FTSE-LISTED transport giant First Group won the war but suffered a heavy battlefield loss when its chair fell on his sword following a successful showdown with activist investor Coast Capital.

Wolfhart Hauser resigned despite defeating an attempt by Coast to oust him from the board that garnered 30 per cent support from shareholders at an extraordinary general meeting (EGM) in London yesterday. Hauser will not stand for re-election next month. US activist Coast said it welcomed Hauser’s resignation, which it saw as a “constructive first step” and gave no indication of a truce anytime soon – despite all of its proposals being rejected by investors.

“First Group needs and deserves a board which is populated with directors who have the relevant experience and who act to the benefit of all shareholders,” it said after the vote. Around one in four shareholders, excluding Coast, voted for the New York hedge fund’s 13 resolutions, First Group said.

The transport company said over a fifth of investors voted for several resolutions against the board’s recommendations, saying it will look to engage with those disgruntled shareholders. Schroders and Columbia Threadneedle, which hold nine and ten per cent stakes in First Group respectively, indicated before yesterday’s vote that they would back Coast’s move to oust Hauser as chairman along with two long-serving directors. Coast, which owns a near 10 per cent stake in First, had been agitating for a radical restructuring of the company. Its demands included splitting First’s UK assets from its US assets, withdrawing from Britain’s railways and removing six board members including Hauser and chief executive Matthew Gregory.

Boris dares Hunt to back 31 Oct Brexit

TORY leadership frontrunner Boris Johnson yesterday doubled-down on his pledge to leave the European Union with or without a deal by the end of October – and challenged his rival Jeremy Hunt to vow the same.

In a letter published on his Twitter feed, Johnson argued Brexit must take place by the end of the extension period – or the Conservative party will “kick the bucket”. The former foreign secretary challenged his successor at the foreign office to set out what concessions he would be willing to make to secure another extension if a new Brexit deal cannot be agreed by 31 October.

Hunt hit back by mocking Johnson’s decision to duck a Sky News debate scheduled for last night – complete with the hashtag #BoJoNoShow. In his letter, Johnson said: “For my part, I have been clear that, if I am elected leader, we will leave on 31 October with or without a deal. Will you join me in this commitment to leave on 31 October come what may?” Hunt has previously said he wanted to renegotiate the Brexit deal secured by Theresa May, but if there was no prospect of a new agreement by 31 October he would crash out of the EU without a deal.
Oxford Street discounts are a sign of retail woes

THE CRUCIAL summer selling season is finally upon us, but for retailers on London’s most celebrated high street, all is not well. Big red discounts in shop windows line the parade on Oxford Street, where many of the country’s flagship fashion stores are offering major price reductions in a desperate bid to boost their sales. Seemingly gone are the days when these iconic brands could rely on an influx of shoppers looking to renew their summer wardrobe, as they turn to price cuts of up to 60 per cent to claw back customers. Once-great department store chains such as House of Fraser, Debenhams and John Lewis are all flooded with clearance sales. Even Sir Philip Green’s Topshop store on Oxford Circus – the jewel in the troubled tycoon’s crown – now offers half-price sales to lure in shoppers. According to Shore Capital’s Greg Lawless, who first noted the discounting trend in a market update earlier this week, there are just four notable retailers still trading at full price on Oxford Street. Lawless argues there are several prevailing reasons for the current troubles: poor weather, the shift away from spending on products towards spending on services, the increasing demand for sustainable products and longer product life cycles, and the structural shift online. Add to this the cost of soaring business rates and tough comparatives from the hottest summer on record last year, and it is not hard to see why Oxford Street has already turned into a discounting frenzy. Yesterday’s £522m cuts of up to 60 per cent to claw back customers. Once-great flagship fashion stores are offering major price reductions in a structural shift online. Add to this the cost of soaring business rates and tough comparatives from the hottest summer on record last year, and it is not hard to see why Oxford Street has already turned into a discounting frenzy. Yesterday’s £522m cuts of up to 60 per cent to claw back customers. Once-great

The high street has begun the summer by slashing prices to claw back sales

HARRY ROBERTSON
@harryrobertson

ANDREW Bailey, the head of Britain’s Financial Conduct Authority (FCA), yesterday told MPs the dramatic suspension of Neil Woodford’s flagship fund was due to a failure of rules rather than regulation. Under questioning by the Treasury Select Committee he also defended the FCA’s report into RBS’s disgraced turnaround unit, saying “the evidence is just not there” to support action against the managers involved.

Bailey’s appearance was widely seen as an audition for the role of Bank of England governor. He is the bookies’ favourite to replace Mark Carney in January, but accusations that the FCA has mismanaged financial failure under his management could damage his chances. Star investor Woodford froze his flagship fund this month with £3.7bn of investors’ money locked inside. In 2017 the Woodford Equity Income Fund was worth about £10bn. Bailey told MPs that Woodford was “using the rules to the full,” and that they need changing.

He said the EU’s “excessively rules-based” Uits directive, which covers equity fund management, has been partly to blame for the Woodford debacle. The FCA boss criticised Woodford’s listing of assets on Guernsey’s stock exchange to meet EU rules on how much of a fund must be tradeable. “Listing on an exchange where they need changing. “using the rules to the full,” and that they need changing.

“I can’t operate outside the law, I’m sorry,” he said.

Last night, Sky News reported Woodford was close to hiring banks to sell off his stakes in firms including Atom Bank and Oxford Nanopore.

Bailey defines handling of Woodford fund fallout a sign of retail woes
Watchdog probe dents shares in car firm Lookers

SEBASTIAN MCCARTHY
@SebMcCarthy

MOTOR retail giant Lookers suffered a crash in its share price yesterday after revealing that the City watchdog is probing its recent sales practices.

The car dealership chain’s share price dived 24 per cent to 53.5p, plunging to its lowest level in roughly seven years.

Investor sentiment was hit after the firm said the Financial Conduct Authority (FCA) was planning to carry out an investigation into its sales processes between 1 January 2016 and 13 June 2019.

“The FCA investigation is newly commenced and no findings have been made,” the group said yesterday. “The FCA will reach its conclusions in due course and, at this stage, the company cannot estimate what effect, if any, the outcome of this investigation may have.”

Lookers added: “The company is cooperating fully with the FCA in relation to this and will update the market further when appropriate.”

Abbvie injects $63bn into takeover of Botox-manufacturer Allergan

AUGUST GRAHAM
@AugustGraham

DRUGMAKER Abbvie is set to buy the company behind Botox in a $63bn (£49.53bn) bid to reduce its reliance on a key drug.

The cash-and-shares deal for Allergan was announced yesterday. It comes as pressure has built on Abbvie boss Richard Gonzalez over the company’s exposure to arthritis treatment Humira. Doubtlessly the firm’s star product, Humira is the world’s best-selling drug.

But as cheaper knock-off versions start to emerge in Europe, the company has needed new options. “Allergan provides Abbvie a diverse set of assets to help diversify away from Humira, at a very reasonable price,” said Maxim Jacobs, North America director of research at Edison Investment Research.

Three years ago the company acquired Stemcentrx, which looked like a promising cancer treatment. However, earlier this year the firm took a $4bn impairment on the Stemcentrx assets.

The latest move will give Abbvie access to a proven product. And with Allergan shares halving in value since 2016, when a $160bn takeover by Pfizer fell through, it can afford to pay a good premium, Jacobs said.

US ambassador cautions against allowing Huawei to build UK 5G

JAMES BOOTH
@Jamebooth1

US AMBASSADOR to the UK Woody Johnson took a swipe at Chinese tech giant Huawei yesterday, saying that inviting the company into key sectors of the UK’s economy would be “like letting a kleptomaniac into your house”.

“If we let untrustworthy countries in the heart of our economies, and infrastructure, what could they do? We have to decide that,” he said yesterday at the Centre for Policy Studies conference at London’s Guildhall.

“T’ve always said it’s like letting a kleptomaniac into your house, and then you’ve got to hire three people to follow them around all day.”

Johnson said a strong UK was in the interests of the US, in light of the growing number of security threats in the world.

He added that, post-Brexit, the UK would be able to make its own decisions on trade. “For the first time in 40 years Britain will be in the driving seat, not Brussels,” he said.

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Watches of Switzerland showroom on 0207 534 9810
London exchanges to ban Swiss stocks after Bern–Brussels bust-up

JAMES BOOTH

LONDON-based exchanges have warned clients that they will be unable to trade Swiss stocks after 30 June because of a spat between Switzerland and the European Union. The London Stock Exchange (LSE), Cboe Europe, Aquis Exchange and UBS have all told clients they will be unable to trade Swiss stocks in London starting next week.

The LSE yesterday said: “With effect from the start of business on Monday 1 July, we will halt trading in 254 equity securities issued by Swiss companies.”

In a note to clients, UBS MTF, the Swiss bank’s UK trading venue, said: “From 30 June (or other relevant date), UBS MTF will remove the Swiss market and all instruments issued by companies with registered offices in Switzerland from its platform from that date.”

Cboe Europe said: “In the event that Switzerland is not granted equivalence from the EU by Sunday 30 June 2019, Cboe Europe will not be permitted to admit to trading securities with a Swiss registered office and listed on a Swiss exchange.”

The Swiss government said on Monday that it was ready to ban stock exchanges in the European Union from trading Swiss shares.

The move follows the EU not extending stock market equivalence to Switzerland past a 30 June deadline after Brussels grew frustrated with a lack of movement on a proposed EU-Swiss accord.

Stock market equivalence is the recognition that Switzerland’s regulations are as tough as the EU’s own.

New Look posts £522m loss

JESS CLARK

STRUGGLING fashion retailer New Look posted a loss of more than £500m yesterday as it continued to press ahead with its turnaround plan.

The high street chain reported a statutory loss before tax of £522.2m, compared to a £190.2m loss the previous year, mostly due to a £423.2m goodwill and brand impairment charge related to the restructuring. However, the firm also reported a core underlying operating profit of £33.2m.

‘Whilst New Look enters the new financial year in a fundamentally healthier and stronger position, in many respects today marks the starting line,’ said executive chairman Alistair McGeorge.

