson's Virgin Orbit space initiative and a project for a Cornwall spaceport, it said yesterday. The project could create 150 jobs and help tap into the £3.9bn small satellite market by 2030.

Shell prepares to hike dividend after long pause

JOE CURTIS

@joe_r_curtis

ROYAL Dutch Shell told investors yesterday it expects to hike dividends after completing a \$25bn (£19.7bn) share buyback by the end of 2020.

The oil giant routinely pays around \$16bn back to shareholders every year but has not upped its dividend since 2014, when it rose to \$0.47 per share.

Shell said it is on track to meet 2020 targets and has grown organic free cashflow outlook to around \$35bn for 2025 with oil at \$60 per barrel.

That is higher than the \$28bn to \$33bn of free cashflow it plans to deliver this year.

It should allow the company to return \$125bn to investors via dividends and share buybacks between 2021 and 2025.

"We have reshaped our company with a focus on value and have demonstrated a clear track record of delivering on our ambitious promises made at our management day in November 2017," said chief executive Ben van Beurden.

"It is the success of our strategy and

strength of our delivery today that gives us confidence for the future."

Deep water, shale and conventional oil and gas will form Shell's core upstream focus while refining, trading and chemicals will be key downstream themes.

"All this adds up to a forward-looking strategy that ensures Shell is well-placed to continue to deliver a world-class investment case and thrive in the energy transition," van Beurden said.

Shares in Shell dropped 0.6 per cent to 2,459p as global oil prices have suffered since the beginning of the week.

Brent crude, the international standard, rose just over one per cent yesterday to reach \$62 per barrel, but it lags behind its mid-May price high of \$71 per barrel.

Prices dropped over worries about US-China trade tensions.

"Ordinarily, you would expect the stock to rally on the back of such an announcement, but the share price is in the red as the underlying oil market is under pressure over concerns about demand," said David Madden, an analyst at CMC Markets.

'Miserable' month for drivers as petrol prices near five-year high

AUGUST GRAHAM

@AugustGraham

BRITAIN's drivers faced a "miserable" May as petrol prices came within touching distance of a five-year high.

Forecourt petrol reached nearly £1.31 per litre last month, more than 2p more than in April. The price is 11p more than at the beginning of February, data from insurance company RAC showed.

The price is just a penny away from a five-year high set in October last year.

Meanwhile, drivers coughed up more than £1.35 a litre to fill their cars with diesel, a rise of 1.7p.

"May was another miserable month for drivers with the fourth straight average price rise of both petrol and diesel taking us near to a five-year high," said RAC fuel spokesperson Simon Williams.

The rises came as international oil prices have soared since Opec started restricting exports in January.

However petrol prices look set to fall soon, as oil has lost some of its height globally in the last fortnight.

Government has made ‘insufficient’ progress on cybersecurity risks

JAMES WARRINGTON

@j_a_warrington

MPS HAVE warned the government that it has not done enough to protect the UK from the growing risk of cyber attacks.

The influential Public Accounts Committee (PAC) today published a report criticising the government for not making sufficient progress in its cybersecurity strategy.

The PAC said the UK's plan for fending off cyber attacks had been hampered by the lack of a robust evidence base to make informed decisions.

The report criticised the Cabinet Office for failing to develop a business case for its programme, adding it could not justify the £1.9bn funding.

In addition, the MPs said it was not clear what the strategy will actually deliver by 2021, and urged the govern-

ment to clarify its aims when it publishes a costed plan later this year.

“We welcome the National Cyber Security Strategy but are concerned that the programme designed to deliver it is insufficient,” said PAC chair Meg Hillier.

“Future plans should be based on strong evidence, business cases should be rigorously-costed to ensure value for money, and strategic outcomes and objectives should be clearly defined.”

Warning that the UK is more vulnerable than ever to cyber attacks, the PAC also called on the government to do more to protect consumers.

“The UK is safer since the launch of our cyber strategy in 2015,” a Cabinet Office spokesperson said.

The National Cyber Security Centre has managed more than 1,500 major incidents since its launch in 2016.



ITV's hit Love Island podcast will be available on the Global Player app

Global signs deal with ITV to host hit Love Island podcast

JAMES WARRINGTON

@j_a_warrington

MEDIA giant Global has signed a two-year deal to host ITV podcasts on its Global Player app and promote them across its radio stations.

Global, which is the UK's largest commercial radio company, will acquire a string of hit podcasts including Love Island: The Morning

After, which coincides with the return of ITV's wildly-popular reality dating show.

The Global Player app will also host ITV's Six Nations podcast and the upcoming Rugby World Cup podcast.

The deal includes the promotion of the Love Island podcast on Capital, which last month launched its new breakfast show nationwide after slashing dozens of regional shows.

Airtel Africa to raise \$750m in London listing

JAMES BOOTH

@Jamesbooth1

AFRICA'S second-largest mobile operator Airtel Africa intends to raise \$750m (£591m) in a float on the London Stock Exchange.

The telecoms group said yesterday that it will pursue a premium listing on the main market, meaning it will float at least 25 per cent of its shares.

The group, owned by Indian telecoms giant Bharti Airtel, said it intends to use the proceeds of the float to reduce net debt.

Following admission the company will cut its net debt to earnings before interest, tax, depreciation and amortisation ratio to 2.5.

The company, which is also considering listing on the Nigerian Stock Exchange, has appointed JP Morgan, BofA Merrill Lynch, Citigroup, Absa, Barclays, BNP Paribas, Goldman Sachs, HSBC and the Standard Bank of Africa as advisers.

360,000 people receive wrong pension forecast

ALEX DANIEL

@alexmdaniel

THE GOVERNMENT has admitted “significant” problems with state pension forecasts, after revealing hundreds of thousands of people have received erroneous information.

Three per cent of pensioners may have made financial decisions based on false information sent by the government since 2016, it emerged yesterday. This amounts to about 360,000 people who have received incorrect state pension forecasts.

Members of the public have received online statements which are inconsistent with earlier

written statements. The more recent online statements have been incorrect.

In some cases, new forecasts were more than £1,500 a year higher than people expected. The Department for Work and Pensions (DWP) initially called the forecasts isolated errors, and said it had corrected them.

But pensions minister Guy Opperman has admitted the problem is more widespread. He said “there is a significant problem here” in a letter to former pensions minister Sir Steve Webb.

Omission or errors “will be rectified” before people retire, he added. “I have asked officials to explore options to further enhance

the accuracy of the information held with National Insurance records and how we use that information to calculate a person's state pension forecast.”

Webb, now director of policy at pensions firm Royal London, wrote to Opperman asking him to identify if there was a systematic problem with state pension forecasts.

The DWP is pushing for savers to use online tools to make retirement decisions.

Schemes such as the pensions dashboard, which will come in over the next few years, will rely on the data.

He urged the government to put an “urgent stop” to the problem.

Former John Lewis boss tells MPs to rethink business rates

SEBASTIAN MCCARTHY

@SebMcCarthy

THE FORMER boss of John Lewis has called for a radical overhaul of the government's business rates system amid mounting challenges for many of Britain's retailers.

Andy Street, the mayor of the West Midlands, yesterday urged the government to review its tax system in a bid to save embattled retailers.

In an appearance before the Treasury Select Committee, Street called for reduced rates for new and expanding businesses, as

well as a 100 per cent relief for public-sector organisations that bring their services into high street units.

The suggestions from Street, who left his role as managing director of John Lewis in 2016, come as many high street firms struggle to maintain a profit amid higher costs and increased competition from online rivals.

Street said: “Our town centres and in particular our high streets are the heart of where we live, and they are having a tough time. We need to think originally to come up with practical solutions to help them thrive again.”

Intu names ex-Crest Nicholson exec Allen as finance supremo

JESS CLARK

@jclarkjourno

SHOPPING centre operator Intu has appointed ex-Crest Nicholson finance chief Robert Allen as its new chief financial officer.

Allen, who left the FTSE 250 housebuilder in 2018, will join Intu on Monday. Interim finance chief Barbara Gibbs will resume her director of finance role.

Previously Allen held roles at British American Tobacco, Charterhouse Bank and Coopers & Lybrand.

Last month, Intu said its retail income was forecast to decline by four and six per cent this year.



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Shares in car manual firm Haynes rise as it eyes sharp profit growth

JAMES WARRINGTON



SHARES in Haynes Publishing Group jumped more than 12 per cent yesterday after it forecast a sharp rise in profit for the full year.

Haynes, which is famous for its car repair manuals, said it expected pre-tax profit to rise roughly 24 per cent in the year to the end of May.

The firm said the figure was 10 per cent ahead of current market

expectations, due to strong trading in the first half of the year.

"I am delighted to report another strong year for Haynes with both revenue and underlying profit tracking ahead of market expectations and the prior year," said Haynes chairman Eddie Bell.

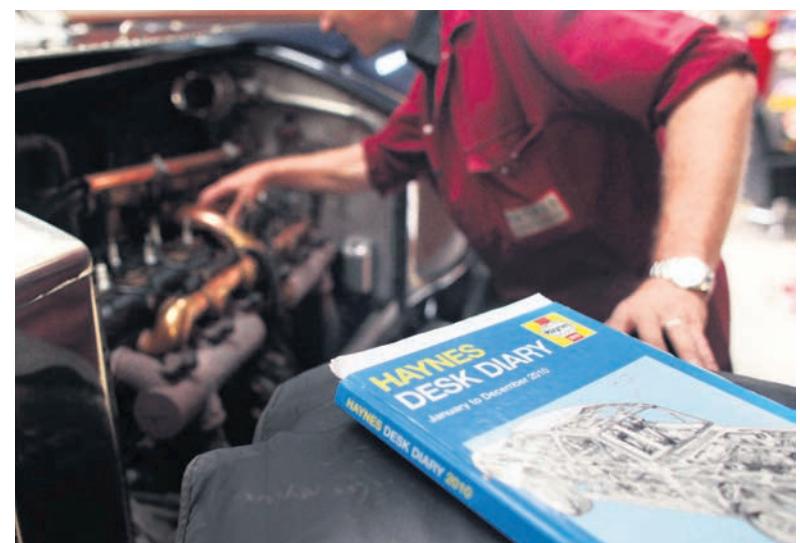
"Our continued investment in people and new technologies, that enhances our specialist content and data sets, is a key driver behind this strong performance."

Haynes, which also publishes

lifestyle manuals covering topics including sport, pets and sci-fi, has proved resilient to challenges in the sector as it shifts its focus to digital.

Earlier this year, the Somerset-based firm announced that 53 per cent of its half-year revenue came from digital sales, the first time it has pulled in more than half its revenue from digital products.

Haynes, which caters for the automotive aftermarket as well as drivers, is set to publish its full-year results on 12 September.



Haynes, which is famous for its car manuals, has been shifting its focus to digital

PwC promises £30m to boost quality in audit

JAMES BOOTH

@Jamesdbooth1

BIG FOUR firm PwC said today it plans to invest an extra £30m in its audit practice as part of a package of measures intended to boost quality.

The move comes amid intense scrutiny of the sector, which has been rocked by scandals such as the collapse of outsourcer Carillion and the accounting scandal at cafe chain Patisserie Valerie.

The new measures fall short of the recommendations made by the Competition and Markets Authority (CMA) in its recent report aimed at improving competition in the audit market.

Speaking to City A.M., PwC's head of audit Hermione Hudson said: "There are a lot of different issues being discussed in the market, from what should the regulator look like, to what is the future of the audit practice.

"Our package of measures is not

aimed at solving all those problems, it is focused on how do we do the best-quality audits."

The firm said it planned to spend an extra £30m annually on training, people and technology initiatives.

It said it would hire more than 500 experienced auditors across the UK, double the face-to-face training programme for its auditors and increase the number of specialists in its audit quality control team by two thirds.

The firm did not announce any sort of split between its audit and consulting business, a key recommendation of the CMA report.

Hudson said it would be premature to take action before expected government recommendations and the publication of a report into the sector by City heavyweight Sir Donald Brydon.

Fellow Big Four firm KPMG recently announced a shake-up of its audit practice, moving its audit arm away from the rest of its business, but stopped short of a full split.

