SEBASTIAN MCCARTHY @SebMcCarthy

SIR PHILIP Green made a dramatic last-minute bid to stall the collapse of his retail empire yesterday by postponing a crunch vote that threatened the future of his high street brands.

In a shock move, the Topshop tycoon decided to delay the final decision from creditors on whether to give the go-ahead to controversial insolvency plans for his Arcadia fashion group, as landlords wavered in their support for a major restructuring effort.

Green and his Arcadia directors are now set for a frenzied week of negotiations with landlords ahead of a second make-or-break meeting next Wednesday. Creditors will vote again on whether to approve a company voluntary arrangement (CVA), a form of insolvency used to cut rents and close stores.

If the retail giant fails to secure support from 75 per cent of creditors, it is expected to collapse into administration, putting 18,000 jobs at risk.

"We believe that with this adjournment, there is a reasonable prospect of reaching an agreement that the majority of landlords will support," Arcadia chief executive Ian Grabiner said last night.

In a vote that looked set to come down to the wire, some of Britain’s largest landlords were split on whether to back the under-fire mogul’s seven CVA proposals. Intu, Aviva and M&G were among the major creditors understood to have voted against some of the proposals, while British Land and Hammerson were said to have voted in favour of them.

"In the context of the recent high-profile retail CVAs, this is certainly a first," Simon Underwood, business recovery partner at accountancy firm Menzies, told City A.M.

Green, who was not present at yesterday’s meeting in central London, suspended yesterday’s vote count by an hour to plead personally with several landlords such as Land Securities. However, after voting closed at 5pm, Arcadia said it had decided to “conduct further dialogue with a few landlords.”
Without action, a crisis over pensions looms

The row over pensions for women born in the 1950s stepped up a gear this week when campaigners headed to the High Court for a judicial review. Women used to retire at 60, five years earlier than men. In 1995, a timetable was drawn up to equalise this, phasing in the increase. However, the changes were brought forward by the coalition government in 2011 in a bid to make the state pensions bill more affordable. For 2.6m women, this meant hastily adjusting their retirement plans. Campaigners argue that the rises were too abrupt and poorly communicated, with some reportedly left unaware even of the 1995 change, and therefore forced to work for years past their anticipated retirement date. For the more vulnerable, this ordeal has been devastating. They are now demanding compensation. Clearly, these women - some of whom claim they got barely a year's notice that their retirement age would be five years later than expected - have been treated exceptionally badly. Their case deserves proper consideration, and it is imperative that the government takes a hard look at the communications process that led to this disaster. However, the underlying principle that the state pension age must rise is undeniable. Since modern state pensions were introduced for all in 1948, life expectancy has shot up, while the threshold has barely moved. With more pensioners living longer in receipt of state benefits, the cost of pensions has risen, while the threshold has barely moved. With more pensioners living longer in receipt of state benefits, the cost of pensions has risen, while the threshold has barely moved. Without action, a crisis over pensions looms.

THE TIMES

THE WALL STREET JOURNAL

THE DAILY TELEGRAPH

BACK ON THE BEACHES Veterans mark 75 years since the Normandy landings as the Queen and leaders honour the fallen

Whitman in the witness box at $5bn HP fraud trial

Jessica Clark

Former HP boss Meg Whitman was prepared to throw her predecessor "under the bus" and blame him for the tech giant’s failed $2.2bn acquisition of Autonomy, a court heard yesterday. In an email to HP’s head of communications in 2011, Whitman said she was “happy to throw Leo under the bus in a tit for tat” following a news report in which ex-HP chief executive Leo Apotheker blamed the company’s board for the acquisition. Her email, read out to the court yesterday, was sent a month after HP announced a board meeting was to be held to discuss the deal which had closed a year earlier.

The deal is at the centre of the biggest civil fraud trial in UK history.

HP is suing US businessman Mike Lynch, who was the founder and chief executive of Autonomy, for $5.1bn (£4bn). The tech firm claims Lynch and finance chief Sushovan Hussain falsely inflated the software firm’s revenue ahead of the sale.

Giving evidence in court yesterday Whitman said: “I felt like he [Apotheker] was trying to throw the board under the bus and it was in a moment of anger over what had happened here and I shouldn’t have said it.”

Robert Miles QC, for Lynch, said: “This is what you then did to Dr Lynch.”

Whitman then denied that was the case.

Lynch has accused HP of treating Autonomy like its “unwanted stepchild”, saying the board lost its nerve over the acquisition.

Whitman told the High Court that she refocused HP on its core hardware business to reassure the market following an announcement of the Autonomy acquisition and a proposal to spin off the company’s PC business, which sparked a share price plunge.

“There is no question I was securing our hardware business... I didn’t say we were not going to do anything with software but I wanted to make sure the customers and the markets knew we were not going to walk away from our bread and butter,” she said.

The court also heard that Whitman played country music in executive committee meetings and read aloud praise she had received from staff.

Whitman denied reading out complimentary messages but admitted she had once played 'The Gambler' by Kenny Rogers during in a meeting to “get a message across”.

The trial continues.

The US Department of Justice will seize power in a military coup.

Ex-US president Donald Trump has threatened.

The European Union threatened.

New figures yesterday showed US apprehensions at the southern border accelerated, as Mexican officials made a last-ditch effort to head off tariffs. US President Trump has threatened.
St James’s Place drops Woodford from £3bn fund

NEIL Woodford was dropped as the manager of £3.5bn of St James’s Place’s funds yesterday.

St James’s Place said it had terminated its mandates with Woodford Investment Management, appointing Columbia Threadneedle and RWC Partners in its place.

A spokesperson for St James’s Place said the firm had “been keeping a close eye on the situation” and that the firm had spoken to Neil to communicate its decision.

Trading in the former star stock picker’s flagship Woodford Equity Income Fund was suspended on Monday following a spike in withdrawals.

Yesterday, the Financial Conduct Authority (FCA) said it was examining the circumstances around the fund’s decision to list some of its assets on The International Stock Exchange (Tise) in Guernsey.

According to EU rules, funds can only hold up to 10 per cent of unlisted securities. The decision to list assets on Tise in Guernsey was a way of staying within that limit.

The FCA said it had been “in discussions” with Link Funds and Tise “regarding the circumstances around the listing of certain [parts] of the fund’s assets on that exchange”.

Woodford’s fall from grace has also hit stockbroker Hargreaves Lansdown, which had heavily promoted Woodford’s funds to its clients.

Yesterday, it waived its platform fee for the fund while dealing is suspended, and said it had put pressure on Woodford Investment Management to do the same.

Hargreaves Lansdown’s share price fell 6.8 per cent yesterday to 1,981p.

On Tuesday night, Woodford apologised to investors in a Youtube video. “As difficult a decision as this is, and clearly frustrating for you, our investors, we felt that this was necessary to protect your interests,” he said.

He said he would use the duration of the suspension to reduce the fund’s exposure to illiquid and unlisted stocks.

Fiat Chrysler withdraws Renault merger plans after French doubts

AUTOMOTIVE giant Fiat Chrysler withdrew its proposal to merge with rival Renault late last night, but said it was still “firmly convinced” of the deal’s potential.

An apparent lack of enthusiasm from the French government, which owns 15 per cent of Renault and had requested the deal be postponed, prompted Fiat to withdraw its offer.

In a statement, Fiat said: “It has become clear that the political conditions in France do not currently exist for such a combination to proceed successfully.”

Two representatives of Nissan – a close ally of the French firm – on Renault’s board also refused to offer support for the £29.1bn deal, raising doubts over the Japanese car firm’s commitment to the move.

Fiat had previously suggested the merger with Renault, which would have formed the world’s third-largest car maker, could have helped both firms to overcome regulatory and technological pressures.

Earlier yesterday, France’s finance minister Bruno Le Maire said there was no rush to reach a deal, adding: “We should take our time.”

Renault said it could not make a decision given France’s position.

Unions fear Ford may pull plug on Welsh factory with 1,700 staff

WORKERS fear “disaster” could strike if car maker Ford prepares for talks today over the future of its engine plant in Bridgend.

Unions have been called to the company’s Essex headquarters to discuss the future of the Welsh factory, where it has 1,700 staff.

“If our worst fears are confirmed it will mean disaster,” said Jeff Beck, a GMB union organiser.

Ford arranged the meeting some time ago, but changed the agenda at late notice. GMB told City A.M.

The US manufacturer will cut around 550 jobs at its Essex headquarters, City A.M. revealed earlier this month.

The firm is trying to streamline its European operations, which had slim profits in the first quarter.

Ford said it was unable to comment on speculation.

Local Plaid Cymru assembly member Bethan Sayed said: “If this is true, it will have devastating impact on Bridgend [and] the region.”

SPORTS Direct upped its stake in Game Digital to 38 per cent yesterday, immediately launching a bid to buy out the gaming chain. It is the latest attempt by owner Mike Ashley to expand his high street empire, having acquired House of Fraser.

SPORTS Direct’s Ashley makes £52m takeover proposal for Game Digital

LET’S PLAY Sports Direct’s Ashley makes £52m takeover proposal for Game Digital
JOIN THE CLUB TODAY AND BANK £100 TO SPEND AT GAUCHO
WWW.CITYAMCLUB.COM

THE INSIDE TRACK IS FASTER

CITY A.M. CLUB
IT’S BETTER ON THE INSIDE
GVC dealt bloody nose as investors rebel against remuneration report

ALEXANDRA ROGERS

@city_amrogers

OVER 40 per cent of shareholders in GVC Holdings, the owner of betting shop Ladbrokes, staged a revolt over pay at the company’s annual meeting in Gibraltar yesterday. Nearly 194m votes were cast against the firm’s remuneration report for last year, in which GVC chief executive Kenny Alexander was awarded £19.1m.

The revolt came despite Alexander moving to forego around £150,000 of his salary in a bid to thwart the rebellion.

Last month, Alexander agreed to give up three quarters of a recent £200,000 pay rise to £50,000 after talks with the company’s board, and instead settle on a new £800,000 figure for his base salary.

Overall, top executives collected nearly £28m in pay after considerable share awards.