HSBC boss critical over Chinese socialism claim

OWN BENNETT

MPs HAVE hit back at claims from HSBC’s chief executive that China’s communist government has “served its people really well.”

John Flint, chief executive of the international bank, yesterday said the economic success of the Far East powerhouse should make Western democracies reassess their opposition to centrally-planned socialist economies.

Flint was reported as saying that China’s economic success “gives Western liberal democracies pause for thought, because here is a deeply socialist system that’s served its people really well.”

Speaking at the Bloomberg Emerging and Frontier Forum, he said: “It’s been a very convenient narrative, I think certainly in the West for too long to be able to point to socialist systems that fail their people and here’s one that’s delivered an extraordinary economic transformation.”

His comments raised eyebrows among leading MPs, with Bob Seely, the Conservative MP for the Isle of Wight, describing Flint’s analysis as “depressingly amoral”.

Flint said China’s growth gives the West a “pause for thought” needs to get his terminology right.” Fellow Tory MP Andrea Jenkyns said: “China has a one-party capitalist system: it is its highly imperfect capitalistic model that is making people better off, not socialism.”

China to stop Canadian meat imports as relationship sours

STEVE SCHERER

CHINA will turn away any “meat products” shipped from Canada starting today, according to a report in Le Journal de Montreal, citing an official in the office of the Chinese consulate general in Montreal.

The Chinese embassy said the total block would be introduced after China found a number of fake veterinary health certificates for meat products imported from Canada because of poor supervision.

According to Le Journal de Montreal, Chinese diplomats said they hope Canada will take the necessary steps to “reduce the negative impact on the reputation of its products in order to restore the confidence of Chinese consumers.”

China bought C$310m (£185m) of Canadian pork last month, and to snap up the yen and Swiss franc, citing an official in the office of the Chinese consulate general in Montreal.

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Property Pints with BuyAssociation

Thursday 27th June
6.30pm – 8.30pm
Boisdale of Canary Wharf, Cabot Square, Canary Wharf, London E14 4QT

Join us on Thursday 27th June for an informal look at the property investment market outlook beyond London, at Boisdale Canary Wharf, with Canary Wharf, with the award-winning team from BuyAssociation.

Whether you’re a first time investor, a seasoned property professional or mildly curious, come along for a drink and a chat.

If you are interested in attending, please RSVP to events@cityam.com

Global green bonds surge past $100bn in year’s first six months

NINA CHESTNEY

GLOBAL green bond issuance has surpassed the $100bn ($78.62bn) mark already this year, the first time the milestone has been reached in the first half of the year, the Climate Bonds Initiative said yesterday.

Green bonds are a growing category of fixed-income securities that raise capital for projects with environmental benefits. Although they make up a small fraction of the overall bond market, they are attracting more attention because meeting emissions-cut targets will need trillions of dollars of capital from public and private sectors.
Bombardier sells regional jet arm to Mitsubishi

ALLISON LAMPERT

Bombardier is to sell its money-losing regional jet business to Japan’s Mitsubishi Heavy Industries (MHI) for $550m (£432.41m) in cash. The deal – which is expected to close in the first half of next year – marks the Canadian plane and train maker’s exit from commercial aviation.

Montreal-based Bombardier has been selling off its weaker-performing commercial plane programmes aimed at airlines to focus on profitable business jets and passenger rail cars. As part of the agreement, the Japanese firm will take over $200m in liabilities, but receive Bombardier’s estimated $180m interest in a financing structure it created to support aircraft leasing.

Bellemare said he does not see a “problem” gaining required regulatory approval.

Jean-Luc Ferland, a spokesman for Canada’s Innovation Minister Navdeep Bains, said details of the agreement will be reviewed “to ensure it benefits Canadians.”

Bombardier will continue to assemble its regional jet planes, known as CRJ, but will stop making the aircraft in the second half of 2020, after it finishes delivering on its remaining backlog of 42 orders. Mitsubishi said it was “committed” to Bombardier’s workforce, such as its engineers and customer support workers.

UP IN SMOKE San Francisco becomes first US city to ban e-cigarette sales

A SERIOUS Fraud Office probe into Petrofac has made the company lose out on $10bn (£7.8bn) of contracts, its chief financial officer said yesterday.

Alastair Cochran said that a guilty plea from its former head of sales, David Lufkin, came just as Petrofac was bidding for contracts. The oilfield servicer lost about $2bn- to $3bn-worth of Saudi Arabian and Iraqi orders in the first half.

GEORGE THIRLWALL

Meanwhile, around $10bn in deals were not considered by its clients, Cochran said in a call with analysts. The timing of those bids coincided with the SFO’s announcement [which inevitably] raised concerns among all stakeholders,” he said.

The company has lost around half of its share value since the investigation was launched in 2017. Shares fell a further 6.57 per cent yesterday to 405p. Lufkin pleaded guilty to 11 counts of bribery related to oil deals in Iraq and Saudi Arabia.

H2O assets fall €2.6bn over investor concerns about Lars Windhorst link

JESS CLARK

ASSET management firm H2O saw assets drop by more than €2.6bn (2.04bn) across six funds last week as the company deals with concerns over investments connected to a controversial financier.

The London-based asset management arm of French investment bank Natixis has been facing questions over its links with bonds issued by Lars Windhorst and the level of illiquidity in its portfolio. Assets in the six funds that have exposure to Windhorst’s debt fell €1.2bn on Friday, the Financial Times reported.

The Adagio, Allegro, Moderati, Multibonds, Multistrategies and Vivace funds have seen their assets fall by €2.6bn since H2O’s ties to Windhorst were revealed.

On Monday, the firm confirmed it had begun selling off some of its private bond portfolio and had cancelled entry fees to attract new investors to its funds. Non-rated private bonds were cut to below two per cent of assets under management. H2O said, as the firm struggled with an increase in outflows.

Last week, Morningstar put one of H2O’s funds under review.

SAN FRANCISCO has become the first city in the United States to ban the sale of e-cigarettes. Officials are seeking to control the rapid increase in teenage use of nicotine devices made by firms such as Juul, which is based in the California city.
A WATCHDOG has slapped Southern Water with a £126m fine after “serious failures” in how the company operated sewage treatment sites over a seven-year period.

A lack of investment in a number of sites led to equipment failures and sewage spilling into the environment, regulator Ofwat said yesterday.

The firm also misreported the performance of a number of sewage treatment sites, meaning it avoided £91m in penalties from Ofwat.

The period covers 2010 to June 2017.

Ofwat has now issued its heaviest-ever fine in proportion to the size of the business, forcing Southern Water to repay customers £123m through their bills and a £3m fine. That £123m figure includes the £91m Southern Water avoided in penalties and another £32m “as recognition of their serious failures”, Ofwat said.

“What we found is shocking. In all, it shows the company was being run with scant regard for its responsibilities to society and the environment,” said Ofwat boss Rachel Fletcher.

Southern Water sewage customers should receive a rebate on their bills of £61 in total, with £17 coming in 2020-21 and £11 per year for the four years after that.

The company appointed a new chief executive, Ian McAulay, at the start of 2017 and has made “substantial” management team changes since Ofwat’s discovery.

Auction house Sotheby’s will next week offer Thomas Gainsborough’s 1773 painting Going to Market, Early Morning for an estimated £7m to £9m. Sotheby’s said the piece shows “Gainsborough’s natural affinity with, and sympathy for, the rural poor and the landscape.” The auction will also feature works by artists such as John Constable, JMW Turner and Pieter Bruegel the Younger.

On the market Gainsborough painting on block for £7m-£9m

Regulator steps up scrutiny of fintech banks

Emily Nicolle

Applications to become the next Monzo or Revolut are falling under greater scrutiny, as regulators act on concerns about risk management.

The Prudential Regulation Authority (PRA) only approved four applications for banking licences in the past year, down from 14 in the previous year. However the number of applications remained largely flat, dropping from 11 to 10, according to data from Fscom.

It follows increased challenges in the sector, after digital bank Revolut was scrutinised by watchdogs over incidents including the temporary suspension of one of its systems.

Southern Water lands a £126m fine for ‘failures’

Joe Curtis

@joe_r_curtis

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UK retail sales fell at the fastest pace in over 10 years this month, according to a survey released today, due in part to the warm weather and football World Cup last June. Nonetheless, the closely-watched survey from the Confederation of British Industry (CBI) will worry policymakers as a sign that Britain’s consumer spending is weakening. The CBI survey showed 58 per cent of retailers said sales volumes were lower in June than a year ago, while only 16 per cent said they were higher, giving a balance of minus 42.

The score was far below May’s score of minus 27 and economists’ prediction of minus 10. Indicators suggest UK economic growth has slowed dramatically in the second quarter of the year after Brexit stockpiling boosted demand and pushed up growth in the previous quarter.

Britain’s consumers have kept the economy on its feet while business investment and trade have suffered due to domestic and international uncertainty. But in June 45 per cent of retailers said their sales volumes were poor for the time of year, compared to 26 per cent saying the opposite. However, non-store retailers such as internet and mail-order services saw rising sales this month. It was the only sub-sector to do so.

Sainsbury’s has stymied the decline in its market share as discount rivals Aldi and Lidl continue to boost sales. Customer spend at Sainsbury’s dipped 0.6 per cent in the three months to 16 June, an improvement on the 1.2 per cent decline in the previous period following its failed merger with Asda. German discount giants Aldi and Lidl continued their run of good form, posting sales growth of 9.3 and 7.5 per cent respectively, according to figures from data analytics firm Kantar. Aldi attracted an additional 883,000 shoppers to its stores over the period. Earlier this year, the chain opened its first ‘Local’ format store in Balham, as it looks to expand its foothold in the capital’s convenience market. It was also a bumper period for online supermarket Ocado, which outpaced its competitors with sales growth of 11.3 per cent. Earlier this year, the online grocer agreed a £750m food delivery deal with Marks & Spencer, which will begin next year when its deal with Waitrose expires. Tesco retained its title as the country’s largest retailer, despite flat year-on-year sales and a slight dip in its market share. Overall, the grocery sector grew at 1.4 per cent, marking the third consecutive year of sales growth. But growth was subdued due to a tough comparative period last year, when sales were boosted by hot weather and the run up to the men’s football World Cup. These challenges are reflected in typical summer categories: in the past four weeks, sales of ice cream were £15m lower than this time last year, while beer is down £7m, and burgers £6m,” said Fraser McKevitt, head of retail and consumer insight at Kantar. “However, even unseasonable clouds have a silver lining. Shoppers sought refuge from the cooler weather and spent more on traditional comfort foods, with fresh and tinned soup sales up by eight per cent and 16 per cent respectively.” The figures marked the continued tough period of trading for the big four grocers as they look to stave off competition from their smaller rivals. Tesco found success through its value own-label lines, while Asda’s online sales grew by 10 per cent.