The Bank said the contract would cover supplying polymer substrate



Bank of England governor Mark Carney introduced the notes in 2016

Bank of England awards eight-year contracts for plastic notes

CALLUM KEOWN

@CallumKeown1

THE BANK of England has awarded an eight-year contract to produce banknotes to printing firm De La Rue and Australia's CCL Secure.

The Bank said the contract would cover supplying polymer substrate

for the next £50 banknote and the future production of the current £5 and £10 notes.

UK-based De La Rue, which prints all Bank of England notes at a facility in Essex, will provide 45 per cent of the substrate for the initial launch stock of £50 notes, and CCL 55 per cent, from next year.

Greybull 'to bid' for British Steel Euro branches

ALEX DANIEL

@alexmdaniel

GREYBULL Capital, the private equity firm which owned British Steel until it collapsed last month, is reportedly gearing up to bid for the firm's operations in France and the Netherlands.

The move would mean Greybull dispenses with British Steel's UK business. It bought the firm from Tata Steel for £1 three years ago.

The private equity firm reportedly hopes to merge the European operations with a French steelmaker it bought last month, Ascova. Such a move would create a new steel business on the continent from the company's remnants.

Last month, British Steel went bust after Whitehall withheld a £75m loan to keep it afloat.

A spokesperson for Greybull said: "Ever since we rescued British Steel in 2016, Greybull Capital has been committed to supporting the company to the best of our ability."

"The steelmaking supply chain must be retained and the business kept together to protect jobs across Europe," said Alasdair McDiarmid, operations director at the UK steelworkers' union Community.

WH Smith suffers after being named 'worst high street shop'

BRITISH high street retailer WH Smith has struggled with its reputation in recent years, after scandals where it was found to be selling e-books about abuse, and failing to pass on duty-free discounts to customers at airports.

WH Smith's latest headache comes in the form of Which's annual high street shop survey, in which the stationer ranks last for the second year running, with an overall customer score of just 50 per cent.

The rankings are based on customer satisfaction and how likely they are to recommend it to a friend. Which asked the opinions of over 7,000 of their members in January, based on their in-store purchases over the last 12 months.

YouGov's own data shows that WH Smith's Satisfaction scores (whether someone is a satisfied or dissatisfied

Stephan Shakespeare



customer) and Recommend scores (whether someone would recommend a brand to a friend or not) for the past 12 months are roughly half that of the highest scorer, M&S.

WH Smith has a Satisfaction score of +24.8 and a Recommend score of +13.8, compared to M&S's +52.1 and +41.6 respectively. Among current customers (who have made purchases in the past three months) these scores improve slightly. Satisfaction scores move by 24.5 points to +49.3 among this group, while

Recommend scores improved by 16.4 points to +30.2. Comparatively, by the same measure, M&S had a Satisfaction score of +66.2 and a Recommend score of +53.3.

It's clear that WH Smith has work to do in order to bring shoppers back on board, and the impact of the Which survey will not help. YouGov Buzz scores for the brand (a net measure of whether consumers have heard anything positive or negative about the brand in the last fortnight) suffered significantly after the results were published, both in 2018 and 2019, when WH Smith was declared 'the worst high street shop'.

Scores fell from -4.2 to -18.3 in June 2018 (although admittedly this release also coincided with a scandal after selling toothpaste in a hospital for much higher than other shops) and have again started to fall since

the release of this year's data, from +0.9 to -2.7. Although WH Smith did manage to recover from this, the responses show that data on the performance of brands on the high

street can itself have a tangible impact on consumer impressions.

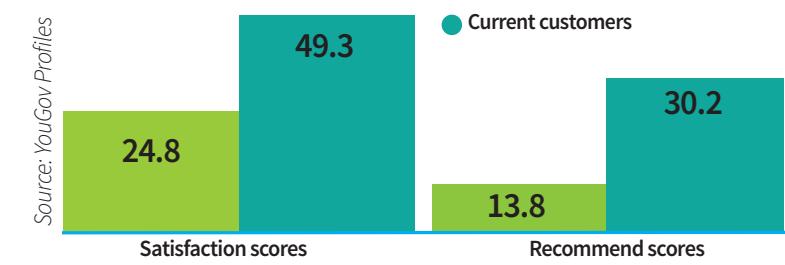
• Stephan Shakespeare is chief executive of YouGov

CUSTOMER SATISFACTION FOR WHSMITH IS LOW

"Are you a satisfied/dissatisfied customer of WHSmith?" AND "Would you recommend/advise to avoid WHSmith to a friend or colleague?"

UK

Current customers



J Christopher Giancarlo

Giancarlo on why the City of London and Europe rely on each other to continue to thrive

THE FACT that the City of London still awards the eight century-old 'Freedom of the City' is a reminder that human rights, liberty and the rule of law had their origins in Europe's medieval trading centres and self-governing cities. Medieval cities granted various freedoms, such as the right to herd one's sheep to London market, not out of the goodness of their hearts but to increase commerce. Liberty and freedom are a pre-requisite for prosperity.

It remains true in contemporary Europe, the future of which depends on economic dynamism to meet the ever-rising expectations of its people.

This will be near-impossible without a premier global financial centre with ties to Europe. Right now, the EU has arguably the best global financial centre in the world: the City of London. Whatever the Brexit outcome, the EU needs the City, and the City needs the EU.

The world has only a handful of global financial hubs. These centres aggregate international capital and make it available to sovereign and corporate institutions alike to fuel economic growth. These cities feature a critical combination of large-scale financial, accounting



THE CITY AND EU NEED EACH OTHER

and legal services supported by an infrastructure of telecoms, transport, housing and world-class educational institutions. Critically, each of these centres operates in English under common law, with independent and practical regulation and consistent and sympathetic attitudes to wholesale finance and free-market capitalism. Each of these cities also benefit from strong ties to surrounding economic regions.

London's financial prominence in Europe is unusually pronounced. Of other EU cities, only 10th-placed Frankfurt is in the top 20 of the Global Financial Centres Index, with Paris, Luxembourg, Madrid, Dublin and Amsterdam further behind.

The concentration of EU financial services in London is inordinate. Of the three most economically developed global regions only Europe is so lop-

sided. North America's six largest financial centres are all in the top 20. Six Asian cities are in the top 12.

Clearly, some rebalancing is appropriate. Asset management and private equity firms are coalescing in Dublin, while commercial and investment banks are locating to Frankfurt. Trading platforms, exchanges and broking operations are setting up in Amsterdam, and Paris attracts fintech,

regtech and insurance startups.

Yet, London is set to remain one of the world's major financial centres and Europe's largest. That is because of London's incomparable strengths, but also because it is ultimately not in the EU's interest to restrict financial activities to the Eurozone. The EU needs access to markets for global capital and expertise that no single EU city is capable of assembling any time soon. The EU's capital markets fuel only a quarter of its commercial enterprises compared to three quarters in North America.

Encouraging EU entities to trade only with other EU entities would limit their access to global capital and thwart their development.

Without Euro-dominated instruments transacted in London's premier wholesale markets alongside the US dollar, the euro would fail to become a true global currency.

At the same time, the City needs the EU. A reduction in the City's servicing of EU firms would cause the City to evolve into an "offshore" centre diminishing its expertise and innate qualities. Moreover, London needs access to the EU's talent and creativity to operate its financial services infrastructure.

It is not in Europe's economic interest to separate "Fortress Europe" from "Offshore London". Both sides must reach a suitable arrangement for the conduct of financial services between the EU and London. European economic growth and the aspirations of its people depend on it.

• *J Christopher Giancarlo is chairman of the US Commodities Futures Trading Commission; he yesterday received the Freedom of the City of London*

ADVERTISEMENT FEATURE

Shareholders of Vodafone are among the most recent casualties of dividend cuts in the FTSE 100, after a (mostly) inflation-beating 20 years of annual dividend increases.

Contrastingly, the majority of dividends are flourishing as payments hit a record high for the first three months of 2019. The amount paid by UK companies rose to £19.7 billion which represents a year-on-year increase of 15.7%, according to a Dividend Monitor report from Link Asset Services.

Yet with yields riding high, the need to do your homework is arguably greater than ever.

interactive investor shed some light on warning signs that investors should look out for to help spot problems in advance.

BEWARE A HIGH DIVIDEND YIELD

Rebecca O'Keeffe, Head of Investment at interactive investor says: "A high dividend paying stock may be a good investment, but it could also be a warning sign that all is not well with the business. In many cases, the market may be expecting the dividend to fall. This could be because cash generated by the business is insufficient to pay the dividend in full, or there may be other significant challenges that the business faces in maintaining such a generous dividend."



Jemma Jackson
Head of PR at
Interactive Investor

NOTHING IS GUARANTEED

Lee Wild, Head of Equity Strategy at interactive investor, says, "Last November, Nick Read pledged to maintain Vodafone's pay-out yet dividends were cut this year. Remember that few things in life are guaranteed – so do your homework.

"One of the most useful yardsticks

comes from a company's accounts and is the 'return on capital employed' (Roce). Described by Warren Buffett as 'the primary test for managerial economic performance', it is a good starting point because it factors in debt and other liabilities. Terry Smith, manager of interactive investor Super 60 rated FundsSmith Equity, looks for a Roce of more than 15%. It is calculated by looking at the profit figure, divided by the assets of the businesses."

DIVIDEND COVER

Rebecca O'Keeffe says: "When it comes to yield, it's important to assess whether a company can deliver what it says on the tin and is not overstressing itself – which can not only compromise shareholder dividends, but compromise long term growth prospects, too – double trouble for investors. Dividend cover is the ratio of a company's net profits to the amount of dividend it pays to shareholders. A dividend cover of 2

“

Investors need to be very careful in selecting stocks that are based on dividends alone

times or more is positive for investors and means the company has plenty of leeway to pay dividends. When the dividend cover falls to close to 1, this is a warning sign and investors may not get what they're expecting."

DIVIDENDS ARE NOT THE ONLY THING THAT MATTERS

Rebecca O'Keeffe, Head of Investment, interactive investor says: "Investors need to be very careful in selecting stocks based on dividends alone. Don't lose sight of the fact that you want to maximize your total return, and not simply the dividend yield. Most of the big tech companies pay little or no dividends while they are growing rapidly, preferring instead to reinvest their cash directly into the business at very attractive internal rates of return."

This article is provided for information purposes only and is not intended to be a personal recommendation to buy or sell any financial instrument or product, or to adopt any investment strategy.



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LONDON REPORT

FTSE 100 ends higher as banks feel trade relief

THE FTSE 100 rebounded yesterday as China's request for dialogue with the United States to resolve trade differences offered respite, while money manager **Hargreaves Lansdown** tumbled after the suspension of one of the Woodford investment funds.

The FTSE 100, which started the day in negative territory, reversed course to end 0.4 per cent higher, although it lagged its European counterparts due to weakness in oil majors **Shell** and **BP**.

The domestically-focused midcap index rose 0.7 per cent, helped by strength in the pound, the gains of which were prompted by the US Federal Reserve opening the door to the possibility of a rate cut.

After a slew of back and forth trade threats between the US and China, investors welcomed comments from China's commerce ministry urging dialogue and negotiation to solve the differences. That supported shares in Asia-focused financial firms including **Prudential** and **Standard Chartered**, while miners also climbed higher.

Oil heavyweights, however, weakened as crude prices fell to their low-



est since January as Russia's top oil producer said it opposed extending joint cuts with Opec until the end of the year.

Hargreaves Lansdown tumbled 4.6 per cent, among top losers on the main index, after well-known money manager Neil Woodford suspended trading in one of his funds, which is included in six of Hargreaves Lansdown's Multi-Manager funds.

On the midcap index, shares in **Woodford Patient Capital Trust**, a listed fund run by Woodford, slumped to

Ocado shares slumped on lacklustre retail data from the BRC

an all-time low as investors were spooked by the suspension. Stock ended down 7.2 per cent.

Another stark reminder of the toll that the delayed Brexit process is taking on consumers came from the British Retail Consortium, as data showed shoppers cut back spending in May by the most in more than two decades.

Shares of retailers and consumer goods companies declined in response, with online grocer **Ocado** down five per cent on the FTSE 100.