GVC’s remuneration committee chair, Jane Anscombe, said: “The remuneration committee notes and is naturally disappointed with the vote on resolution two.

“We engaged extensively with shareholders ahead of the annual general meeting and would like to thank them for their helpful and constructive input.

“We understand that some shareholders ultimately felt unable to support the remuneration report, in part due to our legacy arrangements, which going forward no longer form part of our remuneration framework.”

CMA chair Tyrie warns the Big Four on audits

JAMES BOOTH

@JamesBooth1

THE CHAIR of the Competition and Markets Authority (CMA) Lord Andrew Tyrie said yesterday the demand for reform of the audit sector is “very strong” in government and parliament.

In April, a report by the CMA called for the audit practices of the Big Four to be ringfenced from their consultancy arms.

“I think the market needs to realise, if it hasn’t already, that there is appetite for whatever is required to address this is very strong,” Tyrie told the Business, Energy and Industrial Strategy (Beis) Select Committee.

The report also called for joint audit companies alongside one of the Big Four and some audit practices to be ringfenced.

The report followed a series of scandals, such as the collapse of outsourcing Carillion last year, in which auditors failed to spot serious problems within a client firm.

Since the publication of the CMA’s report, KPMG has shaken up the structure of its audit practice and PwC has said it will spend an extra £10m on training to improve quality.

Committee chair Rachel Reeves MP asked Tyrie if voluntary reforms by the Big Four went far enough.

He said the CMA’s proposals were needed to “crack the problems”, adding: “Doing something else risks not addressing adequately those problems.”

Tyrie said the CMA would urge the government to deliver reform.

A list of stakeholders said: “We are committed to bringing forward reforms to ensure the UK continues to offer the highest standards.”

Bank of England calls for ‘last orders’ on scandal-hit Libor as 2021 deadline looms

COLLUUM KEOWN

@CallumKeown1

THE BANK of England has called “last orders” on the scandal-hit Libor interest rates as regulators push for financial institutions to transition away from the benchmark by 2021.

Deputy governor Dave Ramsden said good progress was being made, and added that getting on with the switchover to the Sterling Overnight Index Average (Sonia), an alternative benchmark, could be a boost for the City.

Global regulators, led by the Financial Conduct Authority (FCA) in the UK, have been encouraging banks to find alternative systems following the Libor rigging scandal, which saw global banks fined billions for manipulating the rate for profit, and a reduction in transactions.

The FCA and the Bank were forced to issue a reminder last year as progress was moving slowly, with the rate, which measures the cost of borrowing between banks, still being used for derivatives, bonds, and loan contracts worth more than £300 trillion.

Speaking at a Bank of England event earlier today, Ramsden said: “The time for ‘last orders’ is now.

“Firms need to be focused on what they need to do to be able to transact Sonia-based products, and stop adding to their post-2021 Libor exposures.”

Speaking to Bloomberg, he added: “To be honest I see a possible advantage here for London, getting on and innovating with the new product, Sonia, the new infrastructure. This could be good for London as a financial centre.

“In September last year the Bank and the Financial Conduct Authority ramped up efforts to accelerate the transition, writing to chief executives asking for their plans to ditch the rate.

FCA chief executive Andrew Bailey said the transition was progressing ahead of expectations despite acknowledging the deadline was ambitious and aggressive.

He said: “I think we are at least up to and if not probably somewhat ahead of where I’d hoped we would be on that front by now.”

But Bailey warned “nothing would be off the table” when it came to finding ways of dealing with the legacy of contracts that still reference Libor after the end of 2021.

The City watchdog also warned earlier this year that the endgame for Libor would be uncertain, urging all banks that use the rate to “rapidly” move to alternatives.

Osteocare® combined calcium and magnesium tablets

Does your calcium supplement also provide important magnesium?

Available from Holland & Barrett, Superdrug, supermarkets.

www.osteocare.com

Osteocare® combines calcium and magnesium vit. D & zinc which all contribute to the maintenance of normal bones.

Osteocare® in liquid form in a variety of refreshing flavours, great for the whole family.

Britain’s No.1 Vitamin Company* Made in Britain

THURSDAY 6 JUNE 2019 | NEWS | 05

THURSDAY 6 JUNE 2019

NEWSCITYAM.COM
**UK growth ‘near stagnation’ as services pick up**

**HARRY ROBERTSON**

@henryrobertson

THE UK SERVICE sector beat analysts’ expectations to reach a three-month high in May, according to survey data released yesterday by IHS Markit and the Chartered Institute of Procurement & Supply (Cips).

Yet IHS Markit said the UK economy was “close to stagnation” as Brexit and a global slowdown dragged on growth in services, having sent manufacturing into contraction in May.

A modest rebound in new business orders for the service sector, which saw growth in services, having sent manufacturing into contraction in May.

Despite Brexit being extended until 31 October, a no-deal scenario is still a clear possibility.

Conservative leadership candidates have been playing up their hard-Brexit credentials in a bid to win party members’ votes.

Chris Williamson, chief business economist at IHS Markit, said: “Although service sector business activity gained a little momentum in May, with growth reaching a three-month high, the pace of expansion remained disappointingly muted.”

“The PMI surveys collectively indicated that the UK economy remained close to stagnation midway through the second quarter,” he said.

Chris Sood-Nicholls from Lloyds Bank said: “While a small expansion in the sector is positive, we must be realistic—many services firms remain understandably cautious in the current environment.”

The figures came a day after IHS Markit and Cips said the manufacturing sector contracted sharply in May. Manufacturers blamed Brexit as they reported it was much harder to convince clients to commit to new contracts last month, while export business fell.

The regulator’s intervention brought an end to a months-long battle between the two lenders.

Provident shares soared 16 per cent yesterday as it fended off the bid, but Non-Standard Finance’s stock plunged close to 11 per cent.

Goodbody analyst John Cronin said Provident put up a strong defence and that the “prey could now become the predator” as the proposed combination was logical.

Provident could hit back as NSF deal collapses

**CALLUM KEOWN**

@CallumKeown1

NON-STANDARD Finance’s failed hostile takeover bid of rival Provident could leave the sub-prime lender exposed to a counter-offer, it has been warned.

The deal collapsed on Tuesday night after the Prudential Regulation Authority (PRA) said the enlarged group would not have enough capitalisation unless more shareholders supported the offer.

The regulator’s intervention brought an end to a months-long battle between the two lenders.

Provident shares soared 16 per cent yesterday as it fended off the bid, but Non-Standard Finance’s stock plunged close to 11 per cent.

Goodbody analyst John Cronin said Provident put up a strong defence and that the “prey could now become the predator” as the proposed combination was logical.

NSF said it could have won PRA approval if it had attracted more shareholder support.

But several prominent investors including Aberdeen Standard, Coltrane and Schroders had rejected the offer.

---

**THE FUTURE OF AVIATION**

Thursday 20 June 2019
6.30pm – 9.30pm

ROYAL ALBERT DOCK

Come along to the CityAM and RAD The Future of Aviation event.

Network with leading figures in the aviation industry as well as taking a first look at the new Royal Albert Dock business district opposite London City Airport.

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

STRICTLY RSVP - TO REGISTER YOUR INTEREST TO ATTEND PLEASE VISIT WWW.CITYAM.COM/EVENT/RAD
Government urged to prioritise consumer rights in UK trade deals

OWEN BENNETT

BUSINESS leaders and trade union bosses will today urge the government to maintain consumer rights and standards in any future trade deals at the first meeting of a new advisory group.

The CBI, Federation of Small Businesses and TUC union – along with consumer specialists Which and the Fair Trade Foundation – are among 16 representatives from the commercial sector to sit on the newly-formed Strategic Trade Advisory Group.

Ahead of the group’s first meeting this morning, which will be attended by international trade secretary Liam Fox, the organisations released a set of “guiding principles” for any post-Brexit commerce agreements.

The six principles include helping to ensure all of the UK benefits from the deals; the protection of labour standards and public services; the maintenance of consumer rights and standards; the promotion of international development; the creation of a fair and transparent dispute resolution; and environmental protections.

A statement from the groups said: “Trade can be a powerful tool to increase and share prosperity in the UK and around the world.

“But the public debate in this area – almost exclusively on Brexit or the merits of possible new free trade agreements – says very little about how trade can benefit the whole of society.

“Today is an opportunity to press the reset button and show how trade can work for all when trade unions, businesses and civil society work in partnership with government.”

Brussels recommends debt crackdown on Rome

HARRY ROBERTSON

THE EUROPEAN Commission (EC) yesterday said disciplinary procedures should be launched against Italy over its high levels of government debt.

The move will further inflame the row between Brussels and Rome, as the Italian government seeks to cut taxes and increase spending.

Yesterday, the Commission – the European Union’s executive body – said it had not kept its word on a 2018 plan to reduce its public debt.

Debt stood at 132 per cent of GDP in 2018, more than twice the EU’s limit. Italy is due to overshoot the bloc’s three per cent debt ceiling in 2020.

The EC said it recommended an “excessive deficit procedure”, a process through which it will investigate Italy’s debt situation.

Crisis-era ‘bad bank’ pays off Treasury loan

HARRY ROBERTSON

THE SO-CALLED bad bank created to take loans off the hands of Northern Rock and Bradford & Bingley (B&B) after the financial crisis has paid back the last of almost £5.5bn used to fund the bailouts.

Treasury-owned UK Asset Resolution (UKAR) yesterday said it had repaid in full the government loan of £4.7bn which it had mainly used to buy up bad loans from now-defunct Northern Rock and B&B.

UKAR was created in 2010 to help wind up the imperilled lenders in an orderly way.

It took on billions of pounds worth of mortgage loans that borrowers could not afford to pay back as house prices fell.

Ian Hares, chief executive of UKAR, said: “The final payment followed the completion of the sale of the two NRAM [formerly Northern Rock] portfolios.”

City of London update

Square Mile set for top speed of 15mph

The City of London is to make the Square Mile the first area in the UK with a 15mph speed limit, subject to government approval.

This decision follows a public consultation into 54 proposals which together sets a 25-year framework for the City’s first long-term Transport Strategy.