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Carpetright returns to sales growth as rescue plan puts it back on track

JAMES WARRINGTON
@j_a_warrington

CARPETRIGHT has reported a narrowing of losses and a return to like-for-like sales growth for the full year as it continues to roll out its turnaround plan.

Revenue at the floor covering retailer fell 13.4 per cent to £386.4m in the year to the end of April, while loss before tax narrowed, falling from £149.1m to £34.8m.

It comes after a turbulent year for Carpetright, which last year entered into a company voluntary arrangement (CVA) to close dozens of stores.

The firm said it was on track to deliver £19m of annual savings as part of the CVA. Carpetright welcomed the results, but warned it was not out of the woods yet, with economic and political uncertainties weighing on the short-term outlook.

JAMES WARRINGTON
@j_a_warrington

Ford announced the closure of its Bridgend plant earlier this month

UK car industry revs up no-deal Brexit warning

JESS CLARK
@jclarkjourno

THE UK’s car industry has stepped up its no-deal Brexit warning, saying that crashing out of the EU would trigger “the most seismic shift” in trading conditions that the industry has ever witnessed.

The Society of Motor Manufacturers and Traders (SMMT), the car industry organisation, has urged the UK’s next prime minister to secure a Brexit deal as a “number one priority” once they enter Downing Street.

The group said the end of borderless trade could cause “crippling disruption” and World Trade Organisation tariffs would “deliver a knockout blow” to competitiveness.

The warning comes after Boris Johnson, the favourite to become the new Conservative Party leader, said he was willing to take the UK out of the EU without a deal.

Mike Hawes, SMMT chief executive, said: “Automotive matters to UK trade and to the economy and if the right choices are made, a bright future is possible.

However, ‘no deal’ remains the clear and present danger.

“We are already seeing the consequences of uncertainty, the fear of no deal.

“The next PM’s first job in office must be to secure a deal that maintains frictionless trade because, for our industry, no deal is not an option and we don’t have the luxury of time.”

The automotive industry is the UK’s biggest exporter of goods, accounting for more than 14 per cent of total exports, the SMMT said.

The sector has already felt the impact of Brexit uncertainty. In April, vehicle production fell 24 per cent year-on-year, the biggest drop since records began in 1991.

Ford recently announced that its factory in Bridgend in South Wales will close in 2020, making 1,700 workers redundant.

The announcement followed cuts to the UK operations of both Nissan and Honda. Brexit is cited as a cause of the industry’s struggles. The shift to electric cars and weakened demand in China also contributed.

EMILY NICOLLE
@emilyjnico1

BMW to hit electrified vehicles target in 2023 – two years early

BMW IS set to meet its target to create 25 electric vehicle models by 2023 two years ahead of schedule.

The German car maker announced yesterday it will reach the quota by 2021, with more than half of those models being fully-electric compared to hybrid or combustion engines.

“We are moving up a gear in the transformation towards sustainable mobility, thereby making our company fit for the future: Over the past two years, we have consistently taken numerous decisions that we are now bringing to the roads,” said Harald Kruger, chair of BMW’s board.

“By 2021, we will have doubled our sales of electrified vehicles compared with 2019”

Kruger said BMW expects sales of its electrified vehicles to increase by an average of 30 per cent every year.

The firm has also set itself the target of only buying electricity from renewable energy sources for all of its locations worldwide from next year onwards.
Employers’ faith in UK economy starting to grow

JAMES BOOTH
@Jamesbooth1

EMPLOYER confidence in the economy and in their own businesses’ ability to hire and invest is beginning to improve, a survey said today.

UK businesses’ confidence in making hiring and investment decisions rose four percentage points in the three months to the end of May from the previous rolling quarter – for the three months leading to the end of April – according to data from the Recruitment & Employment Confederation (REC).

Confidence of employers in their own businesses returned to positive territory at net +1. Confidence in the UK economy rose three percentage points to net -26.

Hiring intentions for agency workers continued to rise on last month’s rolling quarter figure, with the balance of forecast demand growing from net +2 to net +4 in the short-term, and from net +4 to net +5 in the medium-term.

REC chief executive Neil Carberry said: “Today’s survey shows that businesses believe in their own prospects and are ready to grow if the pall of economic uncertainty is removed.

“The contrast between employers’ view of their own prospects and their view of the wider economic picture remains stark, however. Resolving this will require cool heads through the summer and autumn, so that companies can rely on a smooth and stable new relationship with the EU – not the chaos of a no-deal exit.”

Franco's Rosé Tasting

Tuesday 2nd July
6.30pm - 8.30pm
Franco’s, 61 Jermyn St,
St. James’s, London SW1Y 6LX

Join us for an intimate evening hosted by Franco’s, sampling carefully selected rosé wine from around the world. Whether you are looking to get serious and discuss your tasting notes with your fellow wine lovers, or casually work your way through the many varieties of wines available, this is an event not to be missed.

Hosted by Head Sommelier Giulia Fenoglio, Franco’s will impart their expert knowledge on all things rosé, leaving you fully clued up on your wine knowledge, just in time for those long evenings in the garden!

If you are interested in attending, please RSVP to events@cityam.com

Regulators call for tougher checks on Facebook’s crypto programme

EMILY NICOLLE
@emilynicolle

AUTHORITIES in the UK and worldwide have ramped up calls for increased scrutiny on new digital currencies and financial disruption, in the wake of Facebook attempting to enter the space.

G20 regulatory group the Financial Stability Board (FSB) said yesterday the trend set by Facebook’s libra coin will cause regulators to take a deeper look at fintech and the risks it could pose.

“A wider use of new types of cryptoassets for retail payment purposes would warrant close scrutiny by authorities to ensure that they are subject to high standards of regulation,” said FSB chair Randal Quarles.

“The FSB and standard-setting bodies will monitor risks very closely and in a coordinated fashion, and consider additional multilateral responses as needed.”

His comments echoed those of Financial Conduct Authority (FCA) chief Andrew Bailey, who told the Treasury Committee yesterday that Facebook “will not walk through authorisation” without deep engagement with regulators.

He added Facebook and the FCA had already entered discussions.

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£240 per year
Number of managers buying their company drops on Brexit concerns

August Graham
@AugustGraham
MANAGERS have been put off from taking over their companies in the past year, even as overall acquisitions remained healthy, new data shows.

The number of management buyouts (MBOs) in the UK fell by 23 per cent to 74, it says. MBOs are key to bringing in new owner-managers who have the incentive to grow their business, said BDO associate director Ish Alg. However, the market has been resilient, he added.

“This has made them slightly less willing to execute deals at multiples that owners are looking for,” Alg said. “Despite the decline in number of MBOs, we have not seen any reduction in capital waiting to be committed to the UK. Once uncertainty subsides, we expect MBOs to recover,” Alg said.

It comes as worries over Brexit led to some hesitancy among management teams that are planning MBOs, the company said. “Lack of clarity over the terms of Brexit led to some hesitancy among management teams that are planning MBOs,” the company said.

“As owners are looking for an exit strategy, they are often willing to execute deals at multiples which provided the data. We have not seen any reduction in capital waiting to be committed to the UK. Once uncertainty subsides, we expect MBOs to recover,” Alg said.

The number of house hunters registered with agents increased by 16 per cent last month, rising from 35 in April to 41 to the highest level seen since December. However, year-on-year housing demand has fallen by roughly 13 per cent compared with May last year when there were 351 house hunters per estate agent branch.

Mark Hayward, chief executive of NAEA Propertymark, said: “It is encouraging to see the housing market bouncing back, with supply and demand rising to the highest levels seen since last year. It’s evident that buyers and sellers are no longer waiting for the outcome of Brexit and want to get things moving, particularly as many sellers are realising that it’s a buyers’ market in certain areas of the country.”

The number of house hunters registered with agents increased by 16 per cent last month.

The City bounces in trading the markets. The day also ends in trading discussions on the latest trends in trading from top industry experts.

Why are you supporting CGD?
City Giving Day provides a focus for celebrating our charitable and volunteering activities throughout the year, and, hopefully, for getting more colleagues involved in the year ahead! It’s also always fantastic to hear how other companies are marking the day – there are so many brilliant ideas out there!

Which charities do you support?
Our two main London office charity partners this year are Mind and Richard House Children’s Hospice. Recent fundraising events include a raffle, a quiz night and a walking challenge. We also support a range of other charities with staff volunteering, pro bono legal advice and event hosting.

How will you celebrate CGD?
We will be holding a mini CSR Fair, inviting in representatives from our charity friends to showcase our partnerships, and encourage more people to sign up! We’ll also be celebrating colleagues who have “gone the extra mile” in their support of our community outreach work. And we already have a team signed up for the City Giving Day Golf Challenge!

The London Legal Walk raises over £800,000 each year. While that doesn’t offset the loss of legal aid the funds raised by firms like Baker McKenzie do ensure that thousands of vulnerable people receive help who would otherwise have been left to face serious problems on their own.

Bob Nightingale MBE
Founder, London Legal Support Trust

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Hunt threatens Hong Kong with police gear ban

LOUIS ASHWORTH

FOREIGN secretary Jeremy Hunt has warned the UK will not sign further deals allowing for the export of crowd-control products to Hong Kong unless it addresses human rights concerns – but stopped short of cancelling an existing licence.

Speaking in parliament, Hunt said the UK would not issue further export licences for crowd control equipment “unless we are satisfied that concerns raised on human rights and fundamental freedoms have been thoroughly addressed”.

There have been mass protests in Hong Kong in recent weeks over a proposed bill that would allow for extraditions to mainland China. The territory’s leader recently postponed the bill in response to the unrest. There have been claims of police brutality against marchers.