TOP RISERS

1. **Std Life Aberdeen** Up 5.36 per cent
2. **Aviva** Up 3.65 per cent
3. **Imperial Brands** Up 3.58 per cent

TOP FALLERS

1. **Ocado** Down 5.04 per cent
2. **Hargreaves Lans.** Down 4.58 per cent
3. **Pearson** Down 2.76 per cent

FTSE



BEST OF THE BROKERS

To appear in Best of the Brokers, email your research to notes@cityam.com

LOW & BONAR



Textiles firm Low & Bonar is in the process of disposing of its construction fibres business, in what broker Peel Hunt has called a "clear sign of progress". It will simplify the portfolio, boost focus on the core business and alleviate pressure on the balance sheet. "We expect the shares to re-rate over the next six months as these two transactions are completed and the company deleverages," Peel Hunt reiterates its "hold" recommendation and maintains its target price of 15p, pending the disposal of its Construction Fibres business, which is due to be completed on 1 July.

RPS GROUP



Oxfordshire-based RPS Group, a global professional services firm that specialises in property, energy and other sectors, is likely to benefit from the recent triumph of the Australian Liberal and National Party coalition in the recent election. Broker Liberum has said this will be "positive" for the group: last month the Australian regulator proposed changes on mortgage repayments, leading some to speculate that the Australian property market might start to recover. Liberum confirms its "Buy" recommendation with a target price of 230p.

UDG HEALTHCARE



UDG Healthcare, a provider of medical equipment and healthcare services to big and small pharmaceutical companies, recently acquired US-based Putnam Associates and UK-based Incisive Health, which broker Peel Hunt thinks will boost its underlying earnings. "Positive earnings momentum, more than \$400m (£315m) remaining firepower and increasing confidence in the underlying growth trajectory can drive further outperformance," it said. Peel Hunt confirms its "Buy" rating for UDG, with a target price of 1,165p.

CITY MOVES WHO'S SWITCHING JOBS

BARCLAYS

Barclays has appointed Karen Johnson as the national head of retail, wholesale and healthcare for its Corporate Banking business. Karen has more than 25 years banking experience, working with a wide range of businesses from owner-managed through to multinationals. She joined Barclays in 2015 to lead the large corporate team in the north west, managing key clients in the region and with additional responsibility for Retail & Wholesale across the whole of the north of



England. Before Barclays, Karen was at RBS where she worked in a variety of senior roles spanning business development, turnaround, portfolio management and real estate. In addition to her Retail, Wholesale and Healthcare responsibilities, Karen is co-chair of Barclays' Corporate Banking Diversity and Inclusion Council.

Barclays also announced the appointment of Fater Belbachir as global head of equities. He will lead the equities business across Cash, Derivatives, Prime and Syndicate. Based in London, he will report to head of markets Stephen Dainton. Fater has close to 20 years of experience in the global equities markets. Prior to Barclays, he spent 12 years at JP Morgan, most recently as global head of volatility trading and

structuring, and previously as head of volatility trading and structuring for the Americas. He also held a number of trading roles including in the exotics and hybrids business in Europe, the Middle East and Africa.

11:FS

11:FS, the challenger firm defining and building digitally native financial services through technology, product and design expertise, has announced the appointment of Eric Fulwiler as chief marketing officer. Eric, who will report into group chief executive David M. Brear, is a seasoned digital media and marketing strategist with a considerable track record, having opened and scaled digital agency Vaynermedia's Europe headquarters in London to 75 people in three

years. At 11:FS he will be responsible for the strategy and execution of the firm's media and marketing services. His appointment marks the next phase of expansion for the 11:FS media and marketing teams as it continues to deliver chart-topping properties, such as the Fintech Insider podcast, with millions of listeners in more than 180 countries.

FXD CAPITAL

FxD Capital, the money broker and deposit specialist, has appointed Mike Tindall, the former England, Bath and Gloucester rugby legend. Mike, who was part of the 2003 England World Cup-winning squad, has joined to help grow FxD's cash deposit and money market businesses.

NEW YORK REPORT

Wall Street soars on US rate-cut hopes

WALL Street's three major indexes rallied yesterday to clock their biggest one-day gains in five months after Federal Reserve chair Jerome Powell left the door open for a possible rate cut.

Powell said the central bank would act "as appropriate" to address trade war risks a day after St Louis Fed chief James Bullard said a rate cut may be warranted soon. Powell said the Fed was "closely monitoring the implications" of a trade dispute that has disrupted global markets.

The last time the benchmark S&P index showed a bigger daily percentage gain was on 4 January, when Powell turned more dovish after a late 2018 sell-off, with a promise that the Fed would be patient and flexible in its interest-rate path.

Investors have been betting the Fed would cut rates at least once by the end of 2019, according to CME Group's Fedwatch, and yesterday's comments helped to back up these bets.

The Dow Jones Industrial Average rose 512.4 points, or 2.06 per cent, to 25,332.18; the S&P 500 gained 58.82 points, or 2.14 per cent, to 2,803.27; and the Nasdaq Composite added 194.10 points, or 2.65 per cent, to 7,527.12.

The S&P 500 shed more than six per cent in May as investors feared a global growth slowdown while trade tensions ramped up between the US and China and the US and Mexico.

The tech-heavy Nasdaq's rebound yesterday came after it confirmed a correction on Monday, having lost more than 10 per cent since its record closing high on 3 May.

The technology sector was the biggest boost to the S&P with a 3.3 per cent advance, led by gains in **Apple** and **Microsoft**.

Rising US Treasury yields boosted the S&P 500 bank index, which jumped 3.65 per cent.

Only the dividend-paying real estate sector ended the day in the red with a 0.6 per cent drop as investors poured their money into riskier bets.

FTSE 100	FTSE 250	FTSE ALL SHARE	DOW JONES	NASDAQ	S&P 500
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29.49	130.99	17.03	512.40	194.10	58.82
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Contour Global 194.2 -3.6 250.0 150.1	Alli Bell 414.0 -4.0 477.0 220.0	Pennon Group 726.4 7.8 824.6 684.2	Great Portland Es 698.8 -9.2 776.6 652.3	Mitchells & Butle 281.0 2.0 320.0 270.0	Mitchells & Butle 281.0 2.0 320.0 270.0
Draex Group 294.0 -0.4 427.2 300.0	Allied Minds 75.0 -4.8 115.0 37.3	Severn Trent 1976.0 -6.5 2091.0 1770.0	Hammerson 272.4 1.9 551.4 266.9	National Express 390.6 -8.6 433.2 361.4	National Express 390.6 -8.6 433.2 361.4
Amigo Holdings 276.0 -4.0 310.0 154.5	United Utilities 781.2 -3.6 873.6 682.4	ASA International 370.0 -15.0 510.0 336.0	Intu Properties 88.8 -22 2017.0 882.0	Rank Group 122.7 0.2 227.3 111.9	Rank Group 122.7 0.2 227.3 111.9
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Tsy 2.500 24 106.32 0.1 109.3 106.0	Apax Global Alpha 146.5 2.5 155.0 127.0	Intergrafica 193.0 6.4 212.4 162.6	Huntsworth 170.0 1.0 189.0 605.8	Wizz Air Holdings 134.8 0.0 157.0 79.5	Wizz Air Holdings 134.8 0.0 157.0 79.5
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FORUM

EDITED BY RACHEL CUNLIFFE



The Tory party will annihilate itself if it tries to mimic Farage

TO SAY that the Conservative party took a drubbing in the European elections is an understatement. How the party responds will determine its long-term future – or, to put it another way, will determine whether it has a future at all.

Predictably, a host of political figures have called for the Conservatives to embrace a no-deal Brexit with relish to beat the Brexit Party. Several leadership contenders, including Dominic Raab, have headed down that track too.

Others, notably Nick Timothy, want to directly appeal to the kind of voter well-represented among Nigel Farage's supporters. Theresa May's former adviser has called for the Tories to double-down on his strategy of winning over working-class, Leave-supporting constituencies "left behind" by Labour.

He seems to forget the lessons of the 2017 General Election, where his strategy gained some Labour votes but at the expense of others won by the Tories in 2015, with disastrous consequences. But then, Timothy isn't a man suffering from an abundance of shame or self-awareness.

Still, I understand the temptation to mimic Farage. Trying to create a movement of broad appeal is difficult, while winning over younger voters and ethnic minorities is a serious challenge for the Tories. Pandering to the membership on Brexit is far easier.

However, they should be careful. Appealing to the older, parochial and zealous people that sell out Farage rallies could well lead to short-term gains for the Tories, but

ultimately, it's a one-way ticket to irrelevance and, eventually, extinction. The demographics are moving in literally the opposite direction.

For long-term success, the Tories must hold together a broad coalition that includes moderates and Remainers. And the party can't afford to ignore the young.

Tory modernisers recognised this truth, and had some success in reorienting the party, culminating in the first Conservative majority in 23 years, which Timothy helped to lose.

Becoming the party of no-deal is seriously hazardous. It may win back some Brexit Party supporters, but it will repel moderates and Remainers, possibly forever. And it would totally burn all bridges with young people.

Critically, a no-deal Brexit brings with it the high risk of serious and immediate economic damage and political turmoil. The government overseeing such devastation would not last long. The Conservatives would lose all credibility as a party of sound economic management and competent governance.

Yes, they must deliver Brexit. If they had done so by now, there would be no Brexit Party at all. But for the good of the country, and its long-term future, they must deliver a carefully managed, economically secure exit from the EU.

And that is only the beginning. The Tories must then adopt a positive domestic agenda with broad appeal. They need a proactive, transformative policy agenda to boost the economy, encourage investment, and address the pressing social issues that are being sidelined



Ben Kelly

Affluent, liberal middle-class voters don't want nostalgic politics or culturally insular values

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because of the Brexit stalemate.

Do this, and the Brexit Party will lose momentum, just as Ukip did. Sure, there will be grumbles about Brexit not being "hard" enough and some whinging about the backstop, but is that really enough to keep the Brexit Party together and fuel it to win a General Election?

Farage's new venture has no national infrastructure. Brexit is all that holds it together. If the party attempts to further define itself and develop a manifesto, it will crumble under the weight of its own contradictions and descend into infighting. How can a party led by a Thatcherite that has a Communist as one of its most prominent figureheads remain coherent beyond Brexit?

The writing is on the wall for the

Brexit Party for anyone who wants to read it. Britain is steadily becoming a more liberal and diverse country. Under-45s are positive about the change that society has undergone and they – and the open values they hold – represent the future. The Tories cannot swim against the tide of cultural transformation forever.

Nor can they afford to permanently lose Remainers who previously voted Tory by going kamikaze on Brexit. Indeed, the Tories have lost control of numerous councils in areas where there had been a majority for staying in the EU.

As affluent voters become more liberal and the areas in which they live become more diverse, the party that considers itself the representative of the middle class risks becoming alien to them. An unashamedly economically liberal agenda may attract these voters, but they don't want nostalgic politics or culturally insular values.

May opted for an illiberal, self-consciously parochial Conservatism and confrontationally rejected liberal-inclined voters. This succeeded only in re-toxifying the party and losing the parliamentary majority.

Say what you like about the Tory modernisers, but they instinctively understood the liberal middle class and won them over in 2015. Now this cohort is turning to the Liberal Democrats and Labour.

The Conservative party has not won a strong majority since 1992. It can't afford to choose the wrong path now.

● Ben Kelly is a Conservative commentator for Reaction.

LETTERS TO THE EDITOR

Modern threats

[Re: Only one in five businesses has insurance against terrorism]

As terrorism evolves, so too must the mechanisms which support victims, with the potential scale of terrorism related claims having a significant impact across portfolios. The extension of Pool Re to cover non-damage business interruption was a critical step forward, particularly when considering the impact on businesses – especially small ones – in the aftermath of the London Bridge attack.

However, there are other fundamental questions to be answered. For example, we need to ask whether it is appropriate for a single insurer to bear the costs of a large-scale terrorist incident or whether it is right that victims covered by private insurance cover are compensated and rehabilitated differently to those covered by the government criminal injuries scheme. We firmly believe that the time is right for the industry, the government, and other stakeholders to work together to devise a more holistic approach to modern terrorism threats.