The plans have been developed to support changing working, living and commuting habits. Monitoring reveals that 90% of all journeys made on the City’s streets are partially or entirely walked.

The new Strategy will prioritise the needs of people walking when delivering changes to streets, and make the most efficient use of street space by working to reduce motor traffic by 25% by 2030, and by 50% by 2044.

New forum to encourage legal tech

The City of London Corporation has launched a LawTech Sounding Board to gather views on how to increase adoption of legal technology in the financial and professional services sector.

The creation of the Sounding Board comes in the wake of a report by the Law Society, which showed that adoption of technology remains limited across the legal sector.

It will aim to provide a forum for exploring what practical action can be taken by the legal and tech communities to ensure the UK retains its competitive advantage as a legal technology hub.

Industrial action hit services across London

Tory peer is new head of Financial Ombudsman Service

Oil slips up as the US stockpiles

August Graham

THE PRICE of Brent crude fell sharply last week, against analyst predictions.

The international standard Crude oil prices declined by more than three per cent across the day as a running price decline continued. US stockpiles rose by 6.8m barrels, against a predicted 49m, 000.

Oil prices have dipped in recent weeks as worries escalate over trade between the US and China.

“The overriding concern here is that inventories are swelling just as Trump’s trade war on multiple fronts threatens future demand,” said Fiona Cincotta, a senior analyst at City Index.
Alex Daniel
@alexmdaniel

Rule changes to government policy and automotive grants caused hybrid and diesel car sales to fall last month. Overall, new car sales fell 4.6 per cent year-on-year to just 183,724 units, according to the Society of Motor Manufacturers and Traders (SMMT).

The SMMT yesterday said uncertainty over clean air policies and the removal of incentives for hybrid cars were behind the drop. Plug-in hybrid car sales fell 40 per cent compared to May 2018. The drop comes after the government cut the subsidy for those buying electric cars from £4,500 to £3,500. It also excluded a number of plug-in models from qualifying for the grant.

The government has repeatedly denied that its reduction of the subsidy has had a detrimental effect. SMMT boss Mike Hawes said: “Confusing policy messages and changes to incentives continue to affect consumer and business confidence, causing drivers to keep hold of their older, more polluting vehicles for longer.”

Overall alternatively fuelled car sales rose 11.7 per cent as petrol hybrids continued to boom, recording a 34.6 per cent sales rise. New diesel car sales fell for the 26th consecutive month, plummeting 18 per cent in May. Until a few years ago, diesel made up around half the UK’s new car market. That has since nearly halved, with market share standing at 28 per cent.

Ongoing anti-diesel sentiment and the forthcoming introduction of low emission zones continues to affect buyer confidence.

Alex Daniel
@alexmdaniel

Babcock charts its way back to success with profit growth plan

Babcock has outlined plans to boost profit growth by four per cent by 2024. The company yesterday laid out a series of medium-term targets designed to boost growth between three and four per cent. It hopes to bolster total revenues to more than £85 per cent. They currently sit at 75 per cent. This would come from its three key divisions of defence, emergency services and nuclear.

Babcock also plans to expand abroad, increasing overseas revenue from 30 per cent of group turnover currently, to more than 40 per cent. Shares rose 2.5 per cent yesterday.

New car market misfires after incentive cuts

Alex Daniel
@alexmdaniel

The defence firm reported a 47 per cent operating profit slump last month

Babcock has outlined plans to boost profit growth by four per cent by 2024. The company yesterday laid out a series of medium-term targets designed to boost growth between three and four per cent. It hopes to bolster total revenues to more than £85 per cent. They currently sit at 75 per cent. This would come from its three key divisions of defence, emergency services and nuclear.

Babcock also plans to expand abroad, increasing overseas revenue from 30 per cent of group turnover currently, to more than 40 per cent. Shares rose 2.5 per cent yesterday.

Alex Daniel
@alexmdaniel

BT to shutter 90 per cent of its UK offices

Robin Harp

BT Group will shut offices in more than 270 locations across UK as it seeks to cut £1.5bn in costs.

The telecoms company is to slash its number of offices across the UK by 90 per cent, leaving just 30 open.

In some locations, existing buildings will be refurbished while other offices will move to more modern premises.

Initial new locations will be Belfast, Birmingham, Bristol, Cardiff, Edinburgh, London, Manchester, and Ipswich.

Philip Jansen, who took over as the firm’s chief in April, said: “We have dedicated teams working on identifying the best buildings to move into and which ones to redesign for the future. As a result of this programme, BT people will be housed in inspiring offices that are better for our business and better for our customers."

The changes comes as part of a larger plan announced a year ago by Jansen’s predecessor, Gavin Patterson, to save £1.5bn and improve its services. BT will cut 13,000 jobs as part of the process.

A BT spokesperson told City A.M. no further jobs will be cut.

New car market misfires after incentive cuts

Alex Daniel
@alexmdaniel

Rule changes to government policy and automotive grants caused hybrid and diesel car sales to fall last month. Overall, new car sales fell 4.6 per cent year-on-year to just 183,724 units, according to the Society of Motor Manufacturers and Traders (SMMT).

The SMMT yesterday said uncertainty over clean air policies and the removal of incentives for hybrid cars were behind the drop. Plug-in hybrid car sales fell 40 per cent compared to May 2018. The drop comes after the government cut the subsidy for those buying electric cars from £4,500 to £3,500. It also excluded a number of plug-in models from qualifying for the grant.

The government has repeatedly denied that its reduction of the subsidy has had a detrimental effect. SMMT boss Mike Hawes said: “Confusing policy messages and changes to incentives continue to affect consumer and business confidence, causing drivers to keep hold of their older, more polluting vehicles for longer.”

Overall alternatively fuelled car sales rose 11.7 per cent as petrol hybrids continued to boom, recording a 34.6 per cent sales rise. New diesel car sales fell for the 26th consecutive month, plummeting 18 per cent in May. Until a few years ago, diesel made up around half the UK’s new car market. That has since nearly halved, with market share standing at 28 per cent.

Ongoing anti-diesel sentiment and the forthcoming introduction of low emission zones continues to affect buyer confidence.

Alex Daniel
@alexmdaniel

Babcock charts its way back to success with profit growth plan

Babcock has outlined plans to boost profit growth by four per cent by 2024. The company yesterday laid out a series of medium-term targets designed to boost growth between three and four per cent. It hopes to bolster total revenues to more than £85 per cent. They currently sit at 75 per cent. This would come from its three key divisions of defence, emergency services and nuclear.

Babcock also plans to expand abroad, increasing overseas revenue from 30 per cent of group turnover currently, to more than 40 per cent. Shares rose 2.5 per cent yesterday.

Alex Daniel
@alexmdaniel

BT to shutter 90 per cent of its UK offices

Robin Harp

BT Group will shut offices in more than 270 locations across UK as it seeks to cut £1.5bn in costs.

The telecoms company is to slash its number of offices across the UK by 90 per cent, leaving just 30 open.

In some locations, existing buildings will be refurbished while other offices will move to more modern premises.

Initial new locations will be Belfast, Birmingham, Bristol, Cardiff, Edinburgh, London, Manchester, and Ipswich.

Philip Jansen, who took over as the firm’s chief in April, said: “We have dedicated teams working on identifying the best buildings to move into and which ones to redesign for the future. As a result of this programme, BT people will be housed in inspiring offices that are better for our business and better for our customers."

The changes comes as part of a larger plan announced a year ago by Jansen’s predecessor, Gavin Patterson, to save £1.5bn and improve its services. BT will cut 13,000 jobs as part of the process.

A BT spokesperson told City A.M. no further jobs will be cut.
We see possibilities everywhere.

BP is partnering with Fulcrum BioEnergy to convert landfill waste into biofuel for planes. It’s one more way BP is working to make energy cleaner and better.

Retailer Findel to change name amid sales rise

JAMES WARRINGTON
@j_a_warrington

HOME shopping company Findel posted a sharp rise in profit and unveiled a new brand name yesterday, weeks after it fended off a takeover bid from shareholder Sports Direct.

Pre-tax profit jumped 33 per cent to £29.4m in the year to the end of March, while revenue rose 5.7 per cent to £506.8m.

Findel said its performance had been driven by growth in customer numbers, sales and profit in Studio, its online discount retail division.

The London-listed firm revealed plans to change its name to Studio Retail Group in a bid to raise the profile of the Studio brand.

The overhaul comes amid a tussle with Mike Ashley’s Sports Direct, which is Findel’s largest shareholder.

Earlier this year the tracksuit tycoon increased his stake in the firm to more than 30 per cent, forcing a mandatory takeover bid.

But Findel’s board rejected the £139m offer, which it said “significantly undervalued” the company, and the bid lapsed.

In a review published alongside the results, chief executive Phil Maudsley said the firm had also scrapped plans to roll out a menswear range with Ashley’s retail empire.

He said the company will continue to explore potential for access to other Sports Direct-owned brands.

MICROSOFT AND ORACLE TO TAKE ON AMAZON

Microsoft and Oracle will connect their cloud services in an effort to woo big businesses and take on market leader Amazon Web Services (AWS). The combined service will enable users to connect Oracle’s autonomous databases with Microsoft services. Oracle has lost much of its ground to Amazon’s AWS. According to Jefferies, AWS holds a 65 per cent market share, compared with 25 per cent for Microsoft and Google’s 10 per cent.

BOMBARDIER BOOSTS ON MITSUBISHI HEAVY TALKS

Japan’s Mitsubishi Heavy said yesterday it was holding talks to buy Bombardier’s regional jet program, sending the Canadian company’s shares up 14 per cent. Mitsubishi Heavy, which is working to break into aviation with the launch of its own regional jet program, said that it was in discussions but that no decision had been made.

Bombardier also confirmed that it was in discussions with Mitsubishi.

CHALLENGER BANK PCF POSTS PROFIT SURGE

AIM-listed UK bank PCF posted a 57 per cent profit surge yesterday as its lending portfolio continued to grow rapidly in the first half of the year.