Hunt, who is battling his predecessor Boris Johnson in race to be the next Prime Minister, called for authorities to investigate the clashes.

The UK has supplied Hong Kong’s police with tactical equipment including hand grenades, riot shields, body armour, and crowd-control ammunition in recent years.

Exports of defensive equipment continue to take place under a so-called Open Licences, signed in 2016. It allows an unlimited quantity of crowd-control supplies to be sold to Hong Kong for a five-year period.

MPs criticise ITV over use of lie detectors in Jeremy Kyle Show

JAMES WARRINGTON

ITV have been slammed for using lie detectors on its Jeremy Kyle Show.

Protesters are marching in Hong Kong over a controversial bill

Care following the apparent suicide of Steve Dymond, a former participant on the reality TV show.

Senior ITV executives faced a grilling yesterday as part of an inquiry into broadcasters’ duty of care.

Disney poaches Netflix's original film division

SAYANTI CHAKRABORTY

DISNEY has hired the head of Netflix’s original film division. Matt Brodlie, for its streaming service Disney+, according to a report by Deadline yesterday.

Brodlie will join Disney+ as senior vice president of international content development, the report said.

For years, Netflix has been luring away dollars of talent from rival platforms and was earlier sued by Twenty First Century Fox Film Corp for poaching employees.

Wall Disney and Netflix did not immediately respond to a Reuters request for comment.

Netflix has been spending billions of dollars on original content to attract new customers, while Disney and Apple Inc build streaming rival services.

Disney launched the ad-free monthly subscription streaming service in April and priced it at $7 (£5.50) monthly or $70 annually with a slate of new and classic TV shows and films from some of the most popular entertainment franchises to challenge the digital dominance of Netflix.

Growth has overtaken value as the dominant style of investing

Although initially not understood, the theory of increasing returns has been embraced by many investors and, since then, it has been standard for investing in high-tech markets.

At that time, an example of increasing returns was work in the high-tech industry was Microsoft (NASDAQ:MSFT), who successfully turned Windows into the dominant product in PC operating systems.

The managers invest in innovative companies that produce goods such as grain, crops or coal, eventually ran into limitations as they expanded, causing them to hit equilibrium.

However, once economies transitioned from manufacturing to service markets, the underlying mechanisms that determine economic behaviour shifted from diminishing to increasing returns. This shift is associated with a new modern economy of high-tech and the knowledge-based industries.

W. Brian Arthur, an economist at the Santa Fe Institute, argues that increasing in high-tech industries is different from investing in other companies, because of the interaction they have with network effects and the law of increasing returns.

“If a product or a company or a technology—one of many competing in a market—gets ahead by chance or clever strategy, increasing returns can magnify this advantage, and the product or company or technology can go on to lock in the market.”

Although initially not understood, the theory of increasing returns has been embraced by many investors and, since then, it has been standard for investing in high-tech markets.

The theory of increasing returns

James Anderson and Tom Slater, managers of the Scottish Mortgage Investment Trust (LSE:SMFT), almost redefined growth investing based on this theory of increasing returns. They believe it explains the reason why growth has overtaken value as the dominant style of investing over the past few decades.

Scottish Mortgage, Baillie Gifford’s flagship investment trust, was launched in 1909. As at 31 May 2019, the trust had total net assets of £7.95 billion, making it the UK’s largest investment trusts and a FTSE 100 company.

The managers invest in innovative businesses with the power to disrupt whole sectors and industries. Their view is that market returns are not normally distributed, but that the big gains will come from a few companies.

The focus is to find these future winners in a changing world, whose prospects remain underestimated by most investors. These are usually companies that address markets with huge potential at early stages, are founder or family-run for the long term and have “flexibility to change direction”.

The II View

Scottish Mortgage is a Global Equities Adventurous recommendation within interactive investor’s Super 60 list of high conviction active and passive funds.

Scottish Mortgage provides global exposure to exciting disruptive growth companies, public and private, selected by highly experienced managers. The strength of their stock-picking skills combined with strong risk-adjusted performance and competitive fees make this a good choice for long-term investors.

Investors should note that it is higher-risk investment due to high portfolio concentration, exposure to unlisted companies and even fixed gearing, so works better as a satellite holding in a well-diversified portfolio. The style bias of the trust is toward growth, with less attention paid to valuation, meaning it can complement other funds with a core or value style orientation.

If you enjoyed this article, you may also like other funds, picked for interactive investor’s Super 60 range of high conviction investment ideas, suitable for both beginner and more experienced investors. This article is provided for information purposes only and is not intended to be a personal recommendation to buy or sell any financial instruments or products, or to adopt any investment strategy.

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Ethical clothing move by Asos aligns with views of eco-conscious Brits

AST fashion is an increasingly hot topic as consumers become more environmentally aware, conscious about the impact of their shopping habits and look to reduce waste.

Despite this, environmentally positive changes have been slow or nonexistent, such as the recent rejection of the 1p fast fashion tax by government that would have raised money for better clothing recycling and made producers responsible for their waste.

YouGov data shows that 39 per cent of Brits think fashion companies should pay for the costs of recycling old clothes, as opposed to the government (eight per cent) or consumers (16 per cent), indicating that fashion companies are on a different page to consumers by rejecting this levy.

One brand that does appear to be listening to consumers is Asos, which has just launched an ethical and sustainable clothing collection to provide environmentally conscious customers which more choice. Customers will be able to buy items that take animal welfare into account, are locally-made or are produced in low-waste factories.

Asos customers (those who have purchased from the brand within the past three months) are skewed towards a younger demographic, with 58 per cent of the customer base made up of 18- to 29-year-olds. Some 70 per cent of this age bracket think that sustainable practices in retail and production make a difference to the environment.

Current customers of Asos (60 per cent) are more likely than the average (49 per cent) to try to only purchase from companies who are socially and environmentally responsible, with over half (52 per cent) being of the opinion that big companies are trying to improve their impact on the environment.

Over two thirds (65 per cent) of Asos customers (those who have purchased from the brand within the past three months) are happy to pay more for products that are good for the environment, while only a fifth (21 per cent) think that people worry too much about the environment – compared to 29 per cent of the UK as a whole. Although it’s too soon to see the impact of this scheme on Asos’s customer base, the environmental attitudes of those under 30 would suggest that this scheme will be well received.

Fancy learning how to trade? Join multi-asset investment platform eToro for a free trading course on 1 July 2019.

Throughout the day you will explore trading essentials to help you cut through the noise, covering topics such as cyclicity and moving averages to leverage and margin.

The course is suitable for all levels – from beginners to more experienced investors and traders looking to refresh their knowledge – and it’s completely FREE to sign-up.

How is the course structured?

The course is split up into four key learning areas:

- The currency market
- Types of trader - learn what type of trader YOU are
- Key terms - understand key terms with simple examples
- Trading - explore the essentials of currency trading

1 July 2019
Level39, One Canada Square, Canary Wharf, London E14 5AB

Registration at 8:30am, 9am start. To conclude no later than 4pm. Refreshments will be provided on the day (lunch will not be provided).

The course will be led by Currencies & Indices Trader, Henry Ward, who boasts two decades of trading experience, risk management and market analysis.

Strictly RSVP - to register to attend visit www.cityam.com/event/etoro-event
Musk’s Space X launches rocket in its ‘most difficult’ mission to date

JAMES WARRINGTON
@j_a_warrington
SPACE X has launched its Falcon Heavy rocket carrying 24 experimental satellites, in what boss Elon Musk said was his firm’s “most difficult” launch to date.
Liftoff took place in the early hours of yesterday morning from Kennedy Space Centre in Florida. The six-hour mission, dubbed Space Test Programme 2, is the third for the Falcon Heavy rocket and was commissioned by the US Department of Defense.
Space X is putting satellites into orbit for agencies including Nasa, the National Oceanic and Atmospheric Administration and universities, the company said.
Falcon Heavy is the most powerful operational rocket in the world “by a factor of two” and can lift nearly 64 metric tonnes into orbit, according to Space X’s website.
The mission requires four separate upper-stage engine burns and three separate orbits to deploy satellites. Space X said it plans to recover the three first-stage core boosters for reuse in other missions.
Earlier this year Elon Musk’s space exploration firm suffered a major setback after an explosion destroyed Crew Dragon, one of its passenger vehicles, during ground testing. Senior Nasa official Jim Bridenstine warned the explosion would delay the bid to build a US spaceship able to carry astronauts to the International Space Station.

Apple: Spotify fee claims were exaggerated

EMILY NICOLLE
@emilyjnicolle
APPLE has responded to a complaint by Spotify to the EU commission, saying it only collects a fee on less than one per cent of its music streaming platform’s userbase.
Apple said in a filing Spotify pays a 15 per cent fee on about 680,000 of its 100 million premium customers. It follows a complaint by Spotify chief Daniel Ek in March that blasted Apple for levying a 30 per cent commission on in-app purchases taken out via its App Store. The fee drops to 15 per cent after one year.
Apple said none of Spotify’s premium users currently pay the 30 per cent fee, as Spotify ceased collecting subscription payments through the App Store in 2016.
Spotify’s complaint to regulators also included allegations beyond Apple’s fees, including steps that Spotify said Apple took after it quit using the App Store’s payment mechanism.
The company pointed to tightened App Store rules after 2016 that bar developers from providing links or buttons to external web pages showing users how to pay for an upgrade to premium subscription outside the App Store.
Apple accused Spotify in March of using “misleading rhetoric” to swing the decision in their favour. However, Spotify is not the only complainant against Apple’s App Store and the firm’s alleged anti-competitive practices.
In May, the US Supreme Court ruled against Apple in a lawsuit brought by consumers that accused the firm of creating a monopoly via its commission charges.
The Cupertino-headquartered tech firm said it was only acting as an agent on behalf of app developers, which set their own prices and pay Apple the commission charges.
It also argued the ruling could pose a threat to the e-commerce sector. Noting that they pay Apple – not a developer – when they buy an app in the App Store, the iPhone users said they were the direct victims of the overcharges. Apple argued the consumers were indirect purchasers, because any overcharge would be passed on to them by developers.
Developers earned more than $26bn ($20bn) in 2017, a 21 per cent rise. It also argued the ruling could pose a threat to the e-commerce sector. Noting that they pay Apple – not a developer – when they buy an app in the App Store, the iPhone users said they were the direct victims of the overcharges. Apple argued the consumers were indirect purchasers, because any overcharge would be passed on to them by developers.
Developers earned more than $26bn ($20bn) in 2017, a 21 per cent rise.