David Nichols, UK chief claims officer, Zurich



BEST OF TWITTER

Most important from Trump/May presser:

- Trump wants "phenomenal" trade deal
 - Says NHS would be on table
 - Predicts agreement on Huawei
 - Trump refused to meet "negative force" Corbyn today
- @nickeardleybbc

Dear Mr President. The NHS isn't on the table in trade talks – and never will be. Not on my watch.

@MattHancock

By my count that Trump presser embarrassed 1. any Brexiter insisting NHS isn't part of any US trade deal 2. Corbyn 3. Michael "I don't know Michael" Gove 4. Trump himself, as usual 5. a watching nation, because the buttock clenchingness of it.

@gabyhinsliff

We are disappointed to learn of the departure of some of our MPs but Change UK remains totally committed to our founding mission of fixing Britain's broken politics and stopping a disastrous no-deal Brexit.

@ForChange_Now

I vote Tory for the first time. They fall apart. I vote Change UK for the first time. They fall apart. Maybe I should vote for Corbyn after all.

@DPJHodges

Change UK = Love Island couples Breaking up after four months because, despite lots of initial coverage, you're not getting much attention anymore and it turns out you fundamentally dislike each other.

@Alex_Collinson

Theresa May's gift to the Trumps causes controversy, as it's unclear how they'll fit the NHS in their luggage.

@haveigotnews

Even Keynes understood that Labour's calls for more spending will end in chaos

THE SHADOW chancellor John McDonnell and other voices on the left have been strident for years in their calls for an end to "austerity". Remarkably, they were joined last week by several candidates for the Conservative leadership.

A report by the MP Neil O'Brien recommended an increase in public spending of some £200bn over the next four years. He urged the government to "turn on all the taps".

This was endorsed by Michael Gove, Jeremy Hunt, Sajid Javid, Matt Hancock, and Esther McVey.

The actual chancellor, Philip Hammond, for once in his life raised the temperature.

He argued that this policy would leave the Tories "naked" in their fight against Labour. Hammond called for the would-be leaders to stop promising unfunded tax cuts and spending increases.

He certainly has a political point. The last General Election was only two years ago, but memories are ev-

idently short.

During that campaign, both Jeremy Corbyn and McDonnell shamelessly pledged to meet every demand presented to them. The Labour leader, for example, promised to cancel all student debt. Only after the election, when it was pointed out to him that this could cost at least £100bn, did he try to wriggle out of it.

The current Labour leadership will always irresponsibly outbid the Conservatives during an election campaign. The magic money tree will pay for everything.

What about the economics of it all? Is there a case for fiscal expansion, whether through tax cuts, more public spending, or a combination of the two?

The name of John Maynard Keynes figures strongly whenever fiscal expansion is being discussed. But it cannot be repeated too often that the great economist himself placed many qualifications around policies of boosting the economy

through government actions.

Keynes asserted, for example, that "when full employment is reached, any attempt to [stimulate the economy] still further will set up a tendency in money-prices to rise without limit". At full employment, any further stimulus will simply lead to higher inflation, with no benefit to output or employment.

The unemployment rate in the UK is currently 3.8 per cent, the lowest it has been since 1974. A record 32.7m people are in employment, an increase of 350,000 from a year ago.

There are some isolated pockets which have missed out. But to all intents and purposes, Britain is at full

employment.

The Tory leadership hopefuls should look to the US for inspiration. The strong revival of the American economy since the financial crisis owes literally nothing to public expenditure.

The low point of the recession was in the second quarter of 2009. Since then, the US economy overall has grown by 24.8 per cent, a perfectly respectable rate. Personal consumer spending has risen almost exactly in line. It is corporate investment which has surged, posting a 76 per cent increase over this period. In contrast, public current spending actually fell by nearly two per cent.

Innovation and the supply side drive economies forward. The Conservatives should stop pandering to the demands of the hard left.

● Paul Ormerod is an economist at Volterra Partners LLP, a visiting professor in the Department of Computer Science at UCL, and author of *Against the Grain: Insights of an Economic Contrarian*.



Paul Ormerod

WE WANT TO HEAR YOUR VIEWS ➤ E: theforum@cityam.com COMMENT AT: cityam.com/forum



Britain doesn't need a special deal to boost trade with the US

AMID all the pomp and circumstance of President Trump's state visit, one issue is dominating the agenda: a free trade agreement (FTA) with the UK.

The US national security adviser, John Bolton, recently repeated that the UK would be at the "top of the queue" for a trade deal with the US after Brexit, and urged the UK to pull away from EU alignment as soon as possible.

UK business supports closer ties with the US – of course – but also wants to maintain access to our largest and closest trading partner, the EU. Politicians may pitch this as an either-or scenario, distancing ourselves from the EU in order to build closer links with America.

But the reality is much simpler: breaking down trade barriers with the US is possible without an FTA.

America and the UK already have the largest bilateral trade relationship on Earth. Over a trillion dollars of combined foreign direct investment from one country into the other has created more than a million jobs in each – good jobs that are high-paying and spread across every region and every sector of business.

The US is the UK's single largest export destination, and we are America's fourth largest trading partner behind Mexico, Canada, and China.

All this has happened without a specific bilateral trade agreement, showing that FTAs are simply one of many tools available for both countries to improve their trading relationship. "Under the bonnet" trade policy is far more important.

So what should be prioritised now? First, leave aside the big-ticket con-

Ben Digby



roversies like chlorinated chicken and the NHS for a moment. We should instead start our trade negotiations at the Home Office, and work to eliminate restrictions on intra-company transfers and business visas, to allow a more seamless flow of talent across the Atlantic.

This would recognise that, in economies with mutual strengths in services and investment, people are at the heart of trade.

Second, British negotiators should aim to reduce discriminatory government procurement provisions in favour of a more unified "Buy Transatlantic" approach. This will be much harder to achieve as it requires action at national and local government level, but if we're looking to set ambitions high, it should at least make the UK's negotiating mandate.

Third, there is scope for extending mutual recognition agreements in a variety of sectors, some of which we

America and the UK already have the largest bilateral relationship on Earth

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have already agreed to "roll over" after Brexit. Some have suggested that agreements like this in labelling and safety standards in high-traffic industries (like chemicals, cosmetics, and pharmaceuticals) would go a long way to cutting red tape and barriers to trade.

They are worth considering, but we should also look at new industries where the UK and US are at the cutting-edge and could set the tone for future global regulation, such as electric vehicles and artificial intelligence.

Seeking a regulatory dialogue on financial services should also be a top priority for the UK, although this would likely come up against resistance from the Treasury Department in Washington.

The UK needs to protect what it's got first and foremost, understanding that the bilateral relationship with the US can be strengthened while staying close to the EU on regulations, standards and customs. That is what business wants – and politicians should remember that succeeding with the US doesn't necessitate tearing up Europe's rulebook.

Our two countries already share centuries of commercial exchange, the best universities in the world, and a mutual appetite for innovation in the industries of tomorrow, such as cloud computing, healthcare technology, and artificial intelligence.

There's so much that can be done if both sides build on the strong foundations that already exist. Prioritising that rather than attempting a brand new FTA from scratch won't limit the scale of what we can achieve.

Ben Digby is the CBI's international director.

DEBATE

Should people be allowed to dip into their pensions savings to get onto the housing ladder?

YES



LAUREN MCEVATT

I'm 32, destined to work until I'm about 70, with £15,000 in a pension. I also have no savings, having used them to start my business, though I'm now at a stage where I can pay into my pension again. I would like to use that £15,000 for a deposit on a home, which I earn enough to service a mortgage on.

They should be a financial product to enable me to either use the pension as a guarantee against the mortgage, or as a loan to myself that is paid back before the bulk of the mortgage amount, similar to the mortgages that allow for a family member to provide the deposit.

Crucially, the pension would need to be repaid, there would need to be an age cap on the product, and this could only work if there are more houses built

as well. But a policy like this, recently proposed by housing secretary James Brokenshire, would give me and many others like me the flexibility to plan for our futures in a way that suits us.

The idea of long-term saving is that you put money aside for a rainy day. If you can't put a roof over your head, I think that constitutes a rainy day.

.....

Lauren McEvatt is managing director at Morpeth Consulting.

NO



HELEN MORRISSEY

These proposals will add more complexity to the pensions system and not fix the problem. We already have the Lifetime Isa, which allows young people to save with a government top-up to fund a house purchase or a pension – so why tinker with it?

James Brokenshire's proposals also risk undermining the very real progress that has been made getting people to save through auto-enrolment. We will see people saving into a pension from the age of 22 only for them to empty their pots 10 years later to buy a house, then have to start saving all over again.

They will face the prospect of having to work longer to fund their retirement or struggle financially – hardly a ringing endorsement for the pension system.

If we are going to help more young people, we must look at the fundamental issue: lack of affordable housing. Without more houses being built, such a scheme risks pushing prices up further, exacerbating the issue.

Brokenshire's idea will not solve the housing problem, and risks damaging people's pension planning as well.

.....

Helen Morrissey is a pension specialist at Royal London.

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OFFICE POLITICS

Think, neurodiversity isn't a weakness

Hiring people on the autistic spectrum or who have dyslexia can boost your business

BEING on the neurodivergent spectrum is often perceived as a weakness. But given that those with neurodiverse brains are some of the world's most creative, productive, and forward-thinking people, this is something that should instead be embraced as a real opportunity.

An Acas study estimates that one in seven people is neurodivergent, which simply means that their brain functions, learns, and processes information differently to the way that society expects. However, the real number is unknown, because this isn't as visible in the same way as gender or race, and disclosure rates are often low – with many masking their characteristics for fear of limiting career opportunities.

Employment rates vary between different forms of neurodiversity, such as attention deficit disorders, autism, dyslexia, dyspraxia, dyscalculia, dysgraphia, and Tourette's syndrome – just 16 per cent of autistic adults are in full-time employment.

But diversity of all kinds is good for business. When organisations keep recruiting the same type of people, they continually get the same output. When they hire a vibrant mix of talent, they build strong teams with a variety

Akama Davies



of perspectives and experiences that deliver far more impactful results.

Diversity of mind is particularly beneficial as it inspires creativity, allowing great ideas to surface. A different perspective can be hugely advantageous, and true innovation often starts with those who think differently to the majority.

Unfortunately, there are lots of negative clichés around neurodiversity that don't necessarily stand up to closer scrutiny, such as that dyslexic people can't spell.

On the other hand, there are some proven, positive characteristics that make a neurodiverse workforce highly desirable. For instance, people with attention deficit hyperactivity disorder are often excellent at hyper-focusing and pushing through setbacks. Those on the autistic spectrum tend to be very methodical, with strong attention



Just 16 per cent of autistic adults are in full-time employment

to detail, while dyslexic people are often creative thinkers, good at storytelling and complex problem solving.

When combined within the right teams, these are all exceptionally valuable traits that industries need. Add in other common neurodivergent traits, such as the resilience that comes from living in a world that isn't designed for their way of thinking, and it becomes clear that hiring employees on the neurodivergent spectrum makes commercial sense.

Despite this, a CIPD poll reveals that only 10 per cent of UK organisations

include neurodiversity in their people management practices – largely due to a lack of understanding.

In reality, the adjustments needed to support neurodiversity are easily manageable. There can be simple, practical steps, such as implementing clearer communications with less jargon, or providing a better sensory environment where light and sound can be tailored to individual needs.

Small changes to the recruitment process can make a big difference too, such as sending interview questions in advance, or shifting emphasis from interviews to hands-on tasks more relevant to the job role.

But there also needs to be a cultural change, where businesses focus less on the method of delivering work and more on the output. By giving employees the freedom to work where and when they perform best, great results can be achieved.

Creating a neurodiverse workforce shouldn't be about being altruistic, or ticking a box on a policy. It should be about genuinely valuing diversity of thought, and combining different cognitive abilities and experiences to tackle workplace challenges.

The world needs minds of all kinds – neurodiversity shouldn't be seen as a weakness, but as a vital contributing factor to business success.

• Akama Davies is director of global solutions and innovation at Xaxis.