The specialist lender said profit rose to £10.1m in the six months to the end of March. The bank also entered the bridging property finance market earlier this year, and acquired media finance provider Azule.
 Costs lay waste to Biffa’s profit as revenue rises

HARRY ROBERTSON
@henryrobertson

WASTE management firm Biffa’s profit almost halved over the past financial year, as the company absorbed expensive one-off charges.

The UK firm’s results for the 12 months to the end of March, released yesterday, put the fall down to onerous contracts, debt payments and regulatory costs.

Biffa had to reorganise itself into two divisions – collections, and resources and energy – to better reflect the changing waste market.

Biffa’s statutory profit before tax fell 44 per cent to £21.5m from £38.3m a year earlier.

Meanwhile the waste management firm’s statutory revenue rose to £1.08bn for the year to 29 March from £1.09bn a year previously.

The total dividend per share rose to 7.2p from 6.7p.

Biffa has narrowly fulfilled the promise it made in March to increase underlying revenue growth, although its profit was heavily dented this year by one-off charges.

The High Wycombe-headquartered firm made seven acquisitions in the year. Those included Weir Waste and Specialist Waste Recycling Limited, which pushed up

net debt while helping to increase revenue.

Biffa had a challenging year in its key municipal market, with underlying operating profit more than halving from £11.2m in the year ended March 2018 to £4.7m this year.

It put the weak municipal performance down to fuel and wage cost pressures and under-performing contracts.

Biffa’s share price fell 6.88 per cent before tax yesterday to stand with my group.

Michael Topham, chief executive, said: “We’ve had another very strong year of organic and acquisition growth coupled with a further reduction in customer churn.”

He said Biffa had “successfully weathered the headwinds associated with the Chinese import restrictions on commodities and the recent market impacts in our municipal division”.

“We are proud of our leading plastics recycling capabilities and are excited at the role we are playing in this area.” For example, he said, “85 per cent of milk bottles in the UK now contain Biffa recycled material”.

“Our strategic priorities are clear – growing our industrial and commercial collections business and investing in recycling and energy from waste assets,” he said.

In its statement, the firm said: “We've had another very strong year of organic and acquisition growth coupled with a further reduction in customer churn.”

“Let’s be part of City Giving Day,” the group said.

“By supporting City Giving Day, you can help make a difference to your local community and the lives of those who are most in need.”

For more information about City Giving Day, visit https://www.citlyam.com/cgd

JOE CURTIS
@joe_c_curtis

AVIVA’s chief financial officer (CFO) is set to depart in the latest of a series of sweeping changes under new boss Maurice Tulloch.

Tom Stoddard will quit his role as chief financial officer at the end of June, the UK insurer’s board of directors said yesterday.

He will be replaced on an interim basis by Tim Windsor who is currently the CFO of Aviva’s UK arm.

“Tom has been a tremendous leader and has played a major role in delivering Aviva’s financial turnaround, significantly strengthening the group’s capital position,” Tulloch said.

“After five successful years at Aviva, he leaves with my best wishes and those of Aviva’s board.”

Stoddard added: “Whilst I will miss all the friends I have made here, Aviva has a strong finance team, and it is now time for me to clear the way for others to step up, as I consider new opportunities.”

Windsor will take on the interim CFO role from July. He has worked at Aviva since 2010 and his roles have included chief strategy officer and investment officer, and a group executive member.

Stoddard will remain with the company until the end of the year to ensure a smooth transition.

The CFO had been nominated last year as part of a wave of departures announced by Aviva since Tulloch took the top job in March. He replaces Andy Briggs, the chief executive of Aviva’s UK insurance arm, in late April.
Customer rail against Southern in trust survey

ALEXANDRA ROGERS @city_amrogers
SOUTHERN has been ranked as the least-trusted rail operator in the UK, according to new research from the independent transport watchdog.

Southern, which is run by Govia Thameslink Railway (GTR), was not trusted by 23 per cent of passengers as of autumn last year, Transport Focus data revealed.

Southern’s reputation took a hit in 2016 when it suffered the first wave of industrial action over the role of guards on its trains. The row went on for nearly two years.

Transport Focus surveyed 25,000 passengers for the research. It forms part of the group’s submission to the government’s “root and branch” review of the railways in the wake of last year’s May timetable chaos, in which thousands of services were overcrowded, delayed and cancelled.

Former British Airways boss Keith Williams is leading the review, and is due to publish his findings in the summer, in time for a government white paper in the autumn.

Transport Focus chief executive Anthony Smith said: “There are some wide variations between train operators that keenly reflect the passenger experience. Public trust in the railway is fragile but has never been more important.”

Other operators that scored low on the trust scale were Great Northern, which 22 per cent of passengers said they did not trust, Thameslink, which is also run by GTR, was not trusted by 21 per cent of passengers.

Meanwhile, the two train companies with the highest trust ratings were Grand Central and the Heathrow Express, which achieved trust scores of 70 per cent or more.

LEAST-TRUSTED RAIL OPERATORS

<table>
<thead>
<tr>
<th>Operator</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern</td>
<td>23%</td>
</tr>
<tr>
<td>Great Northern, Northern</td>
<td>22%</td>
</tr>
<tr>
<td>Thameslink</td>
<td>21%</td>
</tr>
<tr>
<td>Southeastern</td>
<td>13%</td>
</tr>
<tr>
<td>TransPennine Express</td>
<td>10%</td>
</tr>
<tr>
<td>Greater Anglia, Transport for Wales</td>
<td>9%</td>
</tr>
<tr>
<td>Great Western Railway, Gatwick Express</td>
<td>9%</td>
</tr>
<tr>
<td>C2C</td>
<td>8%</td>
</tr>
<tr>
<td>TFL, Rail</td>
<td>6%</td>
</tr>
<tr>
<td>LNER, Virgin Trains, East Midlands Trains</td>
<td>4%</td>
</tr>
<tr>
<td>London Overground</td>
<td>4%</td>
</tr>
</tbody>
</table>

*% of passengers that do not trust the operator

JLR teams up with BMW on electric vehicles

ALEX DANIEL @alexmdaniel
BMW AND Jaguar Land Rover (JLR) yesterday announced they will jointly develop electric cars.

The firms said they would work together to make transmissions and power electronics, unveiling yet another industry alliance designed to lower the costs of developing electric cars.

Both car makers are under pressure to roll out electric vehicles to meet stringent anti-pollution rules, but have struggled to maintain profit margins in the face of the the rising costs of making electric cars.

“Together, we have the opportunity to cater more effectively for customer needs by shortening development time and bringing vehicles and state-of-the-art technologies more rapidly to market,” said BMW board member Klaus Froehlich.

BMW and JLR said they will save costs through shared development, production planning and joint purchasing of electric car components.

Both firms will produce electric drivetrains in their own factories, BMW said.

“It should not have a negative impact on our competitiveness on electric cars,” said BMW board manager Stefan Gruber.

Google-Ahead says interim finance boss will keep role ahead of fresh results

ALEXANDRA ROGERS @city_amrogers
GO-AHEAD Group has appointed former Southeastern finance director Elodie Brian as its chief financial officer (CFO), as it works with finance and contracts director at Southeastern, one of the group’s submission to the independent transport watchdog.

Go-Ahead chief executive David Brown said: “I am delighted that Elodie can build on the impact she has already made to the business in the past six months.”

“Her appointment is testament to her leadership skills and evidence of the strength of talent that we have within Go-Ahead.”

Brian said: “The business has an ambitious growth strategy and I am excited to be working with David to deliver it.”

Go-Ahead will release a trading update today for the period from 30 December 2018 to 5 June 2019.

Go-Ahead previously said its profit dropped by more than 56 per cent in the second half of last year due to the scrapping of its London Midland franchise and poor financial performance for Goria Thameslink Railway.

Rail operating profit fell from £40.3m to £17.6m in the six months ending 29 December 2018, but this was ahead of expectations, leading Go-Ahead to raise its guidance for the full year.

Giants battle for HS2 seat with rival train design concept bids

ALEXANDRA ROGERS @city_amrogers
SIEMENS, Bombardier and Hitachi, and Alstom have submitted bids for a £2.75bn contract to design, build and maintain trains for HS2.

The contract is to design, build and maintain at least 54 trains for phase one of the £56bn next-generation railway, which will link London to the West Midlands.

HS2 is expected to award the rolling stock contract a “huge milestone” for the company.

Hitachi Rail’s managing director, Karen Boswell, said its joint bid with Bombardier would “be a shining example of British ingenuity.”

Nick Crossfield, managing director for Alstom UK and Ireland, said: “Alstom’s vision is to make HS2 trains a timeless design classic.”

The project’s future has become a talking point among Tory leadership candidates, some of whom want it scrapped or reviewed.

JLR teams up with BMW on electric vehicles

ALEX DANIEL @alexmdaniel
BMW AND Jaguar Land Rover (JLR) yesterday announced they will jointly develop electric cars.

The firms said they would work together to make transmissions and power electronics, unveiling yet another industry alliance designed to lower the costs of developing electric cars.

Both car makers are under pressure to roll out electric vehicles to meet stringent anti-pollution rules, but have struggled to maintain profit margins in the face of the the rising costs of making electric cars.

“Together, we have the opportunity to cater more effectively for customer needs by shortening development time and bringing vehicles and state-of-the-art technologies more rapidly to market,” said BMW board member Klaus Froehlich.

BMW and JLR said they will save costs through shared development, production planning and joint purchasing of electric car components.

Both firms will produce electric drivetrains in their own factories, BMW said.

“It should not have a negative impact on our competitiveness on electric cars,” said BMW board manager Stefan Gruber.

Samsung slashes production at its last smartphone factory in China

ROBBIE HARB

SAMSUNG will cut production at its last remaining smartphone factory in China, as it loses ground on domestic rivals.

The reduction comes just six months after the South Korean firm announced the closure of its factory in Tianjin. Another factory in Shenzhen closed in April.

Samsung has struggled against rising labour costs and stiffer competition from domestic rivals such as Huawei and Xiaomi, which offer rival models at a cheaper price.

The Huizhou factory, which had more than 6,000 workers, produced 63m smartphones in 2017 – 17 per cent of Samsung’s production that year, according to Caixin.