Australian miner takes MOD Resources private in £91m deal

AUSTRALIAN miner MOD Resources, which has its headquarters in London, has agreed to buy the Botswana copper and zinc miner Metal Tiger for £91m.
MOD Resources, which runs copper mines in Botswana, said the deal would give it access to its three first-stage core boosters for reuse in other missions.

FreeTrade to close £7m in crowdfunding

EMILY NICOLLE
@emilyjnicolle
FINTECH startup FreeTrade is set to reach £5m in a crowdfunding round today, after its last funding attempt got cut short due to excessive demand from investors.
The commission-free stock-trading app last headed to the crowd in April. It raised £2m within a matter of minutes, before investment platform Crowdcube crashed due to too many users trying to access the site – a feat only Monzo has also achieved.
The move valued FreeTrade at £43m pre-money, a 13 per cent increase since the April round.
FreeTrade told City A.M. a number of prominent investors joined the round as it opened yesterday, including British-Nigerian musician Maleek Berry.
It will use the funding to grow its engineering team in London, and gain a full stockbroking licence from the Financial Conduct Authority. If approved, FreeTrade will be the world’s first stockbroker to offer fractional shares in UK and European stocks.
The startup now has more than 30,000 customers in the UK, with the same amount on its waiting list for more users.
Chief executive Adam Dodds said the firm had witnessed 100 per cent growth since April, and plans to expand to Ireland soon.

French regulator approves La Poste takeover to protect rural services

INTI LANDAURO
FRANCE’s market regulator has approved state-owned mail operator La Poste’s takeover of CNP Assurances in a bid to create a state-controlled bank and insurer focused on the country’s rural areas.
The AMF watchdog said yesterday it had authorised state-owned investment firm Caisse des Depots et Consignations, or CDC, and the French government to transfer their 42 per cent stake in CNP Assurances to La Poste’s banking arm La Banque Postale.
This will allow the French post office to diversify away from the shrinking mail business, while CNP Assurances will get access to its customers.
La Banque Postale already owned about 18 per cent of CNP Assurances. The watchdog decided to waive a rule that forces a company owning 30 per cent of a listed company to make a public offer for all the shares in that company given that both Banque Postale and CDC are 100 per cent owned by the French government.
The merger is an attempt by the government to ensure access to banking and insurance services in rural areas at a time mainstream banks are shutting branches in the countryside.

La Poste’s takeover lets the post office diversify from its shrinking mail business
Falling further ground to discounters Aldi and Lidl, industry data showed. Shares of both Tesco and Morrisons dipped one per cent. Brexit concerns also re-emerged and pound, which earlier capitalised on the broader weakness of the dollar as traders bet on more dovish signals from the US Federal Reserve, came under pressure again.

Sterling skidded after Boris Johnson, favourite to replace Prime Minister Theresa May, said he was serious about a no-deal Brexit.

Miners rose after a strike at a major mine in top copper producer Chile highlighted supply constraints, while oil firms advanced in anticipation of a bullish reading of US crude stock data.

Investors had been subdued for large periods of the session after US President Donald Trump targeted Iranian Supreme Leader Ayatollah Ali Khamenei and other top Iranian officials with sanctions, further straining the Middle East’s geopolitical dynamics. Uncertainty over how talks between Trump and his Chinese counterpart Xi Jinping will pan out at the G20 summit has also had an impact.

Sales at British supermarket chains fell during the 12 weeks to 16 June, losing further ground to discounters Aldi and Lidl, industry data showed. Shares of both Tesco and Morrisons dipped one per cent. Brexit concerns also re-emerged and pound, which earlier capitalised on the broader weakness of the dollar as traders bet on more dovish signals from the US Federal Reserve, came under pressure again.

Sterling skidded after Boris Johnson, favourite to replace Prime Minister Theresa May, said he was serious about a no-deal Brexit.
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**FTSE 100**

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**EU SHARES**

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**US SHARES**

WebFinancialGroup

http://www.webfinancialgroup.com

mailto: globalinfo@webfinancialgroup.com

**COMMODITIES**

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**CREDIT & RATES**

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Istanbul has rekindled Turkey’s fight against religious tyranny

The path of democracy in Turkey took a “significant dip” in 2016 due to the political turmoil of that period, but today Istanbul’s mayor Ekrem Imamoglu faces opposition candidate Bülent Títlik in its mayoral election.

In his 2018 speech, Imamoglu said that “any attempt to return to the past is invalid owing to ‘irregularities’.”

The resulting showdown has been particularly deadly, with Erdogan throwing everything but the kitchen sink at Imamoglu, accusing him of being a terrorist, a coup supporter, an advocate of Egypt’s militant secularist President Sisi, and even secretly a Greek.

Despite this, the institutional base against him is weakened by the President’s party having control of all the levers of power and influencing the outcome of the country’s vote. Erdogan’s sway over the city has ended. But it is ultimately tertius loci whose legacies plays an insignificant role in Turkey’s overall political landscape.

Turkey is a country that has weathered economic crises and political upheaval. The government has long been seen as an obstacle to economic growth.

In 2016, the government introduced a new currency, the lira, to stem the economic bubble. But even this did not work, as the currency continued to fall. In 2017, the government announced a new fiscal policy, which included a 20% tax on all capital gains.

The government also took steps to reign in the power of the state, including by reducing the powers of the judiciary. In 2017, the government announced a new law that would allow the government to dismiss judges and prosecutors.

In the 2018 election, Erdogan’s party won a majority of seats in parliament, which allowed the government to pass a new constitution that expanded Erdogan’s powers. The constitution also allowed the government to declare states of emergency, which it did several times.

These actions have been controversial, with many critics arguing that they are a threat to democracy.

Alan Mendoza

A quarter of a century of Erdogan’s sway over the city has ended

Tragedy awaits if we don’t bridge the gap between beliefs and reality in the NHS

A tragic story over the weekend revealed how a man who died of lung cancer was denied access to a lung transplant. His paucity of news item was that the victim was a relative of Nye Bevan, the Welsh socialist politician who founded the NHS in the late 1940s.

Almost everyone has an account of a relative who has been let down by the public or private health service. Whether or not it is known to them has been let down by the NHS.

On a mundane level, a few weeks ago I had an accident which involved knee surgery, so was on crutches for a few weeks. I had been waiting for months for a minor operation on my hand. By coincidence the date was fixed while I was on crutches. The outcome that I could not attend meant I went to the back of the queue.

In vain, I pointed out that I had just had a knee operation at the same hospital and needed a hand operation weeks later I discovered that the knee and hand consultants had offices literally next door to each other. But their staff were somehow unable to communicate.

The evidence of poor performance by the NHS is not just based on casual empiricism and anec- dote. In terms of survival from lung cancer, for example, a major study by the American Society for Heart Failure Economics shows that only one country in the EU has a worse record than the UK: Bulgaria.

Cancer survival rates are improving everywhere, but the UK lags behind. Five-year survival from colon cancer, for example, averages 58 per cent across the EU. It is 52 per cent in the UK.

Bevan was a great believer in So- viet-style central planning, so it was natural for him to set the NHS up on these lines. Significantly, no other developed country has chosen to design their own health service in a centrally-planned way.

Despairing of the failings of the NHS, it continues to attract strong emo- tional support across the electorate and defensiveness whenever anyone tentatively suggests reforming it. Witness the frenzy with which the US ambassador greets the US ambassador’s remarks earlier this month that America would want access to the NHS in any post-Brexit trade deal.

A classic example was provided by the psychologist Leon Festinger in the 1950s. He infiltrated a group which believed a massive flood would shortly bring the world to an end. When the deluge failed to ap- pear, he offered them an alternative explanation on the basis of the defection of the members that it would happen actually became stronger.

Festinger’s explanation was based on a way of overcoming this widespread bias, the tragedy of Bevan’s great-nephew. The Albertian feat is to declare a policy of nationalization and thus the nationalization of the NHS.

AЛan Ormerod

@tnewtondunn

@claireperrymp

BEST OF TWITTER

What do you want to know about Facebook’s Libra?


2) @claireperrymp – More generally, libra will give Facebook the last key to our lives. The company already knows almost everything about you: who you associate with, where you go, what you think (or share publicly), and what you buy. Although it already knows what products you look at so its partners can advertise to you, the actual reality of what you buy has been a mystery. Until now.

3) @sebastian inflate – Re No Deal+GATT24 claims – is it an option as @orisbordonjohns says? My understanding is that this can’t be done unilaterally and therefore requires EU Agreement. But it is an option. One you might find in a magic forest with a glowing horn.

4) @claireperrymp – Facebook has over two billion users; if this new entity were to go public, there will be no need for consumers to open up bank accounts with reams of paper documents when they can just use WhatsApp. This could definitely threaten the traditional bank model.
Through the smoke: The legal path to Britain’s cannabis market

The great and the good of the global cannabis industry (which, for those behind the curve on such things, is no longer a contradiction in terms) are assembling in London for a dazzling set of events under the banner of European Cannabis Week.

Even those who follow the headlines about the industry’s rapidly escalating size and changing regulatory landscape may be surprised both by the sheer scale of the exercise and by the profiles of those attending, many of whom have high-powered, successful backgrounds in more conventional sectors. This, lest there still be any doubt from anyone, is proper, serious business.

The question of how this brave new world fits with the UK’s institutional attitude towards cannabis – which, of course, remains a controlled drug here, with no clear signs of that changing anytime soon – is one of those for discussion at the week’s centrepiece, the two-day Cannabis Europa conference.

The answer divides into domestic and international issues.

Taking the domestic first, those who grow, sell or do research on cannabis in the UK itself need to register and obtain licences from a specialist Home Office unit, which is dealing at present with a very large number of applications and enquiries.