COFFEE BREAK

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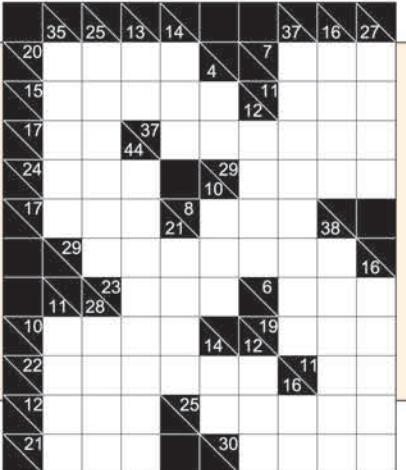
SUDOKU

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.

6								3
	3			7			1	
2			4				8	
	9	7						
8	4						6	
		3					2	
9	1			4				
			2	5				
7			9	8			4	

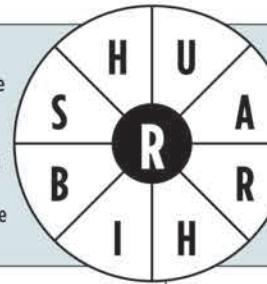
KAKURO

Fill the grid so that each block adds up to the total in the box above or to the left of it. You can only use the digits 1-9 and you must not use the same digit twice in a block. The same digit may occur more than once in a row or column, but it must be in a separate block.



WORDWHEEL

Using only the letters in the Wordwheel, you have ten minutes to find as many words as possible, none of which may be plurals, foreign words or proper nouns. Each word must be of three letters or more, all must contain the central letter and letters can only be used once in every word. There is at least one nine-letter word in the wheel.



LAST ISSUE'S SOLUTIONS

QUICK CROSSWORD



KAKURO

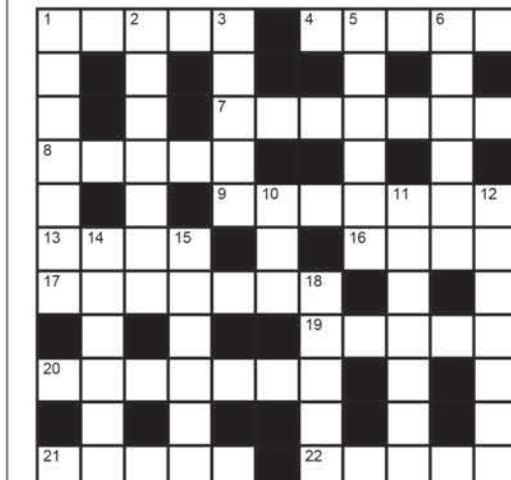


SUDOKU

5	6	1	2	8	7	3	4	9
8	3	7	4	9	1	6	2	5
4	9	2	6	5	3	7	1	8
6	2	9	1	7	8	4	5	3
1	4	5	9	3	2	8	6	7
7	8	3	5	4	6	2	9	1
2	1	8	7	6	5	9	3	4
3	5	4	8	2	9	1	7	6
9	7	6	3	1	4	5	8	2

WORDWHEEL
The nine-letter word was GREYSCALE

QUICK CROSSWORD



ACROSS

- 1 Hold firmly in the arms or hands (5)
- 4 Biblical tower intended to reach to heaven (5)
- 7 Crumple up, crinkle (7)
- 8 Piece of music for nine instruments (5)
- 9 Instrument that measures the flow of electrical current (7)
- 13 Atop (4)
- 16 Dandy (4)
- 17 Sovereign (7)
- 19 Sky-blue (5)
- 20 Flat upland area (7)
- 21 Acute but unspecific feeling of anxiety (5)
- 22 Number of sides of a triangle (5)

DOWN

- 1 Braincase (7)
- 2 Desert, leave (7)
- 3 Fusilli, for example (5)
- 5 Pleasantly occupied (6)
- 6 Surpass (6)
- 10 Waterproof raincoat (abbr) (3)
- 11 Resembling a pipe (7)
- 12 Take delivery of (7)
- 14 Fine spores borne by an anther in a flower (6)
- 15 French port city on the Loire (6)
- 18 Pursue like a ghost (5)

PERSONAL FINANCE

NTHE not-so-distant past, Neil Woodford was a bit of hero, beaming among the failed fund managers who had blindly bought into the tech boom of 2000.

But sometimes stars fall. Or in Woodford's case, they implode.

News that Britain's most famous fund manager has blocked withdrawals from his flagship fund may have left us stunned, but it's not entirely surprising.

The Equity Income fund has been haemorrhaging money for a while, shrinking from £10bn two years ago to £3.7bn now. This is in no small part down to the fund's performance, which – to put it mildly – has been awful. The fund is down more than 18 per cent over the past three years, against the IA UK All Companies 23 per cent return, according to FE Trustnet.

While Woodford had made his fortune by buying those stocks that everyone else hates, more recently, some of his unloved holdings – like Provident Financial and Kier Group – have sent his fund's performance south.

But it's not just the performance that has scared off even Woodford's most loyal supporters. The fund has been grappling with other, arguably more worrying, structural problems.

Take, for example, the fund's high exposure to unquoted companies. It's thought that its exposure was closer to 18 per cent, surpassing the regulator's 10 per cent ceiling, and making the fund far riskier than many retail investors had bargained for.

Back in 2014, the Financial Conduct Authority slapped a £18.6m fine on Woodford's former employer Invesco Perpetual for exposing investors to greater risk than they expected. The watchdog is also currently consulting on new rules to further protect investors who hold illiquid stocks, particularly in stressed market conditions.

In a bid to reduce the illiquid assets, Woodford embarked on a controversial move in March, swapping his unquoted stocks for shares in his own £964m Patient Capital trust.

In a portfolio update, published last month, he pledged to cut the unquoted holdings to less than 10 per cent of the portfolio by the end of the year, but this failed to calm concerns.

"The Woodford Equity Income fund has been a slow-motion car crash since June 2017," says Damien Fahy from Money to the Masses. In fact, institutional investors started cashing in a

deluge of redemptions from the

FALLING STAR

Katherine Denham looks at what went wrong for Neil Woodford



fund has forced Woodford to lock existing investors in. Admittedly, it's a mechanism that protects investors' cash, helping the fund manager bide his time as he sells off some assets, but given that we've known about these issues for some time, you'd think that action would have been taken earlier to try to protect investors.

"The Woodford Equity Income fund has been a slow-motion car crash since June 2017," says Damien Fahy from Money to the Masses. In fact, institutional investors started cashing in a

while ago, with Jupiter Merlin pulling £300m from the fund in 2017.

And given the glaring problems, you would expect the fund to have been dropped from recommended lists. Except one of the UK's largest wealth managers, Hargreaves Lansdown, kept the fund on its Wealth 50 list up until Monday, when news emerged that it had been suspended (of course, you can't recommend a fund which is unavailable to buy), while around seven per cent of Hargreaves's multi-manager funds are invested in Woodford

The Equity Income fund has been a slow-motion car crash since June 2017

Equity Income.

"The problem for armchair investors is that platforms continued to promote a fund manager who stubbornly stuck to his views," says Fahy. "Hargreaves Lansdown only removed Woodford's fund from their best buy list yesterday after the horse had bolted."

When City A.M. put this to Hargreaves, head of investment analysis Emma Wall said that Woodford is still a compelling fund manager: "Neil is very exposed to domestic stocks, and with ongoing political uncertainty in the UK, it's created the perfect storm.

"He's no stranger to investing in unloved stocks, but this time around there is too much going on for people to be forgiving. And unfortunately that's led to his hand being forced, and the fund being gated."

The issue has certainly thrown into question the responsibility of these best buy lists. "People take these as the basis for making their own investment decisions without any protection or recourse when they go wrong," says Anthony Morrow, chief executive of OpenMoney. "It needs to be made much clearer that investors using these platforms are really on their own."

So what does this mean for investors of Woodford funds?

The suspension will be reviewed after 28 days, and it's likely that it could be extended. "Some of the positions the fund holds in unquoted stocks are very large and they are not going to be easy to sell quickly," says Ryan Hughes from AJ Bell. "Investors will have to be patient. While this will be frustrating, the actions are being taken with their best interests in mind."

Of course, if the suspension is lifted, this could lead to a further run on the fund – although Morrow says that Woodford's team are likely to be working to manage large client relationships to limit this as much as possible.

We might expect outflows from the Income Focus fund, though Hughes says that it doesn't have a high proportion of illiquid assets, focusing instead on large cap dividend-paying companies. And while the Patient Capital Trust's share price was down 10 per cent yesterday, he warns that investors should avoid knee-jerk reactions.

Woodford's fall from grace serves as a reminder that investors should buy a fund because they strongly believe in the strategy, rather than being blinded by the manager's star status.

Graham, hard at it
ensuring his investments
are working harder.

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FOOD&DRINK



CITY AM CLUB PARTNER SPOTLIGHT

HIX

Restaurateur Mark Hix talks about his City A.M. Club partnership

Celebrated chef, and food writer Mark Hix is frequently lauded as one of London's most eminent restaurateurs, with an unrivalled knowledge of ingredients and provenance. He has four London restaurants – Tramshed, Hixter, HIX Soho and HIX Oyster & Chop House – where you can enjoy your exclusive 20 per cent discount available to all Club members. Here talks to us about his life in food.

HIX CELEBRATED ITS 10TH ANNIVERSARY LAST YEAR – WHAT'S YOUR SECRET?

It's not easy to keep a restaurant going for that long but you have to keep at it, keep reinforcing what you stand for, constantly looking for new inspiration.

YOUR FIRST SOLO VENTURE OPENED DURING THE CREDIT CRUNCH. DID YOU KNOW IT WOULD BE A SUCCESS?

Not at all: everyone said I was mad, but I was more concerned about serving meat on the bone and oysters so soon after BSE!

WHAT MADE YOU OPEN A GALLERY AT TRAMSHED?

There aren't enough galleries supporting emerging artists and when I opened the Tramshed I wasn't quite sure what to do in the basement. Then I bumped into a friend who was in-between

galleries and asked if he'd help me curate a group show, and it kind of went from there.

TELL US ABOUT YOUR EVENTS

We host a lot of events, from carving masterclasses to chef collaborations in the Kitchen Library. They are great fun, one of the reasons I was lured into the industry in the first place. I'm always there to meet the punters – it's not just something I put my name to.

HOW IMPORTANT IS IT TO SUPPORT BRITISH PRODUCERS?

I've always supported British producers, and why wouldn't you? We have world-renowned cheeses, are surrounded by the ocean and have great seafood on our doorsteps. Our farmers and growers are on top of their game, so for years I've seen no need to import produce. Obviously, it's tricky to have a purely British wine list but our sparkling wine is up there with the best Champagne. Down in Dorset we have some great spirits and wine producers within a few miles of my HIX Oyster & Fish House.

To redeem your 20 per cent off your final bill at Hix Restaurants, including Tramshed, Hixter, HIX Soho and HIX Oyster & Chop House, just quote your Club membership number when booking. Go to hixrestaurants.co.uk for more information.

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The City A.M. Club is your passport to the City, giving you access to networking opportunities, events and exclusive offers. City A.M. has collected more than 50 partners, each providing a totally unique, curated experience for City A.M. Club Members. They range from leading

lifestyle brands, to your favourite restaurants.

An annual membership costs £240 – an amount that could easily be recouped in a matter of weeks. To apply, log on to our Club website at club.cityam.com. We look forward to seeing you on the inside.

For more information, visit: CLUB.CITYAM.COM

HOW TO SLEEP LIKE A PROFESSIONAL



Personal trainer and life coach **Harry Thomas** tackles life's big questions. This week: how to get a better night's sleep

You don't get enough sleep. I don't get enough sleep. There's a meme doing the rounds that nails it: it says adulthood is just being tired and explaining to other people that you're tired and listening to other people talk about how they're tired. But not getting enough sleep is much worse than simply being tired (as if that weren't bad enough).

Sleep is so much more important than we give it credit for. People don't understand the power it has on our day-to-day health. You can effectively link sleep deprivation to almost every aspect of our biology – it has an impact on every organ in the body; it exacerbates diseases including cancer and dementia; it impedes skill development, memory, growth, mental health, you name it.

Matthew Walker, author of Why We Sleep, has studied the field for more than two decades and argues that we have never fully grasped the power of sleep or why we need it. More and more research is emerging that argues we have sleep-walked into a catastrophic sleep-loss epidemic.