The world’s biggest smartphone maker has seen its share of the Chinese market shrink from about 20 per cent in 2013 to less than one per cent today, according to Strategy Analytics.

Paolo Fescatore, an analyst for PP Foresight, said: “The factory closure highlights the intense competitive landscape and the ongoing challenges of competing with Chinese rivals.”

“It should not have a negative impact on [Samsung’s] global operations,” he added.
MARKETS TALK

Neil Wilson discusses the recent deterioration in the market outlook

It’s D-Day for euro bulls as we look to today’s meeting of the European Central Bank (ECB) to see whether the breakout can be sustained. This is yet another bull trap in an ongoing downtrend. The bulls have secured the beachhead above $1.12, but they now need to gather the troops to push further inland. With the market turning a little cold on the US dollar as Treasury yields fall and the market bets on the Federal Reserve cutting rates, the euro has an opportunity, from a technical perspective at least, to rally more.

However, the ECB looks set to be more dovish as the pressure mounts on policymakers to act. Moreover, the lower volatility environment should keep EURUSD range-bound and we may see EURUSD dovish as the pressure mounts on the ECB.

The outlook has deteriorated since March and we should anticipate a reaction from the ECB. There’s not been an ECB meeting with such a degree of uncertainty for a while. The pressure is mounting on policymakers to do more to stimulate growth and inflation. And with this arguably the last time ECB president Mario Draghi can deliver a surprise before his departure, he may choose to seize the opportunity.

Policymakers are already downcast about the prospects for the Eurozone. Minutes from the April meeting show deteriorating confidence in the ECB achieving its growth and inflation targets. ‘Recent data had turned out even weaker than expected’, the minutes read, adding that there was ‘somewhat less confidence’ in hitting the growth target. Meanwhile some policymakers thought that inflation was ‘uncomfortably low’.

Indeed, inflation is still very tame. Core CPI, which strips out volatile elements like food and energy prices, slumped to 0.9% in May from 1.3% in April, also below the 0.9%-1% expected. Headline CPI declined to 1.2% from 1.7% a month before and was below the 1.3% expected. Whilst we had expected a drop due to seasonal factors, the deceleration in price growth was more severe than forecast. The ECB has undoubtedly taken note. The absence of any sustained pickup in inflation has persisted and dogged the central bank as it seeks to achieve its target of 2% inflation. Sure structural factors probably matter just as much as cyclical, but we are still in a world where the expectation is on the central bankers to act.

Growth indicators are also soft. The final composite eurozone PMI for May was higher than the flash estimate, but ‘the overall picture remains one of weak current growth and gloomier prospects for the year ahead’, according to survey compilers IHS Market. The composite PMIs indicate growth of a mere 0.2% in Q2. The outlook for the global economy has also softened. Trade concerns mean risks remain skewed to the downside, whilst Brexit is still a source of angst.

In short, the outlook has deteriorated since March and we should anticipate a reaction from the ECB. What might that look like? It could shift its forward guidance, which is designed to anchor interest rate expectations. Back in March it pushed back the guidance for a hike to not before 2020. Even that looks ambitious and we should prepare for further easing in the form of QE or an interest rate cut before this date is reached. The ECB may therefore take the current 2020 hike forward guidance off the table altogether, and instead say it stands ready to lower rates. This would be the signal required that it’s thrown in the towel and is readying for a fresh easing cycle and QE.

Drivers get mid-week boost as supermarkets drop forecourt prices

Drivers will get a boost at the pumps as Asda led a supermarket price slash yesterday. The supermarket cuts prices by 3p per litre for diesel, and 1p for petrol, at all its 322 petrol stations across the UK. It brings the price to 128.7p for diesel and 126.7p for petrol.

However, falling oil prices warrant a bigger decrease, said insurer RAC. “We view this round of cuts very much as a good start. We should really see more in the next week or so.”

Watchdog finds no proof junk food ads being targeted at kids

The Advertising Standards Authority (ASA) today said it did not identify “any clear evidence” of brands trying to deliver ads for products high in fat, salt or sugar (HFSS) to children’s websites and YouTube channels.

The ASA used avatars that simulate the online profiles of children in order to identify campaigns that breach advertising rules, which state junk food adverts must not be delivered to children under the age of 16. The ASA found that, in general, brands were sticking to the rules. But the sting identified some ads on children’s YouTube channels promoting unhealthy food.

Drivers get mid-week boost as supermarkets drop forecourt prices

Drivers will get a boost at the pumps as Asda led a supermarket price slash yesterday. The supermarket cuts prices by 3p per litre for diesel, and 1p for petrol, at all its 322 petrol stations across the UK. It brings the price to 128.7p for diesel and 126.7p for petrol.

However, falling oil prices warrant a bigger decrease, said insurer RAC. “We view this round of cuts very much as a good start. We should really see more in the next week or so.”

Watchdog finds no proof junk food ads being targeted at kids

The Advertising Standards Authority (ASA) today said it did not identify “any clear evidence” of brands trying to deliver ads for products high in fat, salt or sugar (HFSS) to children’s websites and YouTube channels.

The ASA used avatars that simulate the online profiles of children in order to identify campaigns that breach advertising rules, which state junk food adverts must not be delivered to children under the age of 16. The ASA found that, in general, brands were sticking to the rules. But the sting identified some ads on children’s YouTube channels promoting unhealthy food.

The watchdog identified eight brands, including Asda, Lidl and Marks & Spencer, whose adverts for HFSS products broke the rules. However, 26 of the 39 websites clearly aimed at children did not serve a single ad for an HFSS product.

Drivers get mid-week boost as supermarkets drop forecourt prices

Drivers will get a boost at the pumps as Asda led a supermarket price slash yesterday. The supermarket cuts prices by 3p per litre for diesel, and 1p for petrol, at all its 322 petrol stations across the UK. It brings the price to 128.7p for diesel and 126.7p for petrol.

However, falling oil prices warrant a bigger decrease, said insurer RAC. “We view this round of cuts very much as a good start. We should really see more in the next week or so.”

Watchdog finds no proof junk food ads being targeted at kids

The Advertising Standards Authority (ASA) today said it did not identify “any clear evidence” of brands trying to deliver ads for products high in fat, salt or sugar (HFSS) to children’s websites and YouTube channels.

The ASA used avatars that simulate the online profiles of children in order to identify campaigns that breach advertising rules, which state junk food adverts must not be delivered to children under the age of 16. The ASA found that, in general, brands were sticking to the rules. But the sting identified some ads on children’s YouTube channels promoting unhealthy food.

The watchdog identified eight brands, including Asda, Lidl and Marks & Spencer, whose adverts for HFSS products broke the rules. However, 26 of the 39 websites clearly aimed at children did not serve a single ad for an HFSS product.
**CITY DASHBOARD**

**LONDON REPORT**

FTSE 100 ekes out gains on hopes US Fed will cut rates

The MAIN index inched higher yesterday as comments from the US central bank seen hinting at a rate cut soothed investor nerves, while mid-cap sub-prime lender Provident surged after rival NSF dropped its hostile bid.

The FTSE 100 rose 0.1 per cent, up for the third straight session, while the mid-cap FTSE 250 rose 0.3 per cent.

Housebuilders, seen as particularly vulnerable to any fallout from Brexit, gained after a business survey showed a modest expansion among services firms in May.

Money manager Hargreaves Lansdown rose 6.8 per cent, pushing this week’s losses to over 11 per cent after well-known money manager Neil Woodford suspended trading in one of his funds on Monday.

Following on from the suspension, Woodford said that orders to trade in his flagship fund placed after midday last Friday had been rejected, leaving investors unsure of when they would get their money back.

**BEST OF THE BROKERS**

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

**NEW YORK REPORT**

Wall St climbs on jobs data

Wall Street’s major indexes rose yesterday as investors bet on a Federal Reserve interest rate cut after weak private sector jobs data and hopes grew that the United States and Mexico would reach an agreement to avoid US tariffs on Mexican goods.

The gains extended the rally on Tuesday when Fed chairman Jerome Powell indicated the central bank may have to react to the US trade wars, boosting rate cut hopes. Fed officials also hinted a rate cut was possible. The ADP National Employment Report yesterday further bolstered bets for a rate cut. Private employers hired at the slowest pace in more than nine years in May, weakness that analysts blamed on the heightening global trade tensions.

The Dow Jones Industrial Average rose 107.39 points, or 0.42 per cent, to 25,539.57, the S&P 500 gained 22.88 points, or 0.82 per cent, to 2,826.15 and the Nasdaq Composite added 48.36 points, or 0.64 per cent, to 7,257.48.

The energy sector slipped 1.1 per cent, making it the only S&P sector in the red, as crude prices fell sharply.

**CITY MOVES**

**WHO’S SWITCHING JOBS**

KANTAR

Kantar, the world’s leading marketing insights and consulting company, announced the appointment of Nathalie Burdet as chief marketing officer (CMO). Nathalie is appointed from her current position as global marketing leader of Kantar’s Insights division. She additionally joins the Kantar Board. Nathalie replaces Mandy Pooler, who retired after 13 years as CMO since 2006. Prior to this Nathalie held progressively senior marketing leadership roles across the fintech industry, including at NEX Group (formerly ICAP) where, as head of marketing and brand strategy, she developed, launched and built the NEX brand globally, and Thomson Reuters where she led internal marketing for the flagship Eikon product. Nathalie holds a LL.M in European and international business law and a Postgraduate Diploma in Marketing from the Chartered Institute of Marketing in London.

BGF

BGF, the UK and Ireland’s most active investor in growing companies, has bolstered its Quoted team with the appointment of Simon Blackaby as chief marketing officer (CMO). Simon joins from the Europe, Middle East and Africa Equity Capital Markets team at Jefferies International and will be working with Tom Jenkins, Matt Singh and Paul Stevens in BGF’s Quoted team, specialising in funding options for AIM-listed businesses. BGF’s Quoted team has invested almost £200m into more than 40 quoted companies since inception. In addition to supporting businesses with initial investments, such as Manchester’s glean Energy, the team have also made follow on investments into several current portfolio companies to support their growth, including Accsys and Inspired Energy.