Businesses that expect an easy ride from the unit can become frustrated with its processes and mindset, which are - understandably, perhaps - particularly focused on the security aspects of what the law still considers a dangerous drug.

Unhelpful ambiguities also abound, a notable example being the status of cannabinoid products that contain negligible amounts of THC, cannabis psychotropic component.

Confident assurances that products with a THC content below 0.2 per cent are lawful, even without a licence, are as ubiquitous as the products themselves. But the official guidance is more nuanced: in short, while the threshold is useful for licences to grow hemp, the only lawful amount of THC in the UK is zero.

The international issue, meanwhile, concerns businesses planning to invest in cannabis overseas and then draw their lines, and the growing “wellness” market blurs the divide still further. The UK, it seems, has some considerable way to go before even strictly medicinal products are available to all who need them, notwithstanding the recent change in our laws after some high-profile and emotive cases.

In time, perhaps, the UK may follow the example of Canada and others, and adopt a more relaxed approach to cannabis. But for now, businesses that want to operate here must temper their enthusiasm by taking a proper look at their plans through a law enforcement lens, and ensuring that they stay on the right side of the law as it is today.

The UK has some considerable way to go before even strictly medicinal products are available to all who need them.

John Binns is a partner in the business crime and corporate regulatory department of BCL Solicitors.

DEBATE

Is the obsessive focus from politicians on increasing home ownership misguided?

Politicians are obsessed with home ownership, including both contenders for Prime Minister. Jeremy Hunt has put a new “right to own” policy at the heart of his bid, while Boris Johnson has backed replacing Help to Buy. But many people are increasingly mobile, young population choose to live in build-to-rent developments. They benefit from amenities such as gyms, communal areas, and office services that they wouldn’t have in a traditional home. They prioritise a higher standard of accommodation over simply joining the property ladder, along with the relative ease of moving and absence of costs like stamp duty and fees. Moreover, ownership policies don’t always work. A recent report on Help to Buy showed how the scheme actually helped inflate property prices.

Yes, we need to build more homes for sale too, but the new Prime Minister should also back plans that enable Londoners to rent should they wish.

No, we need to build homes for sale too, but the new Prime Minister should also back plans that enable Londoners to rent should they wish.

Paula Higgins is chief executive of the HomeOwners Alliance.

Lord Mayors Appeal – London is a Better City for All

Valuing a culture of diversity and inclusion is at the heart of our business. Through The Lord Mayor’s Appeal our people have gained insight into some of the most important conversations on diversity and inclusion which they can take into their day to day roles.

Peter Harrison, Group Chief Executive, Schroders
Feeling lactose intolerant? A guide to office milk etiquette

A Doncaster Council worker padlocked a bottle, so let’s get some things straight.

**G**ot milk? The answer, if you’re reading this in the office or on your commute, is probably “no”. And if “yes”, it will be followed with “but not for much longer”.

We’re all having a good laugh this week at the employee of Doncaster Council, who took the ingrained culture of petty office protectionism to a new height by drilling through the cap and neck of a plastic milk bottle and attaching a padlock to deter thieves. It’s exactly the sort of behaviour one expects from the average council employee, but it caught the world off-guard nonetheless.

Milk, from the moment it is set down in an office environment, is one of those things that falls into the “fair game” category, like biscuits, satsumas, or the intern. If it’s there and unattended, it is liable to be used by anyone who happens upon it.

As I type, I am sipping from a cup of tea garnished with, yep, someone else’s Co-op own-brand dairy goodness. I don’t know who bought it, nor do I care. I took a furtive look around the kitchen and, with the single, fluid movement of a ninja, opened the fridge, removed the pint, unscrewed the cap, added a dash, and replaced the bottle back behind the door in all of 3.4 seconds.

This proves, if nothing else, that there are more Thatcherites out there than many would readily admit. Milk snatching is de rigueur, now. The few drops that it takes to improve a beverage are barely missed – only noted when the whole office has partaken in the sinful business, and the bottle has mysteriously emptied itself.

It can be infuriating, as – inevitably – the person who buys the milk is always the same. They are, to the team, like the person in a family or flat share who pays for the Netflix subscription: uncomplaining, and like all history’s great heroes and characters, unappreciated in their lifetime.

Few would deny the right of any Englishman to half-finch a few drops of milk for his tea. But where things cross the line is when people milk the system for bigger projects – a bowl of porridge or cereal in the morning, for instance, or to lace someone’s post-workout protein shake. Or when a Prime Minister goes mad with power and takes it away from a generation of children in a single fell swoop.

It’s at the point when people treat milk as a plentiful and expendable resource, rather than the social glue of the workplace, that the kitchen turns into the bar from A Clockwork Orange.

It isn’t enough that office jargon borders on Nadsat at the best of times, a nightmarish blend of “tolchocks” and “synergy”. When the milk enters this realm, it becomes a weapon, to be denied to the rest of the populace by a milk baron (as in Doncaster), or deployed as a ballistic against an enemy. It’s no wonder that “milkshaking” has spilled out onto the streets.

Milk is meant to preserve harmony. The person who buys it should recognise that when they do so, they are doing so for all. And in turn, everyone else should recognise that person’s noble role in society, as the bearer of 50 per cent of the luxuries the Israelites were prepared to wander around a desert for 40 years seeking.

It’s okay to steal milk. But thou shalt steal it responsibly.

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Benedict Spence is a freelance writer. He is on Twitter @BenedictSpence.
ISLAMIC REAL ESTATE INVESTMENT

ROSETTE
Stuart Jarvis
Investment Director at Rosette Merchant Bank

The synergies between Islamic Finance and real estate have provided the UK with a rich vein of inward investment that is all too rarely reported. Yet, the flows of Shariah compliant capital from the Middle East and South East Asia have funded real estate the length and breadth of the UK, across all real estate sectors.

The tenets of Shariah compliant finance require an underlying asset in which to invest, with property being an obvious first choice. There is a prohibition however, against owning properties which have tenants that have haram or illicit business activities: gambling, alcohol, tobacco, pork, ‘conventional’ finance and weapons.

When combined with the principles of fairness and transparency that are required in all Islamic investment activities, the sector has seen a recent surge in interest from ethical and ESG focused funds. This additional capital has only served to increase the funding deployed by Shariah compliant investment houses, such as Rosette Merchant Bank. As an independent financial services firm, Rosette is committed to aligning our interests with those of the investor, delivering tailored Islamic real estate solutions.

The sector has seen a recent surge in interest from ethical and ESG focused funds structured as a sale and leaseback transaction, sukuk issuers receive a capital receipt in return for a fixed schedule of rental payments. At maturity of the sukuk, the issuer buys back the property at par value.

The UK Government’s first sovereign sukuk was a sale and leaseback style transaction, issued in 2014 and groundbreaking at the time. The £200m issuance was significantly over-subscribed, highlighting the considerable demand for such product. Maturing in July this year, a reissuance is hotly anticipated by investors. It remains one of the strongest signals that the UK Government can make that it is serious about attracting international Islamic capital.

The draw of UK real estate for international investors is not just a question of risk-adjusted returns. Alongside portfolio diversification, at least part of the attraction is the strength of the legal system in the UK and recording of property titles at the Land Registry.

From a commercial perspective, Rosette is able to advise its clients on the risks and rewards of all real estate investment themes. Whether a residential development delivering much needed affordable housing in the Midlands, or a prime city centre commercial office on a long lease to a blue chip tenant, there has and will continue to be wide and varied demand from Shariah compliant real estate investors.

The field of fixed income, in the form of real estate backed Islamic bonds or sukuk, is also a vibrant home for Shariah compliant capital. Most often
One of the City A.M. Club’s partners is an ethical swimwear brand that’s changing the way people consume fashion. NaeCo uses innovative techniques to turn plastic waste into quality clothing, helping to save our oceans as well as make us look great on our holidays.

Members of the Club receive an incredible 25 per cent off every purchase. We caught up with NaeCo founder Zak Johnson to get the lowdown.

NAECO creates luxury swimwear out of recycled discarded plastic. Why is this cause so close to your heart?

NaeCo was born out of a need to rid the ocean of the terrible plastic contamination mankind is pouring into it daily. As an avid kite surfer and scuba diver I spend a large part of every day picking up plastic. As an avid kite surfer and scuba diver I spend a large part of every day picking up plastic.

WHERE DOES ‘NAECO’ COME FROM?

It’s actually ‘OCEAN’ spelled backwards. The brand was always going to be centred around water – you can even spot Poseidon’s trident in the logo. I wanted the brand name to be short and catchy and NaeCo felt right.

WHAT IS YOUR DEFINITION OF ‘ETHICAL FASHION’?

For me ‘ethical fashion’ is not just making a product from sustainable materials, paying higher wages or reducing your carbon footprint. It’s about making a product that’s world class, the best it can be. First of all it needs to look fantastic, feel good and look great on you.

Once you have created a design, then you can consider sustainable fabrics, shipping, carbon footprint, ethical manufacturing, and the salary of your team and external companies. I have seen many brands create sustainable products that just don’t look great – being made from a sustainable material won’t sell your products and won’t make an impact on our environment. We need to create beautiful products that people love that are actually sustainable. We have a number of customers who never knew our product was sustainable. They bought it as they loved the design and quality.

HOW DO YOU MAKE SUCH SOFT, LUXURIOUS FABRIC FROM DISCARDED PLASTIC?

Plastic bottles, straws and other plastic waste is collected and passed through a series of steps, cleaning and crushing to obtain plastic flakes which, through a mechanical process, are converted into luxurious spun fibre. This recycled yarn is then used to develop our fabrics, going through a number of processes to make the fabric soft and durable, and to ensure comfort in and out of the water.

Each pair of NaeCo swim shorts are made from the equivalent of 15 plastic bottles that were destined to pollute our planet. Now they live life as a sustainable luxury garment.

T his is a great, simple way to make your own tofu – and believe me, you won’t ever go back to the pre-made packet stuff. Okay, confession time: this recipe isn’t technically tofu, it’s a Burmese version usually made with chickpea flour, although I prefer to use green pea flour. It reminds me of the silky green pea tofu I had when I went to a specialist tofu restaurant in Tokyo – they made the tofu in front of you in a sunken, heated well in the middle of the table. After each course they gave it a stir until it finally set, then they served the warm tofu on its own.