HOW MUCH SLEEP DO WE NEED? The 'eight hours a night' rule, like the 'eight glasses of water a day' rule, isn't exactly scientific, but it's a decent enough rule of thumb. And in my experience, people in the City get far less than eight. Even with the weight of evidence, there's still a 'you can sleep when you're dead' attitude, with people priding themselves on grabbing a few hours shut-eye between long shifts and boozy nights. Then add in stress, long commutes, caffeine, the amount of light we're exposed to throughout the day...

There's also research that suggests sleep affects mental health in unexpected ways. Dream state has been proven to help improve memory, but it can also help us forget, which

has therapeutic benefits for many people, including those with anxiety. Allowing your body and mind to rest could be the solution to improving many areas of your life.

A few weeks of six hours shut-eye a night will classify you as sleep deprived, even though most of these people won't even realise it. And the number of people who can survive on five hours or less of sleep without any issues is a big fat zero.

Sleep is also essential for skill development. When learning new information – a new language, for instance – studies have shown that people who slept for a full eight hours remembered significantly more; crucially, the final two hours of sleep appeared to be the most important for processing this information. So the next time you learn something new, make sure you get a good night's sleep to process it all.

And if you are training, sleep has an especially important role to play. Much of the recovery from the exertion and torn muscle tissue occurs when you have tucked in for the night, and you'll find your body responds better to training if you give it some welcome down-time afterwards.

I always talk about the power of awareness when it comes to improving health. Some of the key points I focus on are nutrition, activity and sleep, which many of our clients are oblivious to. No one comes into our gym saying their number one goal is better sleep, even though we all know we perform better after a solid rest. We have more energy, we can train harder, our mood is better, we are more focused and recover better.

Many people think they sleep more than they actually do, which is where effective sleep monitoring can help. There are a number of sleep applications available that monitor activity and movement throughout the night and can give you lots of information on the

amount of sleep you get; Sleep Cycle is a great one. I've noticed that clients who start tracking their sleep tend to sleep better after just a few days, with the data helping them to improve their sleep preparation routines. If you know how little you sleep, you are able to make meaningful changes.

Creating a routine is a key factor in getting better sleep. Aim to go to bed and wake up at similar times each day to keep your body clock consistent. Remove all unnecessary light from the bedroom – LED lighting from your devices will affect melatonin levels, which will impact your sleep. Avoid using smartphones and iPads after a certain time. This will also help you unwind before bed, decreasing your anxiety levels.

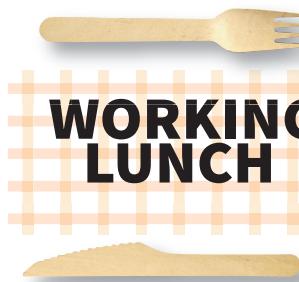
The thought of a cosy room might be alluring, but heat can have an adverse effect, so you're better off in a relatively cool room.

Everybody knows they should avoid caffeine after 2pm and this goes for nicotine, too. These stimulants stay in your system and have been shown to impact your sleep quality. It's easy to get into a cycle of drinking caffeine because you're tired, which causes a disturbed night's sleep, in turn making you crave more caffeine, and on and on. Also cut back on alcohol, which can keep you in a lighter stage of sleep and make you feel groggy the next day. One or two of you might have experienced this for yourselves...

Finally, increase your activity and exercise. Exercise will help your sleep and sleep will help your exercise. It's a win-win.

If you're struggling to get your eight hours, I highly recommend picking up a copy of Why We Sleep – it's a great read and has been a game-changer for me.

• Harry is a personal trainer with No1 Fitness. Go to no1fitness.co.uk to book a consultation and for more information.



Melissa York on the best set lunch menus around London

IMPERIAL TREASURE

9 WATERLOO PLACE, SW1

What and where? Restaurateur Alfred Leung's first foray outside of Asia is in a sophisticated spot among the embassies a hop, skip and jump away from St James' Park. You'll find it in an unassuming old wooden building that could have been – and probably was – an old bank. This restaurant group has two Michelin stars in Shanghai, one in Hong Kong and another in Singapore and there's no question it's angling itself at London's wealthy Chinese tourists and international business types.

What's the deal? The eight-course set menus at the front of the book come highly recommended if you're after a taste of everything on offer. They're not cheap – starting at £68 for the vegetarian one, then two signature sets at £88 and £128 – but they are generous and include a comprehensive tour of the kitchen. Drinks aren't included, nor is dim sum. The luxury menu is similar in composition to the mid-priced one, but throws in some fancy ingredients such as caviar, silver cod and wagyu beef.

Order this... We went for the mid-priced signature set with a side of dim sum. Extravagant, maybe, but no visit here is complete without trying at last one of these delectable parcels, served in



traditional bamboo steamers. The ubiquitous siu mai were some of the best we've ever had, piping hot and stuffed with pork and prawns, as were the oily but satisfying crispy prawn cheung fun. Don't fill up on the starter platter – it's enormous – and instead save yourself for comforting, creamy cabbage soup in chicken broth, and delicate, handmade noodles with meaty mushrooms and truffle oil. Chilli prawns and sliced tenderloin with charred garlic were as expected, but precision-cut oblongs of chicken coated in toasted almonds were unpalatable. The texture was unpleasantly chewy, but may please more seasoned Chinese cuisine enthusiasts, who will find

plenty of authentic delicacies on the main menu like black pepper chicken feet, abalone and dried sea whelks.

Order this (if you're loaded) The house speciality is an entire Peking duck, matured for 40 days and carved at the table, and costing £100 per person. It's a dining room showstopper, glistening like a copper kettle, but seemed to only be ordered by gaggles of Chinese youths primarily concerned with burnishing their Instagram stories.

Tipple tips? The wine menu is vast, but particularly well-sourced if you're into champagne; from Krug to Cristal, all the major maisons are represented, as well as

some smaller grower producers. There's also a selection of over 30 Japanese whiskies and 22 wines to try by the glass, including Chinese varietals. For an aperitif, we recommend a zingy cucumber and yuzu martini made with gin, sake and elderflower.

One more thing... For a more intimate dining experience uninterrupted by a procession of shiny ducks, there are three private dining rooms on the first floor, a wine tasting room, and a flattering uplit bar.

Visit imperialtreasure.com or call 020 3011 1328 for reservations



THE DRINKS CABINET

Four staple Japanese spirits you should be serving to guests at your next dinner party, from whisky to shochu

When it comes to Japanese drinks, sake still dominates the market, along with the public's imagination. But venture beneath the surface and you will discover a rich, verdant world of spirits, from Haku Vodka to the wildly popular Roku Gin.

The Japanese whisky market is particularly hot right now, with the Suntory distillery responsible for some truly outstanding produce, including Hibiki Harmony, which recently went on sale in the UK.

While Japan only began to export whisky in any significant volume in 2000, its influence is now such that the head of the Scotch Whisky Association issued a public warning about the dire threat it poses.

Japanese spirits can, however, be expensive, especially given they have to be transported half way around the world. Here's our guide to buying smart.



HIBIKI HARMONY
£65.99, DRINKSUPERMARKET.COM

This blended whisky was distilled to plug the gap between demand for Suntory's exceptional whisky and its ability to make the stuff. But it's also a wonderful drink in its own right, at home on any cabinet.



NIKKA COFFEY VODKA
£40, HOUSEOFMALT.CO.UK

This excellent, floral sipping vodka from one of Japan's most lauded whisky distilleries is made from a mix of corn and barley. It has floral notes and a sweet finish – and the bottle looks ace, too.



ROKU GIN
£30, WAITROSE.COM

One of the more affordable ways into the Japanese spirits world, Roku is still a quality drink, with botanicals including sakura flower, yuzu peel, sencha tea, sansho pepper, sakura leaf and gyokuro tea.



IICHIKO SHOCHU
£24, JAPANCENTRE.COM

Hugely popular in its native Japan, this barley shochu is a great introduction to shochu. With an alcohol content of 30 per cent, it's milder than most spirits – enjoy it on the rocks or with water.

THE PUNTER

HONG KONG RACING TRADER

Hong Kong racing expert **Wally Pyrah** previews today's action from Happy Valley

Magic Moreira set to continue his Remarkable form

HONG Kong's hottest jockeys, Zac Purton and Joao Moreira, will be placed firmly in the spotlight when they arrive at Happy Valley this afternoon.

The 'Deadly Duo' have torn up the record books in the last eight days, riding 25 winners from 30 races at Sha Tin and Happy Valley between them.

If that wasn't enough, favourite backers have cheered home 17 market leaders in those three meetings, sending their loyal fanbase wild.

Reigning champ Purton is now on a mission himself. Having ridden another six winners at Sha Tin on Sunday, taking his present total to 140, he is now after Moreira's record of riding the most winners in a season in Hong Kong, which stands at 170, set in 2016/17.

Having won 15 times from his last 30 rides, you won't be getting big odds about the 'Zac-Man' breaking that record, especially with 11 race meetings left in the season.

The formbook will say both jockeys are riding the best horses in most of the races, but it's worth mentioning, especially in Purton's case, there are no jockey agent's in the territory.

Therefore, the Australian has to work hard going through the formbook and entries before picking up the mobile and talking to trainers.

Both Moreira and Purton have their racecards' fully marked this afternoon and it would be inconceivable if they both left empty-handed.

You can guarantee that most of their rides are going to be well backed, especially Purton's mount Snap Fit, a win-

ning debutant over course and distance back in January, who is sure to go off a short-priced favourite in the 1.15pm over five furlongs.

He also climbs aboard the potentially smart newcomer Reliable Team in the 1.45pm over six furlongs, having overlooked rivals Oriental Elite, Hero Time and High Rev, whom he had previously ridden.

He is another certain to start a warm favourite and could win easily, but does have an awkward outside draw to overcome and smart newcomer Packing Rockstar, improving Calling The Shots, and well-handicapped High Rev, offer stiff opposition.

However, Moreira doesn't appear to



have any stand-out rides on paper, but he is riding with plenty of confidence and is highly capable of conjuring up some magic on a number of his rides.

He renews his association with well-drawn **REMARKABLE**, who lines up in the 2.15pm over the extended mile, and who is better known for his all-weather exploits having won three times on dirt.

He did show he is capable of winning from his present handicap mark on turf when producing an encouraging performance over course and distance a fortnight ago.

On that occasion, after blowing the start and falling behind during the race, he quickened up well turning

into the home straight and was finishing strongly in the closing stages despite being crowded late on.

This looks a competitive and tightly-knit handicap with the likes of Purton-riden top-weight Happy Warrior, last-start winner Enjoy Life and progressive handicapper Flame Lily in opposition.

However, trainer John Size is a master of getting his horses to improve and peak at the right time and Remarkable could still have a few points in hand over his more exposed rivals.

POINTERS

Remarkable 2.15pm Happy Valley

Smart Leader can help birthday boy Teetan bag victory

JOCKEY Karis Teetan could receive a belated birthday present when he renews his partnership on the Tony Cruz-trained **SMART LEADER** in the 3.15pm over six furlongs.

This three-time winning Australian export had taken some time to acclimatise to conditions in Hong Kong before producing an improved performance to finish a close-up third behind smart

sprinting prospect Golden Sixty at Sha Tin in March.

He subsequently bettered that form when making his debut at the Valley a fortnight ago, just failing to catch Fearless Fire in a strongly run six-furlong dash.

On that occasion, having been drawn near the outside, Smart Leader found himself racing three or four wide for most of the journey

and having swung widest into the straight, still managed to produce a strong finish.

This time, with an inside draw in his favour, he is mapped to get an ideal journey sitting just behind the leaders before making his strong finishing kick count down the short home straight.

Earlier in the afternoon, jockey Derek Leung can get a welcome

winner when he combines with trainer Francis Lui on **CORDYCEPS** in the 2.45pm over the extended mile.

Like most of the local jockeys in Hong Kong, Leung has found it difficult to maintain a consistent winning strike-rate, while the likes of Zac Purton, Joao Moreira and Teetan have been carrying all before them.

He finally gets a good opportunity

to visit the winners' enclosure on a genuine and consistent front-running horse who will love the tight turning bends at the track and is capable of going pillar to post.