GROWTHDECK

Joint founder and former managing director of Capital & Regional, Xavier Burges, has been appointed as chairman of Growthdeck’s new property team, the private equity investment firm. Xavier was co-founder and managing director at Capital & Regional, the first London-listed Real Estate Investment Trust (REIT), for over 30 years and helped drive growth in net assets from £7m in 1986 to over £700m when he left in 2013. At Capital & Regional, Xavier jointly led its initial float and the creation of its US portfolio of industrial properties, Centrepoint Properties, which was floated as a REIT in 1993 in New York. Apart from his own direct commercial property investments he is working at Property Partner, the UK’s leading crowdfunding property investment platform, as the director of commercial property. He is also a partner at Ruffena Capital.

**NEWS**

Boeing’s 777X faces engine snags as questions rise over delivery goal

Eric M Johnson

Boeing’s efforts to build the world’s largest twin-engined jet, the 777X, continue to be hampered by challenges with General Electric’s new GE9X turbine engine, a top Boeing executive said yesterday.

Boeing is facing testing glitches on the GE9X after assembly delays on the engine and the plane’s carbon-composite wings.

These issues, coupled with the crisis over its 737 Max in the wake of deadly crashes, leaves the world’s largest planemaker less leeway to deliver on its official 2020 target for entry into service, industry sources said.

Dubai’s Emirates has said it expects to fly its first 777X in June 2020, a date now widely seen in doubt.

Boeing chief financial officer Greg Smith told a conference that 2020 entry into service was “still the current assumption”, echoing comments from chief executive Dennis Muilenburg last week.

“(The) long pole in the tent right now is the GE engine,” Smith said.

“There’s some challenges they are working through there on testing. So we are having to do some re-testing, and they’re working their way through that.”

“As we see it today, we still expect to fly this year and enter into service in 2020,” Smith said.

“But obviously, we’re staying very close to that and we’ll keep you updated if that changes. But that’s still the current assumption.”

The market for widebody jets has been fragile due to oversupply and fears over the 737 Max and trade disputes.

Kearney reported in March that a major potential deal for more than 100 Boeing jetliners of various types with China was in doubt in the wake of the trade dispute and the Max plane crisis.

Boeing’s 777X, the world’s largest twin-engined jet, is facing engine issues
OFFICE POLITICS

Would you want to be trained by an AI?

Artificial intelligence and chatbots could soon be used to give coaching to humans

By 2025, five billion people will be connected to each other through four billion smartphones and 50bn other devices. This will produce new data at unimaginable rates.

Add in exponential growth in artificial intelligence (AI) – which is predicted to generate 1.7MB of data for every person every second by this time next year – and the possibilities for what technology can do seem endless.

Already, online chat facilities offered by banks or customer service centres have been automated – thanks to AI and natural language processing technology – to such an extent that most of the questions that customers type into a chat box go nowhere near a human. Instead, chatbots “write” algorithm-generated answers based on what people have asked previously.

Meanwhile, employers are using chatbot-style AI to save HR professionals from having to individually reply to similar questions about holiday entitlement, sick leave, or parental rights. The savings are substantial – one South American firm claims to have automated 66.9 per cent of all queries by banks or customer service centres have been automated – thanks to AI and natural language processing technology – to such an extent that most of the questions that customers type into a chat box go nowhere near a human. Instead, chatbots “write” algorithm-generated answers based on what people have asked previously.

Meanwhile, employers are using chatbot-style AI to save HR professionals from having to individually reply to similar questions about holiday entitlement, sick leave, or parental rights. The savings are substantial – one South American firm claims to have automated 66.9 per cent of all queries.

Others are using it for recruitment, asking pre-screening questions to filter out unsuitable candidates. AI will be a key topic at the Chartered Institute of Personnel and Development’s (CIPD) inaugural Festival of Work on 12-13 June at Olympia London.

But could chatbots also be used for learning and development? Instead of turning to a coach or trainer as the source of all knowledge, a question could be answered on the spot by a bot that has scoured the web and other sources for a more definitive answer.

Already, firms are experimenting with virtual tuition services, where learners interact with a “class” from across the world through their screens. And chatbots are beginning to be introduced as virtual coaches. The NHS recently partnered with Hertfordshire Partnership University NHS Foundation Trust to provide a digital version of its team-building programmes. This software analyses team dynamics, including figuring out any issues team members might have by asking them about their communication style and work goals. From here, it presents feedback on ways that they can improve. There are now several commercial applications on the market that mimic the reflective aspects of coaching, working with individuals to ask and respond to questions about their career and motivations. Evidence suggests that users find such coaching bots highly user-friendly and effective. But fully replacing a coach with a robot is tricky – both technically and on a personal level. Coaching is not simply about imparting facts – something a bot could easily do. Coaches are trained professionals who help people uncover solutions for themselves – facilitating them into considering new approaches and ways of thinking.

They give people the tools to develop answers to problems, not necessarily the answers straight away. Often, they’re also part-psychologist – addressing deep-seated emotional issues that stop workers from progressing, such as why they lack confidence or can’t relate to certain people.

In short, coaches don’t merely spit out solutions. They must spend time with people to encourage them to self-reflect and consider the reasons for their performance issues. That’s before they can do something about it – which often takes a lot of time, goal-setting, and exercises. Bots don’t yet seem designed for such introspection.

Wherever this brave new world is taking us in terms of coaching, the human touch is still likely to be sacrosanct for some time yet. But bots could “check in” on people on a coach’s behalf to ask how they’re doing. These interactions could be looked at by coaches to then better design and prepare for the next session. And in the world of AI, it’s unwise to say never.

Anton Riolo is head of content for CIPD Events at Haymarket Business Media.
E XACTLY 75 years ago today, Allied forces mounted Operation Overlord. The largest military operation ever at-tempted included double the number of Allied forces, including British, Canadian, French, and Polish troops, as well as several thousand paratroopers. This was the largest amphibious assault in history, with more than 156,000 Allied troops landing on five beaches codenamed Sword, Juno, Gold, Omaha, and Utah.

By nightfall, some of the five beaches had been secured, with the majority of the US special relationship

**The way Trump was received by snarling crowds**

**Alan Mendoza**

was challenged, and 11 months later, Europe was liberated. The German Army had been defeated, and the world had been saved.

But it is indisputable that D-Day and what followed could not have succeeded without the involvement of the US, the UK, and the Commonwealth. The world was saved by the efforts of all, and not just by those in uniform. The sacrifices of the many US soldiers who fell in the battle against Nazi Germany is a reminder of the cost of war.

**Without net neutrality, our free internet risks becoming a dystopian nightmare**

**Rob Mardisalu**

W HAT could the internet look like in 10 years’ time? Bleak, if the 2017 ruling by the US Federal Communications Commission (FCC) to undo net neutrality is allowed to stand.

Net neutrality is the principle that all information on the internet depends on it. Without it, ISPs could charge companies or individuals for preferential treatment, resulting in less incentive to innovate, reduced competition, and lower quality content. The FCC’s action is a clear violation of this principle.

**Letters to the editor**

**Time off for good behaviour?**

[Re: What went wrong for Neil Woodford?] Is it really the case that Neil Woodford is now to stock-picking what Theresa May was to leadership? Investors clearly think so, but they think that Woodford should not be judged only by his performance over the past two years. These days, to assess any fund manager based on only a recent historical snapshot is outdated thinking, to put it mildly. The trouble is that investors have little better to go on than Woodford’s recent poor returns, which is why they have pulled their money en masse.

**Best of Twitter**

@SteveBakerHW: the NHS is of course, not for sale, but the NHS does buy a lot... if the NHS can buy less expensive drugs through a trade deal from the USA, then that’s a good thing...

@BrexitCentral: I need to underline and repeat YET AGAIN that the @brexitparty_uk is not a threat too, with ISPs free to snoop on users and sell on personal data. Even in an era of fake news, the truth remains that the security and prosperity of the UK is intrinsically tied to the interests and commitment of the global superpower.

Whether it was the latest Twitter spat between the mayor of London and the President, or the decision of party leaders to address the anti-Trump rally, many of our elected representatives decided that they would put themselves to the level Trump himself has frequently been crucified for. Fortunately, Trump’s state visit has still been a successful one, with the US President’s visit to the UK promising a “phenomenal” US trade deal post-Brexit as well as important political and business discussions having taken place. Even in an era of fake news, the truth remains that the security and prosperity of the UK is intrinsically tied to the interests and commitment of the global superpower.

Love him or loathe him, there is no doubt that Trump retains a fondness for our island nation that we may have to miss if it is not shared by those US politicians that follow him.

The malcontents can do their worst. But national interest dictates that we should pursue our closest alliance with our customary vigour.

**To the editor**

Hi, Rory Stewart here, I will be in the #lovewins villa for the next hour, come down and let’s talk about how to break through the Brexit deadlock! #LoveIsland

@BrexitParty: That the @brexitparty_uk is not a threat too, with ISPs free to snoop on users and sell on personal data. Even in an era of fake news, the truth remains that the security and prosperity of the UK is intrinsically tied to the interests and commitment of the global superpower.

Love him or loathe him, there is no doubt that Trump retains a fondness for our island nation that we may have to miss if it is not shared by those US politicians that follow him.

The malcontents can do their worst. But national interest dictates that we should pursue our closest alliance with our customary vigour.

@BrexitCentral: I need to underline and repeat YET AGAIN that the @brexitparty_uk is not a threat too, with ISPs free to snoop on users and sell on personal data. Even in an era of fake news, the truth remains that the security and prosperity of the UK is intrinsically tied to the interests and commitment of the global superpower.

Love him or loathe him, there is no doubt that Trump retains a fondness for our island nation that we may have to miss if it is not shared by those US politicians that follow him.

The malcontents can do their worst. But national interest dictates that we should pursue our closest alliance with our customary vigour.
AI for AI’s sake? Tech lessons for business from the world of art

PORTRAIT of Edmond de Belamy went under the hammer for an impressive $432,500 in October 2018, over 40 times its predicted price point. The painting itself is by no means extraordinary. However, the fact that it was created and painted by an algorithm makes it a modern-day masterpiece, and a lucrative one at that.