I like to serve this in a vegetable broth garnished with peas, shredded sugar snaps, spring onions, pea shoots and coriander. I’ve also served it with a pea, tomato and mint dressing – the options are endless for a real vegan treat.

GREEN PEA TOFU (SERVES 4-6)

INGREDIENTS

- 700ml water or oat milk
- 1 tbsp rapeseed oil
- Sea salt and freshly ground black pepper
- 100g shelled peas, fresh or frozen
- 1 cup green pea flour

METHOD

- Whisk the water, green pea flour and rapeseed oil together, season and heat gently on the stove, whisking as it’s heating. Add more flour if necessary.
- Cook on a very low heat for 2-3 minutes, giving the occasional stir.
- Cook the peas in boiling salted water until soft, drain most of the water away leaving about a tablespoon then blend until smooth in a liquidiser or Nutribullet.
- Add the green pea flour mixture to it and give it a final blend until very smooth then transfer to a shallow 2cm deep container.
- The mixture will be a soft, creme fraiche consistency, just like I had in Tokyo many years ago.

Try my pea ‘tofu’ and you’ll never look back

Our resident chef recreates one of his fondest food memories

MY FOOD DIARY

Mark Hix

Tokyo – they made the tofu in front of you in a sunken, heated well in the middle of the table. After each course they gave it a stir until it finally set, then they served the warm tofu on its own.

Happy Hour Oysters at HIX Oyster & Chop House

www.hixrestaurants.co.uk

For more information, visit: CLUB.CITYAM.COM
WHO ARE YOU AND WHAT DO YOU DO?
I am Manu Canales, and you can find me cooking at Kebab Queen in Covent Garden. For as long as I remember, I’ve been fascinated by food, which is the reason I became a chef.

TELL US ABOUT KEBAB QUEEN
It’s the icing on the cake of our Kebab project, which also includes Le Bab and Maison Bab. It’s a beautiful little place where we work hard to give our guests a memorable and tasty experience.

YOU COME HOME DRUNK AND HUNGRY – WHAT DO YOU COOK?
Fried eggs with a crispy edge, with plenty of bread to dip.

WHAT’S THE STRANDEST ENCOUNTER YOU’VE HAD IN YOUR RESTAURANT?
A customer liked my hair and kept trying to touch it – so irritating, and weird.

WHAT’S YOUR EARLIEST FOOD MEMORY?
Having yoghurt at nursery. Mrs Elena had a peculiar way to open it: instead of tearing the lid, she’d poke it with the handle of the spoon, give it to you and let you dig your way in. It felt rewarding.

TELL US ABOUT THE BEST MEAL YOU EVER HAD
It was a dinner I had somewhere in Northern Thailand. We’d been trekking for a week in the jungle, going up and down, through rain, crossing rivers with the water up to our necks when we finally made it to a village. We shared a chicken and rice dish with the locals, eating it with our hands. It couldn’t have been a more authentic experience.

WHAT’S THE WORST THING YOU’VE EVER PUT IN YOUR MOUTH?
Funny one – I was watching Spain during the World Cup nine years ago with a friend. We had eaten some Pringles, and finished the tub. We were very nervous, my friend was biting his nails and splitting them into the tub. I thought that they were the crumbs of the Pringles and went for it... Yuck!

WHAT DO MOST PEOPLE GET WRONG WHEN COOKING?
Failing to learn the right cooking times for different ingredients. I also see a lot of people incorrectly seasoning their dishes.

WHAT SHOULD EVERYONE HAVE IN THEIR KITCHEN CUPBOARD?
A large selection of spices. They will help you to break the monotony in your cooking, giving you access to an endless range of flavours.

WHAT’S THE BEST THING ABOUT THE LONDON FOOD SCENE?
Despite being a large city, away from nature, chefs are growing more conscious about the environment and trying to achieve more sustainable ways of delivering food and eating it.

WHAT’S THE MOST OUTRAGEOUS THING YOU’VE SEEN A CHEF DO?
Someone forgot to cook some lamb – thank goodness the chef ran them under hot water from the tap to quickly warm them up and make them look as if they were cooked – not good.

To book a table at Kebab Queen go to its website at kebabqueen.com, email info@kebabqueen.com, call 07751 240029 or pop in to the restaurant at 4 Mercer Walk, Covent Garden, W1W 6HA

KALIFORNIA KITCHEN
19 PERCY STREET

WHAT?
A plant-based diner on a health kick, walking into Kalifornia Kitchen is like slipping through a Goodnight Sweetheart-style portal, except rather than arriving in World War Two you’ve been teleported across the Atlantic to Venice Beach as seen through an Instagram lens. It’s as though a block of West Coast America has been surreptitiously airlifted to Tottenham Court Road in the dead of night.

When we arrived for lunch a yoga group had just finished a meeting upstairs and was recuperating with a round of CBD oil-infused smoothies. A capricious, handbag-sized dog was throwing a microscopic tantrum beneath the table next to us, demanding another paprika fry. A neon pink hashtag adorns one wall. The only clue that we were still in London was the kind of wobbly service that wouldn’t last a minute in LA, as well as the incongruous deep fat flyyer by the entrance, which gave the air in this health-conscious café the unmistakable aroma of a high street chip shop, rather than a shine to clean living. You’ll leave craving a battered sausage.

WHO?
This is the second restaurant of Loui Blake, founder of the UK’s largest vegan restaurant, Erpingham House in Norwich.

WHERE?
19 Percy Street, between Goodge Street and Tottenham Court Road tube stations. Or, if you want to sound like an American, it’s on the corner of Percy and Tottenham.

ORDER THIS:
Beyond Meat “bleeding” burger, a bowl of fries or the curry – you can recommend it. (I went for the curry, which was mild to the point of boring, to the further point that I had to eventually share my burger. We finished by slamming a couple of “health shots”, tiny jars of ginger, pepper and apple juice that made us feel immediately revitalised. Though I suppose
downing a shot of ginger will do that to you. It also makes your eyes water a bit. I can recommend it.

WHAT ABOUT THE CBD?
Inspired by the yogis – who genuinely seemed pretty relaxed by the time they left through the haze of chip fat – I ordered a CBD oil-infused chocolate smoothie. It arrived lukewarm, the glass still hot from the dishwasher, but after it was quickly swapped for a chilled one it was a sweet end to an unexpectedly filling lunch. The fashionable, cannabis-derived oil is perfectly legal and has no psychoactive effects – there’s no good research to suggest it has any measurable benefits beyond a placebo effect – but later that evening, while dancing to Sergio Mendes at the Royal Festival Hall, I couldn’t help but wonder if the CBD oil coursing through my veins was making the bossa nova beats that little bit more alluring. (It wasn’t, of course, that was all Sergio).

NEED TO BOOK?
It’s not the biggest venue and it can fill up around lunchtimes, especially at the weekend, so book online at kaliforniakitchen.co.uk

WORKING LUNCH
Steve Hogarty

on the best places to grab a quick bite around the city
THE PUNTER

HONG KONG TRADER

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

Bullish Brother set to Cruz to victory at Valley

ONG Kong racing returns to Happy Valley this afternoon after a week of respite to allow the grass to grow. Local racing fans weren’t short of excitement last week though, with Royal Ascot televised live throughout the territory. The Hong Kong Jockey Club had devised a worldwide betting pool which saw tote pools from ten countries.

The world pool was obviously a huge success, with around £100million bet across the five days. Fingers crossed the world pool will be used once again on Champions Day at Ascot in October.

Back in Hong Kong, jockey Zac Purton continues to hog the headlines in his relentless quest to overtake Joao Moreira’s record-breaking 170 winners in a season.

Another treble last Sunday saw Purton reach 151 victories, but time is running out. With just six meetings left, he needs 19 wins to equal the record which is a huge task.

With his card marked in seven races on the eight-race card, it would take a brave man to bet against him leaving the inner-city track empty-handed – the last time that happened was over two months ago, but this time even the gods of fortune appear to have turned their back on him.

None of his rides are drawn below six, and despite the ‘B’ course being the fairest of the seven different tracks on the Happy Valley circuit, the reigning champ is going to need plenty of luck to overcome a draw bias which favours low numbers throughout the afternoon.

Purton’s best chances appear to be on a couple of last-start winners who are expected to be well backed.

Hat-trick seeking Le Teroir made the most of an ideal draw when winning at odds-on over course and distance at the end of last month and will be expected to defy his penalty in the 1.45pm over six furlongs.

The petrol tank appeared to be flash-low though for the last-start winner GODSPREAD with only 9lbs left, he needs 19 wins to equal the record which is a huge task.

The Zac-Man has won twice on the inner-city track with at least a couple of an ideal draw when winning on Champions Day at Ascot in October.

None of his rides are drawn below six, and despite the ‘B’ course being the fairest of the seven different tracks on the Happy Valley circuit, the reigning champ is going to need plenty of luck to overcome a draw bias which favours low numbers throughout the afternoon.

This time he has an outside draw to overcome though and will probably have to be ridden more patiently than normal.

Lurking near the bottom of the handicap is well-rated FLYING QUEST who looked to be returning to his best when fourth to progressive True Grit over course and distance in May.

He broke the magical 23 second barrier for the final 400m sectional time in that race and now racing from a similar mark he last won from, is capable of returning to winning form.

Punters should put faith in Godspeak for Ho and Hall

FORMER Hong Kong champion apprentice Vincent Ho looks set for an afternoon to remember at Happy Valley. The talented 29-year-old has already surpassed his best ever total of winners in the territory with 52 victories and rode his third local Group winner on Sunday, when partnering Rise High in the Group Three Premier Plate at Sha Tin.

Ho has a full book of rides at the Valley and all can be given chances. He is certainly capable of leaving the inner-city track with at least a couple of winners, and maybe even more.

Ho, who has a gilt-edged chance on Bullish Brother in the 1.45pm, also teams up with the Caspar Fownes-trained THE JUDGE in the 1.15pm over the extended mile.

The six-year-old’s recent form figures are not inspiring, but they were all at Sha Tin and it’s at the tight Valley circuit where he excels.