POINTERS

Cordyceps 2.45pm Happy Valley
Smart Leader 3.15pm Happy Valley

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HAPPY VALLEY

Going: Turf - GOOD

12.15 HIGH WEST HANDICAP (CLASS 3) (3YO+) (COURSE A) (TURF) 1m3f 3yo plus 8 dec.

1	-60973 GIANT TURTLE (21) (T) (CD) (G)	J Wong(3)★ 95
(3)	A Millard 8-9-7.....	
Runs: 30 Wins: 5 Places: 8		
2	80-008 JOLLY GENE (80) (HTB) (G,F,G)	M Poon(3) 98
(5)	A Cruz 8-9-3.....	
Runs: 37 Wins: 5 Places: 3		
3	12-078 OWNERS' STAR (28) (HT) (A)	C Schofield 100
(6)	C Shum 4-9-1.....	
Runs: 11 Wins: 2 Places: 3		
4	7-8055 ROCKETEER (42)	N Callan 103
(4)	F Lor 6-8-11.....	
Runs: 29 Wins: 1 Places: 5		
5	-90026 TASHIDELEK (31) (TP)	Z Purton 104
(7)	John Moore 5-8-11.....	
Runs: 11 Wins: 0 Places: 2		
6	002017 TRAVEL FIRST (21) (TB) (C) (A.G.)	T So(2) 95
(2)	C Yip 8-8-9.....	
Runs: 48 Wins: 5 Places: 7		
7	005255 GOD OF DRAGON (21) (HT)	K Teetan 103
(1)	A Cruz 5-8-3.....	
Runs: 18 Wins: 0 Places: 2		
8	082932 SALTO OLIMPICO (14) (B) (C) (G)	Z Moreira 94
(8)	D Hall 6-8-4.....	
Runs: 23 Wins: 2 Places: 3		

*BETTING: 13/8 Tashidelek, 7/2 Salto Olimpico, 9/2 Giant Turtle, 6 God Of Dragon, 8 Rocketeer, 20 Others

12.45 MOUNT CAMERON HANDICAP (CLASS 5) (3YO+) (COURSE A) (TURF) 1m 3yo plus 12 dec.

1	456562 LOVE CHUNGHWA (10) (T) (C) (G)	M Yeung(2) 63
(2)	T Yung 9-9-7.....	
Runs: 43 Wins: 4 Places: 13		
2	067070 LET'S COME BACK (10) (T)	J Wong(3)★ 54
(10)	C Fownes 4-9-6.....	
Runs: 10 Wins: 0 Places: 0		
3	822709 LUCKY SHINY DAY (28)	Z Moreira 61
(6)	L Ho 5-9-5.....	
Runs: 17 Wins: 0 Places: 5		
4	973-56 GODSPEED (25)	Z Purton 60
(4)	D Hall 6-9-4.....	
Runs: 15 Wins: 0 Places: 3		
5	-21272 GOLDEN CANNON (42) (HB) (CD) (G)	C Y Ho 54
(3)	K Lui 8-9-4.....	
Runs: 28 Wins: 3 Places: 10		
6	081290 KEEP WINNING (25) (T) (D) (G,S,A)	K Leung 62
(8)	C Chang 5-9-2.....	
Runs: 22 Wins: 3 Places: 3	€1,350	
7	-61900 COME ON WONGCHOY (14) (C) (G)	G Van Niekerk 54
(11)	C Shum 5-9-1.....	
Runs: 17 Wins: 1 Places: 3		
8	1-9096 KWAICHUNG BROTHERS (10) (B) (CD) (G,F,G)	C Schofield 58
(7)	Richard Gibson 7-9-0.....	
Runs: 31 Wins: 2 Places: 5		
9	380808 LETSGOFREE (14) (B) (CD) (G,F,G)	M Harley 55
(12)	J Ting 7-9-0.....	
Runs: 33 Wins: 3 Places: 4		
10	009-00 SOCCER BRAVE (25) (TP) (D) (G,A)	M Chadwick 62
(9)	D Ferraris 7-8-11.....	
Runs: 29 Wins: 4 Places: 2		
11	370495 WINNING CIRCLE (31) (TB)	N Callan 60
(1)	John Moore 4-8-10.....	
Runs: 13 Wins: 0 Places: 1		
12	-05256 HIDDEN SPIRIT (28) (TB)	K Teetan 63
(5)	P O'Sullivan 5-8-1.....	
Runs: 13 Wins: 0 Places: 1		
13	000430 MEGATRON (14) (TV) (CD) (G,F,G)	RESERVE 56
(13)	P Yiu 7-9-1.....	
Runs: 39 Wins: 4 Places: 4	€7,590	
14	-14538 MONEY WINNER (74) (V) (D) (G)	RESERVE 58
(14)	C Yip 7-9-4.....	
Runs: 28 Wins: 1 Places: 5		

*BETTING: 3 Godspeed, 4 Love Chunghua, 9/2 Lucky Shiny Day, 6 Golden Cannon, 10 Hidden Spirit, 12 Keep Winning, 14 Letsgofree, Winning Circle, 16 Let's Come Back, 20 Others

1.15 MOUNT GOUGH HANDICAP (CLASS 4) (3YO+) (COURSE A) (TURF) 5f 3yo plus 12 dec.

1	08999- MY POWER (185) (HT) (HY)	K Teetan 76
(10)	C Shum 4-9-7.....	
Runs: 8 Wins: 1 Places: 1		
2	-53441 EVERBRAVE (21) (CD) (G)	A Domeyer 80
(3)	K Man 6-9-6.....	
Runs: 20 Wins: 1 Places: 4		
3	40-988 IRON BOY (21) (T) (G)	J Wong(3)★ 78
(2)	K Lui 8-9-6.....	
Runs: 34 Wins: 2 Places: 7		
4	1 SNAP FIT (133) (TB) (G)	Z Purton 78
(7)	C Fownes 5-9-5.....	
Runs: 1 Wins: 1 Places: 0		
5	BEST SMILE (HT)	R Bayliss
(1)	W So 4-9-4.....	
Runs: 0 Wins: 0 Places: 0		
6	922 HONG KONG WIN (21) (B)	J Moreira 79
(12)	J Size 4-9-3.....	
Runs: 3 Wins: 0 Places: 2		
7	005007 CASIMIRO (21) (H) (GF)	T So(2) 76
(5)	C Yip 5-9-1.....	
Runs: 17 Wins: 2 Places: 1		



Cordyceps boasts a strong chance in the 2.45pm over the extended mile

8	445-67 LAMAROSA (35) (TB) (C)	M Harley 80
(6)	P O'Sullivan 7-9-1.....	
Runs: 19 Wins: 1 Places: 1		
9	090608 THE ABRAKAS (14) (V)	M Poon(3) 73
(8)	Y Tsui 9-0.....	
Runs: 7 Wins: 0 Places: 0		
10	59 ISLAND WINNER (25) (TB)	K Leung 64
(9)	P Yiu 4-8-11.....	
Runs: 2 Wins: 0 Places: 0		
11	008895 DEMONS ROCK (18) (P) (G,GS)	C Y Ho 80
(11)	D Hall 4-8-7.....	
Runs: 24 Wins: 4 Places: 2		
12	760-04 PRAWN YEAH YEAH (21) (TB)	G Van Niekerk 76
(4)	Richard Gibson 5-8-4.....	
Runs: 6 Wins: 0 Places: 0		
13	8 COBY WIN (31) (TB)	RESERVE 55
(13)	C Shum 4-8-13.....	
Runs: 1 Wins: 0 Places: 0		
14	86 AIOLOS (21) (HT)	RESERVE 66
(14)	W So 4-8-11.....	
Runs: 2 Wins: 0 Places: 0		

3	-17905 CHARITY WINGS (21) (B) (CD) (G,GF)	M Poon(3) 74
(4)	C Shum 6-9-5.....	
Runs: 25 Wins: 3 Places: 6		
4	-96441 ENJOY LIFE (21) (B) (CD) (G,GF)	K Leung 77
(7)	Y Tsui 6-9-2.....	
Runs: 30 Wins: 3 Places: 7		
5	220484 REMARKABLE (14) (E/S) (D) (A)	J Moreira 76
(3)	J Size 6-9-2.....	
Runs: 26 Wins: 3 Places: 5		
6	070008 SMART PATCH (18) (B)	C Schofield 76
(9)	P O'Sullivan 5-9-2.....	
Runs: 8 Wins: 0 Places: 0		
7	660090 FAITHFUL TRINITY (14) (HET) (CD) (G)	R Bayliss★ 77
(1)	Richard Gibson 5-9-1.....	
Runs: 24 Wins: 2 Places: 1		
8	068 DREAM WARRIORS (14) (HTP)	C Y Ho 71
(2)	A Cruz 4-8-10.....	
Runs: 3 Wins: 0 Places: 0		
9	077709 THIS ONE'S FOR YOU (18) (HB)	M Yeung(2) 73
(5)	K Lui 4-8-10.....	
Runs: 6 Wins: 0 Places: 0		
10	653843 FLAME LILY (21) (T)	U Rispoli 77
(10)	F Lor 5-8-8.....	
Runs: 14 Wins: 0 Places: 4		
11	98-812 RIGHTEOUS MATE (21) (CD,BF) (G)	A Domeyer 77
(6)	A Millard 6-8-7.....	
Runs: 25 Wins: 1 Places: 4		
12	-00000 KING MORTAR (25) (T)	T So(2) 72
(8)	L Ho 6-8-2.....	
Runs: 30 Wins: 2 Places: 4		
13	365940 BRING IT ON (28) (T) (G)	RESERVE 77
(13)	C Yip 6-8-13.....	
Runs: 41 Wins: 2 Places: 10		

1	1-8174 ORIENTAL ELITE (21) (CD) (G,F,G)	A Domeyer 72
(5)	P O'Sullivan 6-9-7.....	
Runs: 11 Wins: 2 Places: 1		
2	-00063 HERO TIME (21) (HTB) (CD) (G,GF)	N Callan 79
(7)	Richard Gibson 6-9-6.....	
Runs: 13 Wins: 2 Places: 1		
3	540955 GOOD FOR YOU (14) (B) (CD) (G,GF)	J Moreira★ 80
(10)	J Tsui 7-9-3.....	
Runs: 39 Wins: 4 Places: 10		
4	PACKING ROCKSTAR	K Teetan
(2)	P Yiu 4-9-0.....	
Runs: 0 Wins: 0 Places: 0		
5	RELIABLE TEAM	Z Purton
(11)	F Lor 4-9-0.....	
Runs: 0 Wins: 0 Places: 0		
6	-12177 THE SHOW (14) (B) (CD) (G,GF)	M Poon(3) 71
(9)	C Yip 9-9-0.....	
Runs: 43 Wins: 4 Places: 8		
7	-09030 CALLING THE SHOTS (18) (TB) (G)	C Y Ho 77
(4)	A Cruz 4-8-12.....	
Runs: 16 Wins: 2 Places: 2		
8	000 BLISSFUL EIGHT (25) (B)	K Leung 45
(1)	John Moore 4-8-9.....	
Runs: 3 Wins: 0 Places: 0		
9	000 WINNERS BROTHER (18) (B)	R Bayliss 53
(6)	J Ting 4-8-9.....	
Runs: 3 Wins: 0 Places: 0		
10	-47455 HIGH REV (14) (B)	T So(2) 80
(

SPORT

Resurgent Holland barring England's way at the Nations League, writes **Michael Searles**

EVERY so often a Dutch player capable of setting the world alight announces themselves on the international stage. And even more rarely a crop of them come through the ranks at the same time.

Think Johan Cruyff, Johan Neeskens and Ruud Krol; Frank Rijkyard, Ruud Gullit and Marco van Basten; Dennis Bergkamp, Clarence Seedorf and Marc Overmars.

There are plenty more to mention, including the country's current manager Ronald Koeman, who has restored some pride to the national team this season following a catastrophic four years.

Tomorrow they face England in the Nations League semi-final, and having already seen off France and Germany in the competition it is a new beginning for the Dutch, with yet another fresh group of talented players coming through.

It is a feat that deserves recognition, given the small size of the country and stature of its league, and yet perhaps the biggest surprise is that it is a nation that has never won a World Cup despite the bundles of talent it has produced.