The art world is far from alone in its embrace of technology. Business leaders across the UK believe that there is significant money to be made in artificial intelligence (AI), and are prepared to wager significant sums in its development.

According to new research published by Deloitte, more than one in three UK executives have spent over £5m on the technology in the last financial year. However, evidence of the value that this investment is bringing to organisations is proving elusive, with one in four saying that they are yet to achieve positive return-on-investment from their spend on AI.

One key difference in the adoption of AI in business compared to art is the expectation for the technology. Artists are using AI to create particular pieces, but many business leaders are looking to swiftly automate vast swathes of significant administrative tasks, including in recruitment and customer service.

To trust AI with business-critical decisions in an unbiased way, such as screening CVs to select candidates for job interviews or calculating mortgage offers, is overestimating its capabilities. In the former, we’ve seen AI unfairly discriminate against candidates due to their gender; while in the latter, it has exhibited bias against residents of certain neighbourhoods.

AI is by no means a “plug-and-play” technology. Experts in the industry are still grappling to understand what the technology is truly capable of; ethics boards are being created to ensure that it is used in a safe and unbiased way; teams are being reskilled as many of their daily tasks become automated.

Perhaps we can again look to the art world for an example of how to make the most out of investment in AI, rather than expecting it to do too much and then being disappointed or overwhelmed with the results.

The key – in art and in business – is to use AI to complement rather than replace jobs done by people, with humans exerting overall control. For instance, in singer Holly Herndon’s latest album, she uses an “AI baby” called Spawn which has the ability to mimic voices and create new sounds. When creating the album, Herndon explained that she was treating the technology as a “performer rather than a composer”.

We should approach using AI in a way that doesn’t expect it to do too much and then be disappointed or overwhelmed with the results.

One in three UK executives have spent over £5m on artificial intelligence

Email: news@cityam.com
Tel: 020 3201 8900
3rd Floor, 130 Fenchurch Street, London, EC3M 6JZ

News Editor
Rachel Cunliffe
Senior Editor
Frank Dalleres
Sports Editor
Kate Hermon
Deputy Editor
Christian May
Editor
Josh Martin

Printed by West Ferry Printers Ltd, Kingston Rd, Luton LU2 9SX

Our terms and conditions for external distributors can be viewed at cityam.com/terms-conditions

BENEDICT SPENCE

Leaving voters is it comes from an unambiguous Brexiteer. The Tory membership and general public want as swift and clean an outcome as possible. With parliament opposing this, the next Prime Minister will need both onside, either for a fresh election or another referendum. Their stall must be set out clearly.

Victoria Mackarness is an accountant manager at CMS Strategic.

VICTORIA MACKARNES

Brexit may be the most contentious issue in the public eye, but electing a Prime Minister based on little more than a dogmatic approach to a complex issue will not be a success for Brexiteers, or for anyone else. Many have likened Brexit to a divorce. The received wisdom in a divorce is that one hires a lawyer because, in a complex negotiation where emotions are running high, you need someone who is calm, collected, and – most importantly – qualified.

We need a Prime Minister who can be trusted in delivering on the public’s desire to leave the EU, but that should not be their only qualification. The values we need in a leader should not just be based on previous voting records, but on the skills and qualities they have displayed throughout their career. We need someone who has proven their ability to negotiate, to understand complex policy, and to bring people together in pursuit of a common goal. To paraphrase the Dog’s Trust, a Prime Minister for the nation, not just for Brexit.

Dr Mathew Howard is the director of artificial intelligence at Deloitte where he leads the commercial and technology teams for AI and cognitive projects.

One in three UK executives have spent over £5m on artificial intelligence

DEBATE

Is it right for voting records on Brexit to play a part in deciding the next Tory leader?

The problem with not having a Brexiteer Prime Minister stems from public trust.

Theresa May’s time in Number 10 has destroyed whatever trust there was that a Remain could oversee a Brexit that would satisfy most Leavers. The strategy of making a deal at any cost, creeping ever closer to “Brexit in name only”, has lost Remain MPs a lot of goodwill. It no longer matters what their intentions are.

The new Tory leader will obviously have an eye on the next General Election, and will know that anything other than being seen to “deliver Brexit” will result in catastrophe. A Remainer’s deal will not be trusted, no matter how good it is – the only way it will satisfy

The New Tory leader will obviously have an eye on the next General Election, and will know that anything other than being seen to “deliver Brexit” will result in catastrophe. A Remainer’s deal will not be trusted, no matter how good it is – the only way it will satisfy

The New Tory leader will obviously have an eye on the next General Election, and will know that anything other than being seen to “deliver Brexit” will result in catastrophe. A Remainer’s deal will not be trusted, no matter how good it is – the only way it will satisfy

The New Tory leader will obviously have an eye on the next General Election, and will know that anything other than being seen to “deliver Brexit” will result in catastrophe. A Remainer’s deal will not be trusted, no matter how good it is – the only way it will satisfy

The New Tory leader will obviously have an eye on the next General Election, and will know that anything other than being seen to “deliver Brexit” will result in catastrophe. A Remainer’s deal will not be trusted, no matter how good it is – the only way it will satisfy

The New Tory leader will obviously have an eye on the next General Election, and will know that anything other than being seen to “deliver Brexit” will result in catastrophe. A Remainer’s deal will not be trusted, no matter how good it is – the only way it will satisfy

The New Tory leader will obviously have an eye on the next General Election, and will know that anything other than being seen to “deliver Brexit” will result in catastrophe. A Remainer’s deal will not be trusted, no matter how good it is – the only way it will satisfy

The New Tory leader will obviously have an eye on the next General Election, and will know that anything other than being seen to “deliver Brexit” will result in catastrophe. A Remainer’s deal will not be trusted, no matter how good it is – the only way it will satisfy

The New Tory leader will obviously have an eye on the next General Election, and will know that anything other than being seen to “deliver Brexit” will result in catastrophe. A Remainer’s deal will not be trusted, no matter how good it is – the only way it will satisfy

The New Tory leader will obviously have an eye on the next General Election, and will know that anything other than being seen to “deliver Brexit” will result in catastrophe. A Remainer’s deal will not be trusted, no matter how good it is – the only way it will satisfy

The New Tory leader will obviously have an eye on the next General Election, and will know that anything other than being seen to “deliver Brexit” will result in catastrophe. A Remainer’s deal will not be trusted, no matter how good it is – the only way it will satisfy

The New Tory leader will obviously have an eye on the next General Election, and will know that anything other than being seen to “deliver Brexit” will result in catastrophe. A Remainer’s deal will not be trusted, no matter how good it is – the only way it will satisfy
The shape-shifting iMac killer

The transformable Surface Studio 2 is Microsoft’s most spectacular PC ever. Apple should be taking note.

**Surface Studio 2**

BY STEVE HOGARTY

Microsoft’s Surface range began in 2012 with a series of hybrid tablet computers, but it wasn’t until the launch of the Surface Book laptop in 2016 that the company really started upping their design game and stealing Apple’s thunder.

The Surface Studio itself is brilliantly realised, a series of modular corridors filled with matte-finish aluminium, with hidden but efficient strip vents, minimal detailing, no garish Intel hologram stickers cluttering up the chassis, and strange skeletal hinges unlike anything else seen in laptop design.

The shape-shifting iMac killer

BY STEVE HOGARTY

Microsoft’s Surface range began in 2012 with a series of hybrid tablet computers, but it wasn’t until the launch of the Surface Book laptop in 2016 that the company really started upping their design game and stealing Apple’s thunder.

The Surface Studio itself is brilliantly realised, a series of modular corridors filled with matte-finish aluminium, with hidden but efficient strip vents, minimal detailing, no garish Intel hologram stickers cluttering up the chassis, and strange skeletal hinges unlike anything else seen in laptop design.

The shape-shifting iMac killer

BY STEVE HOGARTY

Microsoft’s Surface range began in 2012 with a series of hybrid tablet computers, but it wasn’t until the launch of the Surface Book laptop in 2016 that the company really started upping their design game and stealing Apple’s thunder.

The Surface Studio itself is brilliantly realised, a series of modular corridors filled with matte-finish aluminium, with hidden but efficient strip vents, minimal detailing, no garish Intel hologram stickers cluttering up the chassis, and strange skeletal hinges unlike anything else seen in laptop design.

The shape-shifting iMac killer

BY STEVE HOGARTY

Microsoft’s Surface range began in 2012 with a series of hybrid tablet computers, but it wasn’t until the launch of the Surface Book laptop in 2016 that the company really started upping their design game and stealing Apple’s thunder.

The Surface Studio itself is brilliantly realised, a series of modular corridors filled with matte-finish aluminium, with hidden but efficient strip vents, minimal detailing, no garish Intel hologram stickers cluttering up the chassis, and strange skeletal hinges unlike anything else seen in laptop design.

The shape-shifting iMac killer

BY STEVE HOGARTY

Microsoft’s Surface range began in 2012 with a series of hybrid tablet computers, but it wasn’t until the launch of the Surface Book laptop in 2016 that the company really started upping their design game and stealing Apple’s thunder.

The Surface Studio itself is brilliantly realised, a series of modular corridors filled with matte-finish aluminium, with hidden but efficient strip vents, minimal detailing, no garish Intel hologram stickers cluttering up the chassis, and strange skeletal hinges unlike anything else seen in laptop design.

The shape-shifting iMac killer

BY STEVE HOGARTY

Microsoft’s Surface range began in 2012 with a series of hybrid tablet computers, but it wasn’t until the launch of the Surface Book laptop in 2016 that the company really started upping their design game and stealing Apple’s thunder.

The Surface Studio itself is brilliantly realised, a series of modular corridors filled with matte-finish aluminium, with hidden but efficient strip vents, minimal detailing, no garish Intel hologram stickers cluttering up the chassis, and strange skeletal hinges unlike anything else seen in laptop design.