Having dropped 9lbs in the handicap is well-rated FLYING QUEST in recent times, he now finds himself 10lbs below his last course and distance win earlier in the season.

He showed a glimmer of encouragement over a trip short of his last best start and is capable of causing a surprise, especially with a draw one a bonus.

Earlier in the afternoon, Ho partners last-start winner GODSPREAD in the 12.45pm over the extended mile.

In-form trainer David Hall and Ho have struck up a fruitful partnership this season, including with recent Group Three winner Ho Ho Feel. They can continue their winning spree with a horse who won with plenty in hand on his recent start and is drawn again for an ideal journey.

LIVE HONG KONG RACING

6 Meetings to go
ALL EYES ON ZAC PURTON
AT HAPPY VALLEY TODAY
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Australia loss puts out-of-form hosts’ World Cup hopes in jeopardy with two games left, writes Felix Keith

THAT’S the hope that kills you. When Mitchell Starc ran in and delivered a rapid, inch-perfect inswing Yorker to hit the base of the offstump on Friday against Sri Lanka; this time he was on the balcony for the closing stages of another damaging defeat by Australia.

Since their nadir at the 2015 World Cup England have grown in stature, confidence and climbed the rankings. In that period they haven’t lost many games – but when they did they invariably regathered, recalibrated and hit back decisively.

Until yesterday England hadn’t lost successive one-day internationals since January 2017. To lose twice towards the business end of a home competition in which they were strong favourites and when they haven’t yet sealed a semi-final place is concerning.

Considering England’s final two games are against the only two unbeaten sides in the competition, India and New Zealand, they are not beaten either at a World Cup since 1992 it’s understandable that many who left St Johns Wood yesterday might be worried.

Eoin Morgan is not unduly worried. “I think it [our confidence] has taken a little bit of a hit,” England’s captain conceded post-match. “I certainly don’t think it’s in danger, but when you lose games of cricket we have to go back to what we were doing. Our chances are in our hands. Things are within our control. We just need to win either one or both of the next two games.”

That is, of course, true. All may not be lost. But when you’ve just been defeated in two games by margins of 64 and 20 runs chasing totals which used to be considered meagre ones it’s not that simple.

STRUGGLING WITH BASICS

And to think the day started so positively. Under leading skies, after a night of rain and amid humid conditions Morgan won the toss and the crowd breathed a sigh of relief. The thinking was conventional and understandable. At the home of cricket England would bowl first, make the most of the conditions and put Australia on the back-foot early on.

Unfortunately for them they encountered the tournament’s hottest opening partnership. David Warner and Aaron Finch were undoubtedly fortunate, but they batted on to give their side a platform of 123 runs. According to analytics app CricViz the duo had a false shot percentage of 22 per cent in the first 15 overs – the highest of 134 instances in ODIs when teams have not lost a wicket.

But although it could be argued England erred on the short side – Jason Behrendorff said they did, Morgan politely disagreed – it is irrefutable that, Stokes (89) aside, Australia out-batted their opponents. Finch led from the front with 100. Warner made a belligerent 53 and Steve Smith and Alex Carey both added useful knocks of 38 as Australia reached 285-7.

In contrast, England were undone by some high-quality left-arm swing bowling at the top, subsiding to 26-3 and never recovering. Both World Cup and Lord’s debutant Behrendorff (5-44) and tournament leading wicket-taker Starc (4-43) were good, but the batting – which so long ago used to be strong suit – was misguided.

Morgan was caught at fine-leg hooking; Jos Buttler on the square leg boundary from a Marcus Stoinis gentle long hop.

“Both in this game and the last we’ve struggled with the basics – what we call our batting mantra: our intent, batting in partnerships and doing it in the right way,” Morgan explained. “We haven’t done those for long enough.”

With 18 days to go until the final, home favourites are supposed to be hitting their stride, refining their tactics and perhaps enjoying the luxury of rotating their squad. Instead, they are struggling with the basics.

As Morgan was at pains to make clear, England’s fate is still in their hands. But with Bangladesh, Sri Lanka and Pakistan all potentially breathing down their necks and two crunch games against unbeaten sides to come, they are faced with a situation they would much rather have avoided.

The investment from CVC Capital Partners for a 27 per cent stake in Premiership Rugby – providing £13m per team last December has created an attractive environment for investment at club level”, Tigers claim, as the sport expands its commercial reach.

“The CVC deal that was announced has changed the game’s landscape.” Tigers chairman, Peter Tom, tells City A.M. “Over the past six months we have had interest from several individuals and groups.”

As such, the Leicester board have decided to undertake a strategic review of the club, including the implementation of a formal sale process, which will be led by financial advisers Zeus Capital.

It comes after the worst season in the club’s history: 2018-19 was the first time the Tigers did not finish in the top six since the game turned professional, as the 10-time Premiership winners were embroiled in a relegation scrap, finishing 11th.

But despite those difficulties, they have sold more than 11,000 season tickets for next season, with 90 per cent renewing, and produced around £20m in revenue.

“We’ve had three or four not good seasons, one awful season, and we’ve had a full review of what’s gone wrong and put in place a series of changes,” Tom explains. “I think you can tell from the signings we’ve made that we are heading in the right direction.

Significant changes look set to be made to the club’s ownership too, which is currently comprised of around 10,000 shareholders, including Tom, who owns a nine per cent stake and is open to selling it. “I’ve been chairman for a long time,” the 78-year-old says. “We are custodians of the club. It’s about the long-term transition and if it’s in the club’s best interest [for me] to stay or go then that’s what I will do, it’s all about the future of the club.”

The other shareholders include businessman Tom Scott, who owns around 46 per cent of the Tigers, and a large number of supporters who hold around 250 to 300 shares each.

Leicester’s George Ford won the Golden Boot last season

They were all notified of the club’s intentions yesterday, to a mixed reception, although any talks are still at a preliminary stage.

While the Tigers are keen to highlight that no sale may arise, Tom stated they are “looking to have a resolution to this over the next six months.”

When asked about the club’s value, the former-player-turned-chairman added: “It’s been reported at around £60m, based on football calculations of three times revenue, but what’s most important for us is how much the investor would look after the club and its values.”

The Tigers are the first club to make such a move following the investment from CVC and it is the latest sign, following a string of investment bids across rugby union, to suggest the sport has plenty of potential left in yet.
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FOOTBALL COMMENT

Trevor Steven

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BARCA MIDFIELDER GOMES

JOINS EVERTON FOR £22M

Evertton have completed the signing of

midfielder Andre Gomes from Barcelona

for £22m. The 25-year-old, who made 29

appearances while on loan at the Premier

League club last season, has signed a five-

year contract with the Toffees. “It wasn’t

hard to decide, it was an easy decision and

I’m very happy to have made it,” he said.

“Last year was a really good experience

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COMMONWEALTH GAMES

COSTS ROCKET TO £778M

The 2022 Commonwealth Games in

Birmingham are set to cost £778m,

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event coming from central government.

The Birmingham City Council will have to

provide £184m, making it the most

expensive sports event in the UK since the

2012 Olympics. “The Games will be the

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opportunities as possible.” The British No1

plays Ons Jabeur in the next round.

LIEKE MARTENS

Martens’ late spot-kick

sends Holland into World Cup last eight

Lieke Martens scored a 90th-minute penalty as Holland beat Japan 2-1 to reach the

quarter-finals of Women’s World Cup last night. Yui Hasegawa cancelled out Martens’

opener, but Japan missed several chances before Saki Kumagai’s handball allowed

Martens the chance to win it. Holland will face Italy, who beat China 2-0 to progress.

No better candidate

than Lampard to

take over at Chelsea

On the face of it, one year of

experience in management is not enough to take on a

challenge like Chelsea. But if

one man can do it, it’s Frank

Lampard.

Chelsea were granted permission to

speak with Lampard yesterday over

their vacant manager’s position. If I

was the decision-maker I’d consider

him to be the perfect candidate.

He would be joining the club with a

set of circumstances that are ideal for

an inexperienced manager and which

will help buy him time.

They have just lost their talisman in

Eden Hazard, who has joined Real

Madrid, and are currently undergoing

a transfer ban, although they are ap-

pealing it.

In isolation, last year’s results were

good, winning the Europa League and

finishing third in the Premier League,

but it was topsy-turvy throughout and

the fans didn’t enjoy the football or

lack of communication from previous

boss Maurizio Sarri.

Lampard will garner huge affection

from the supporters and give them

reason to be positive, despite some

negativity in the background.

As a Chelsea legend he will come

into a warm environment and that,

combined with the scenario Chelsea

find themselves in, means fans will be

lenient with him.

Although he fell at the final hurdle

in the Champions League final, Tuchel

Lampard had a great season at Derby,

implementing his own style of play and

demanding a high energy throughout the side.

He also got the best out of Derby’s

young players, including Chelsea loa-

nee Mason Mount, something he will

likely have to do again should he get

the job.

USING YOUTH

Being able to bring Chelsea’s former

academy manager Jody Morris back to

Stamford Bridge with him as his assis-

tant will be crucial in that depart-

ment.

Together they have a vast knowledge

of the Chelsea players, both young

and senior, and getting the best out of

what they have will be vital due to

their inability for the time-being to

spend any money.

I can’t see a single negative with ap-

pointing Lampard. He is a mature in-

dividual who will not be surprised by

the demands of the club and he

knows how to win, having done it so

regularly there for more than a
decade.

As one of the club’s legends, no one can

say to him, “you don’t know what it’s like out there”, because he’s been

there and done it.

And what’s more, he probably won’t

be that expensive. Don’t get me

wrong, he’ll still be on a great salary,

but it will likely be very dependent on

results and how well he does come

e the end of the season.

Lampard won’t command the same

kind of salary as someone like Rafa

Benitez, who is available after leaving

Newcastle, and he won’t have loads of

backroom staff he wants to bring

with him, so I’d imagine a lot of the

current team will stay in place.

There will probably even be players

on more money than him, but he

wouldn’t even have that discussion.

His only priority will be to lead the

club he loves.

Trevor Steven is a former England

footballer who has played at two World

Cups and two European Championships.

Follow him @TrevorSteven63.

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