They have come close on numerous occasions, with three semi-final appearances in five World Cups between 1998 and 2014 including a runners-up finish in 2010, their third in all.

While Holland were on the cusp of glory in both 2010 and 2014, the Oranje machine ground to a shuddering halt soon after, failing to qualify for Euro 2016 and the 2018 World Cup as that generation's stars passed the peak of their powers.

But every sunset brings a new dawn and, under former Everton and Southampton manager Koeman, Holland have again found their place among Europe's elite.

And with an Ajax team powered by youngsters Frenkie de Jong, Matthijs de Ligt and Donny van de Beek reaching the Champions League semi-finals, it has been a season of

ORANGE BLOSSOM



Holland have successfully blended youth and experience

resurgence in Dutch football.

The Nations League was belittled by some upon its unveiling but, like England, the Dutch have seen the inaugural finals as an opportunity to claim an international honour.

Beating Germany 3-0 and world champions France 2-0 at home ensured they would finish top of their group and join England, Switzerland and Portugal – the latter two meet tonight – in the final four.

Those games saw the introduction of De Jong – set to join Barcelona for £67.5m – and Van de Beek, both 22, while 19-year-old Ajax captain De Ligt has also cemented his place in the side having made his debut at

17 – the youngest player since 1931 to do so.

De Ligt struggled on that initial appearance but has since developed into one of the world's in-demand defenders, forming a formidable partnership with the experienced Virgil van Dijk – two of the best and, if De Ligt is sold this summer, most expensive centre-backs in the world.

Liverpool's Van Dijk was made captain by Koeman and has been integral to the revival – not only because of his defensive work, as the 27-year-old has also contributed four goals, including two important efforts against Germany in their Nations League clashes.

Holland have another

Koeman has inspired a Dutch revival

new Champions League winner in Georginio Wijnaldum, which means their recent rejuvenation is not entirely down to youth. How involved those two will be against England days after playing in a European final remains to be seen.

It is not only Ajax nurturing Holland's young players: PSV Eindhoven's Steven Bergwijn, 21, and Denzel Dumfries, 23, have also been entrusted by Koeman to start for Holland since he replaced Dick Advocaat last year.

Much like Ajax this season, Koeman has blended youth and experience, with the average age of the current squad 26.3 years.

He has continued to call upon the likes of Daley Blind, Jasper Cillessen, Ryan Babel and Memphis Depay, who is still only 25 but has 46 caps, to give the side stability and leadership, but it is the core contingent of players under 25 that generate excitement for

what could be to come.

Any thoughts that this Dutch side had left all their problems behind were tempered by a 3-2 defeat at home to Germany in March's Euro 2020 qualifiers, but the overall upward trajectory after recent shortcomings means there is room for error and occasional defeats, as to be expected with any young, maturing side.

They will come up against an England team that has taken a similar approach in giving opportunities to talented youngsters, but the Three Lions are slightly further ahead in their journey, having reached last summer's World Cup semi-finals.

Tomorrow's match presents an opportunity for both sides to move a step closer to claiming just their second major honour and, perhaps more importantly, a platform for their young sides to continue to build upon.

This is England's chance to develop winning habit

FOOTBALL COMMENT

Trevor Steven



HOPES are high for England at the inaugural Nations League as they prepare for their semi-final against Holland in Porto tomorrow. In part that is down to the success of Premier League clubs in Europe this season, even if that effort was helped by a multitude of other nationalities.

There is a sense of momentum behind Gareth Southgate's team, who over the last couple of years have developed into a truly modern-looking side stacked with good,

young, quick and hungry players.

I like the feeling of togetherness about this group, which mirrors a club set-up. Some have been together at various age-group levels for a long time, while newcomers are integrated quickly. That brings continuity and, in turn, consistency of results, meaning England have been able to build on reaching the World Cup semi-finals last summer.

There will be expectation on them now, but that is always there. What is more concerning is the possibility of rustiness, owing to the long break since the end of the domestic season.

A lot of these players haven't played competitive football for more than two weeks, and we saw in Saturday's dreary Champions League final the stultifying effect that can have. On the other hand, those Liverpool and Tottenham players

who featured may have shaken off some of that rust in the final and therefore be in better shape to perform in Portugal.

This is a new competition, which adds to the unpredictability, but simply being in a semi-final represents a great chance for

“

What's concerning is the possibility of rustiness, owing to the long break since the end of the league season

England to end their wait for a first significant trophy since 1966.

Winning and losing are habits and England need to become winners at international level. This week is a stepping stone, a fantastic chance to go into next summer's European Championship with a huge boost to their standing and confidence.

However it concludes on Sunday evening, the Nations League has been a huge success. It has cemented its place in the calendar and created an exciting finale to the season.

Jordan Henderson admitted Liverpool didn't play well in their 2-0 Champions League final win over Spurs, but it was his manager who put his finger on the reason.

Jurgen Klopp acknowledged that the gap between the end of the Premier League, on 12 May, and the climax to the European club season,

on 1 June, was far too long.

Teams lose rhythm and both sides looked nervous in Madrid. You can't just switch these things on. This match is meant to be the pinnacle and should be played within 10 days of domestic campaigns ending.

The first-minute penalty that went against Tottenham was harsh given the timing and the fact that Moussa Sissoko seemed to be raising his arm to direct team-mate Kieran Trippier rather than handle the ball.

Although it spoiled the contest as a spectacle, Liverpool deserve credit. Their 4-3-3 system and the industry of Sadio Mane and Mo Salah worked in keeping Spurs at arm's length.

Trevor Steven is a former England footballer who has played at two World Cups and two European Championships. Follow him @TrevorSteven63

RELIEF Sri Lanka fight back to beat Afghanistan after collapse



Sri Lanka bowled out Afghanistan for 152 to pick up their first win of the Cricket World Cup despite a batting collapse in Cardiff yesterday. Sri Lanka slipped from 144-1 to 201 all out before Afghanistan's target was revised to 187 from 41 overs due to rain. Hazratullah Zazai (30) and Najibullah Zadran (43) chipped away but Nuwan Pradeep (4-31) and Lasith Malinga (3-39) combined with important wickets to clinch it.

Remodelled clay game propels Konta to last four

New approach to the surface helps British No1 end a 36-year wait. By **Michael Searles**

SLOANE Stephens said that her two defeats to Johanna Konta earlier this year were "out of mind" ahead of their quarter-final clash at Roland Garros yesterday. But as Konta raced to a 6-1, 6-4 win in just one hour 11 minutes, it appeared as though they were anything but.

This is the first year that the British No1 has won a main draw match at the French Open in seven attempts, and as she made her debut on the prestigious Court Philippe-Chatrier, she put on a performance befitting of the occasion.

It was perhaps one of Konta's best ever displays as she gave world No7 Stephens no opportunity to grab a foothold in the match and became the first British woman to reach the semi-finals in Paris since Jo Durie in 1983.

After a tentative opening game which saw her save a break point there was no looking back as Konta held serve on every occasion, dropping just two points on serve in the entirety of the second set, both coming in the final game.

It's a part of her game that she has worked on significantly, returning to – if not exceeding – the heights she reached two years ago when she rose to world No4.

She hit six aces throughout the match – bringing her total for the tournament to 25, more than any other player – with a top speed of 109mph, while she also won an astonishing 86 per cent of points from her first serve.

Perhaps even more significant is how often the 28-year-old's first serve



Johanna Konta saw off Sloane Stephens in just one hour and 11 minutes at Roland Garros yesterday

WIDE OPEN: HOW THE SEEDS FELL IN PARIS

Naomi Osaka: The World No1 crashed out at the third round stage, losing in straight sets to unseeded Katerina Siniakova 6-4, 6-2.

Serena Williams: The American lost to 20-year-old compatriot Sofia Kenin 6-2, 7-5 as the No35 seed progressed to round four.

Karolina Pliskova: Czech Republic's world No2 lost 6-2, 6-2 to Croatian Petra Martic in another third round surprise in Paris.

Kiki Bertens: The No4 seed was forced to retire during the first set of her third round tie with Viktoria Kuzmova.

Aryna Sabalenka: The No11 seed lost 6-4, 6-2, in one hour and 14 minutes during her second round clash with Amanda Anisimova.

Elina Svitolina: Ukrainian lost in straight sets to Spain's No19 seed, Garbine Muguruza, to round off a giant-killing third round.

FEDERER TO PLAY NADAL IN FRENCH OPEN SEMI-FINAL

● Roger Federer will play Rafael Nadal in the French Open semi-finals on Friday after beating Stan Wawrinka in four sets yesterday. Federer came through 7-6, 4-6, 7-6, 6-4 against his Swiss compatriot in three hours and 17 minutes in Paris. The 20-time grand slam champion faces the difficult task of beating Nadal on his favoured clay surface after the Spaniard eased past Kei Nishikori 6-1, 6-1, 6-3. Nadal, 33, boasts a 23-15 head-to-head record against Federer and has won the French Open title on each of the 11 occasions he has reached the last four.

JOSHUA V RUIZ JR REMATCH SET FOR LATER THIS YEAR

● Anthony Joshua will fight Andy Ruiz Jr again in November or December, promoter Eddie Hearn announced yesterday. Ruiz produced one of the biggest shocks in heavyweight boxing to floor Joshua four times and take the Briton's IBF, WBO and WBA world titles in New York on Saturday. Hearn, who met with Joshua and his team, said a venue would be confirmed "shortly" after a rematch clause was triggered.

SARRI ADMITS TO MISSING ITALY AMID JUVE INTEREST

● Maurizio Sarri has admitted he would like to leave England and return to Italy after "a heavy year" in charge of Chelsea. Juventus have made an

SPORT DIGEST

approach for the Blues manager, who looks likely to leave the club, despite securing third place in the Premier League and winning the Europa League. "For us Italians, the call of home is strong," Sarri told Vanity Fair. "I feel that something is missing. It has been a heavy year."

STURRIDGE AND MORENO TO LEAVE LIVERPOOL

● Daniel Sturridge and Alberto Moreno will leave Liverpool this summer when their contracts expire. England striker Sturridge scored 67 goals in 160 appearances for the Reds after moving from Chelsea in January 2013, while Moreno played 141 times following a transfer from Sevilla in August 2014. Meanwhile, Phil Jagielka will leave Everton after 12 years at the club. The 36-year-old made 386 appearances for the Toffees.

FOOTBALL ASSOCIATION ANNOUNCE £50M BT DEAL

● The Football Association yesterday announced a five-year sponsorship deal worth £50m with BT. The telecoms giant, who take over from Vauxhall whose seven-year partnership ended last year, will sponsor all 28 of England's squads until 2024. The FA has 22 commercial partners, but BT, as lead sponsor, will have their logo shown on training kit.

across the court.

She used it to create impossible angles that 2017 US Open champion Stephens could not reach, and relentlessly hit the ball deep into the corners to leave the 26-year-old demoralised and unable to hit back.

Konta's resurgence this year is one thing, but her stark improvement on clay, a surface on which she previously held a poor record, is another.

Before 2019, the 28-year-old had only ever won eight matches at tour level on clay. This year alone she has won 16, reaching finals in both Rome and Morocco, and there is still the chance of adding two more.

It has come about since joining up with coach Dimitri Zavialoff, who previously trained Stan Wawrinka, at the end of last year, and has allowed her to flourish on the slower court.

"A lot of the work I'm doing does translate to all surfaces, but what clay requires is for you to play the game more than other surfaces, because you have more time," she told Eu-sport.

"With the things we're doing that's a big part of it, to give myself the space and freedom to play, to create the points the way I want to, to trust what I do. Dimitri has been really great in giving me the space to express myself."

Zavialoff is adamant that Konta's best surface is grass, but he may have to reassess his appraisal following yesterday's terrific performance.

Nonetheless, with Wimbledon just under a month away and Konta seemingly back to her best, there is reason to be optimistic going forward, however this week unfolds.

First of all, though, there is the small matter of a semi-final against Marketa Vondrousova tomorrow after the 19-year-old Czech continued the run of shocks by beating No31 seed Petra Martic in straight sets yesterday.

It may be one of the best chances Konta gets at claiming a maiden grand slam title, and now she is just one match away from booking a place in the final for the first time.

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