The shape-shifting iMac killer

BY STEVE HOGARTY

Microsoft’s Surface range began in 2012 with a series of hybrid tablet computers, but it wasn’t until the launch of the Surface Book laptop in 2016 that the company really started upping their design game and stealing Apple’s thunder.

The Surface Studio itself is brilliantly realised, a series of modular corridors filled with matte-finish aluminium, with hidden but efficient strip vents, minimal detailing, no garish Intel hologram stickers cluttering up the chassis, and strange skeletal hinges unlike anything else seen in laptop design.

The shape-shifting iMac killer

BY STEVE HOGARTY

Microsoft’s Surface range began in 2012 with a series of hybrid tablet computers, but it wasn’t until the launch of the Surface Book laptop in 2016 that the company really started upping their design game and stealing Apple’s thunder.

The Surface Studio itself is brilliantly realised, a series of modular corridors filled with matte-finish aluminium, with hidden but efficient strip vents, minimal detailing, no garish Intel hologram stickers cluttering up the chassis, and strange skeletal hinges unlike anything else seen in laptop design.

The shape-shifting iMac killer

BY STEVE HOGARTY

Microsoft’s Surface range began in 2012 with a series of hybrid tablet computers, but it wasn’t until the launch of the Surface Book laptop in 2016 that the company really started upping their design game and stealing Apple’s thunder.

The Surface Studio itself is brilliantly realised, a series of modular corridors filled with matte-finish aluminium, with hidden but efficient strip vents, minimal detailing, no garish Intel hologram stickers cluttering up the chassis, and strange skeletal hinges unlike anything else seen in laptop design.

The shape-shifting iMac killer

BY STEVE HOGARTY

Microsoft’s Surface range began in 2012 with a series of hybrid tablet computers, but it wasn’t until the launch of the Surface Book laptop in 2016 that the company really started upping their design game and stealing Apple’s thunder.

The Surface Studio itself is brilliantly realised, a series of modular corridors filled with matte-finish aluminium, with hidden but efficient strip vents, minimal detailing, no garish Intel hologram stickers cluttering up the chassis, and strange skeletal hinges unlike anything else seen in laptop design.

The shape-shifting iMac killer

BY STEVE HOGARTY

Microsoft’s Surface range began in 2012 with a series of hybrid tablet computers, but it wasn’t until the launch of the Surface Book laptop in 2016 that the company really started upping their design game and stealing Apple’s thunder.

The Surface Studio itself is brilliantly realised, a series of modular corridors filled with matte-finish aluminium, with hidden but efficient strip vents, minimal detailing, no garish Intel hologram stickers cluttering up the chassis, and strange skeletal hinges unlike anything else seen in laptop design.

The shape-shifting iMac killer

BY STEVE HOGARTY

Microsoft’s Surface range began in 2012 with a series of hybrid tablet computers, but it wasn’t until the launch of the Surface Book laptop in 2016 that the company really started upping their design game and stealing Apple’s thunder.

The Surface Studio itself is brilliantly realised, a series of modular corridors filled with matte-finish aluminium, with hidden but efficient strip vents, minimal detailing, no garish Intel hologram stickers cluttering up the chassis, and strange skeletal hinges unlike anything else seen in laptop design.
Pakistan loss should be a World Cup wake-up call for England

England's success and that of its clubs was once intertwined. For 50 years it's been a different story and now being within 180 minutes of lifting a first meaningful piece of silverware for 53 years has begun to move up a few notches for Southgate. Southgate’s nurturing of a club feel to the squad appears to have made the England dressing room a happier place; recent wins over Spain and Croatia were testament to that. Keeping the pressure in check – and reversing decades of disconnect between club and country achievements – will be key if this generation is to prove more golden than the last.

Correlation of Countries' Success in Club and International Competitions

<table>
<thead>
<tr>
<th>NATIONALITY OF MAJOR INTERNATIONAL TOURNAMENT FINALIST</th>
<th>WINNER</th>
<th>RUNNER UP</th>
</tr>
</thead>
<tbody>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NATIONALITY OF EUROPEAN CUP/CHAMPIONS LEAGUE FINALIST</th>
<th>WINNER</th>
<th>RUNNER UP</th>
</tr>
</thead>
<tbody>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
<tr>
<td>périod</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Key: ITALY | ENGLAND | HOLLAND | SPAIN | GERMANY | W.GERMANY | PORTUGAL | FRANCE | S.AMERICAN | OTHER
HAT-TRICK HERO Ronaldo fires Portugal past Switzerland and into Nations League final

Cristiano Ronaldo scored a hat-trick as Portugal left it late to beat Switzerland 3-1 in Porto and reach the final of the inaugural Nations League last night. The Juventus striker scored twice in the final two minutes to seal progression for the hosts, who had to weather heavy pressure from the Swiss. Ronaldo gave Portugal a 1-0 lead at half-time with a powerful low free-kick, but Ricardo Rodriguez’s penalty after a prolonged video assistant referee review drew Vladimir Petkovic’s side level in the 57th minute. The Swiss squandered chances and Portugal took full toll on the counter-attack, Ronaldo blasting in at the near post from Bernardo Silva’s cut-back and bending into the far corner after some trademark stepovers to wrap up the victory. The hosts will now play the winner of this evening’s clash in Guimaraes between England and Holland in Sunday’s final in Porto.

SPORT DIGEST

SOUTHGATE FACES TOUGH CHOICES FOR ENGLAND
- Gareth Southgate will make a late decision on whether or not to use players involved in the Champions League final in England’s Nations League semi-final with Holland this evening. Seven Liverpool and Tottenham players have joined the squad in Portugal but Southgate admitted Saturday’s final will play a part in his team selection. “It’s been a strange, different sort of preparation,” he said. “I have to assess all the players who were involved in Madrid - a unique game and set of circumstances.”

INDIA OFF TO WINNING START AGAINST PROTEAS
- Rohit Sharma struck an assured century as India began their World Cup with a comfortable win over struggling South Africa yesterday. Sharmma struck an unbroken 122 in Southampton to guide India home on 230-4 after South Africa managed just 201 from their 50 overs. The Proteas have now lost all three of their games. Elsewhere, New Zealand edged past Bangladesh by two wickets at The Oval, chasing 244 with 17 balls to spare.

ERIKSEN: I MIGHT WANT TO TRY SOMETHING NEW
- Tottenham midfielder Christian Eriksen says he “might want to try something new” after speculation over his future at the club. Eriksen, who has one year left on his deal, has been linked with Real Madrid. “I feel that I am a place in my career where I might want to try something new,” he told Danish magazine Ekstra Bladet. “If I have to go, then hopefully it will be a step up.”

KONTA SEMI-FINAL MOVED DUE TO RAIN IN PARIS
- Johanna Konta’s bid to reach a first French Open final has been pushed back to Friday after heavy rain in Paris. The British No1 was supposed to play Marketa Vondrousova in the semi-final at Roland Garros today, but has had her tie moved back a day after the remaining women’s quarter-finals couldn’t be played yesterday.

ENGLAND EXPECTS AGAIN

Southgate aiming to buck the trend and convert club success into silverware, says Frank Dalleres

WHILE Premier League clubs running amok in Europe this season may have lifted spirits among his squad, it has caused a headache for England manager Gareth Southgate. The problem is largely logistical, with the late arrival of Liverpool and Tottenham players to the training following this week following their Champions League final exertions disrupting preparations for tonight’s Nations League semi-final against Holland in Porto. But Southgate has another, more nebulous issue to grapple with. The continental success of Liverpool, Spurs, Manchester City and Chelsea is likely to turn up the heat again on the national team to finally deliver a trophy.

Raised expectations threaten to reopen old wounds. The crime pinned on the so-called Golden Generation of the previous decade was that they never fulfilled their potential. That England team of Wayne Rooney, Michael Owen, Steven Gerrard, Frank Lampard, John Terry and Rio Ferdinand was stacked with players who won Champions League and multiple Premier League titles. Yet instead of converting that into long-awaited triumphs at World Cups or European Championships, their legacy was a string of quarter-final exits and a creeping disillusionment with the national team.

History is strewn with examples of other countries finding a reciprocal relationship between their clubs’ success in European competition and international glory. Barcelona’s hat-trick of European Cups in 2006, 2009 and 2011 provided a springboard for Southgate has eased pressure on his team

Spain to claim an unprecedented three consecutive major titles at Euro 2008, the 2010 World Cup and Euro 2012. Spanish clubs, Real Madrid in particular, then rode that wave to monopolise the Champions League from 2014 to 2018.

West Germany’s Euro 1972 and 1974 World Cup wins, plus a runner-up spot at Euro 1976, overlapped with Bayern Munich’s three European Cups in a row from 1974. Similarly, Italy purloined Inter and AC Milan’s four European Cups in seven years between 1963 and 1969 into winning the 1968 European Championship and reaching the 1970 World Cup final. Following four Dutch winners of the European Cup from 1970-73, Holland reached successive World Cup finals in 1974 and 1978. When they did win a title at last, at Euro 1988, it came just weeks after PSV Eindhoven claimed club football’s equivalent. Equally, it was no coincidence that Portugal reached their first major final, at Euro 2004, in the year that Porto won the Champions League.

It is not straightfoward as one thing following the next, however. Spain remained in the international doldrums despite Real Madrid winning three Champions League titles between 1998 and 2000. 

CONTINUED ON PAGE 19

SPAIN VS PORTUGAL

Cristiano Ronaldo scored a hat-trick as Portugal left it late to beat Switzerland 3-1 in Porto and reach the final of the inaugural Nations League last night. The Juventus striker scored twice in the final two minutes to seal progression for the hosts, who had to weather heavy pressure from the Swiss. Ronaldo gave Portugal a 1-0 lead at half-time with a powerful low free-kick, but Ricardo Rodriguez’s penalty after a prolonged video assistant referee review drew Vladimir Petkovic’s side level in the 57th minute. The Swiss squandered chances and Portugal took full toll on the counter-attack, Ronaldo blasting in at the near post from Bernardo Silva’s cut-back and bending into the far corner after some trademark stepovers to wrap up the victory. The hosts will now play the winner of this evening’s clash in Guimaraes between England and Holland in Sunday’s final in Porto.