NO, PRIME MINISTER

MPs FROM ACROSS THE SPECTRUM REJECT THERESA MAY’S LATEST BREXIT DEAL DESPITE A SERIES OF CLIMBDOWNS

OMET BENNETT
@owenjbennett

THERESA May’s latest gamble to win support for her beleaguered Brexit deal backfired spectacularly yesterday in a humiliating blow for the Prime Minister.

May revealed Brexit legislation set to be put before MPs would contain a vote on whether to hold a second referendum, in a bid to win over Labour support for her deal.

But not only did it infuriate dozens of Conservative MPs – including many who had previously supported her Brexit deal – many Labour MPs calling for second referendum were angry that another public vote would only take place if they voted in favour of May’s plan.

The DUP, which still technically props up May’s government, also said it would not back her deal despite fresh assurances over the border in Northern Ireland.

It leaves May facing a fourth defeat on her withdrawal plan when it is put to a vote in the Commons in the week commencing 3 June.

Speaking at the PwC offices in Charing Cross, May insisted that by offering a vote on a second referendum, as well as letting MPs decide what customs arrangements the UK should have with the EU after Brexit, she showed she had “compromised”.

“Now I ask you to compromise too,” May said.

She warned that if the Withdrawal Agreement Bill is voted down by MPs, “they would be ‘voting to stop Brexit’.

“What would we do then?” she said, adding: “Some suggest leaving without a deal, but whatever you think of that outcome – parliament has been clear it will do all it can to stop it. If not no-deal, then it would have to be a General Election or a second referendum that could lead to revocation – and no Brexit at all.”

Former Conservative leader Iain Duncan Smith described May’s new proposals as a “bad buffet of non-Brexit options”, adding: “Today the government has moved from take back control to give back control.”

Conservative MP for Harlow Robert Halfon, who voted in favour of May’s Brexit deal in March, called the second referendum vote proposal “a betrayal of the 2016 referendum and a betrayal of everything she has been saying since she became Prime Minister”.

It leaves May facing a fourth defeat on her withdrawal plan when it is put to a vote in the Commons in the week commencing 3 June.

Speaking at the PwC offices in Charing Cross, May insisted that by offering a vote on a second referendum, as well as letting MPs decide what customs arrangements the UK should have with the EU after Brexit, she showed she had “compromised”.

“Now I ask you to compromise too,” May said.

She warned that if the Withdrawal Agreement Bill is voted down by MPs, “they would be ‘voting to stop Brexit’.

“What would we do then?” she said, adding: “Some suggest leaving without a deal, but whatever you think of that outcome – parliament has been clear it will do all it can to stop it. If not no-deal, then it would have to be a General Election or a second referendum that could lead to revocation – and no Brexit at all.”

Former Conservative leader Iain Duncan Smith described May’s new proposals as a “bad buffet of non-Brexit options”, adding: “Today the government has moved from take back control to give back control.”

Conservative MP for Harlow Robert Halfon, who voted in favour of May’s Brexit deal in March, called the second referendum vote proposal “a betrayal of the 2016 referendum and a betrayal of everything she has been saying since she became Prime Minister”.

Zac Goldsmith, Conservative MP for Richmond Park, said that while he backed May’s “rotten deal” the last time it was put to parliament, “he would not support ‘this convoluted mess’.

He added: “That it takes us towards a rigged referendum between her deal and no Brexit is just grotesque. The PM must go.”

Former foreign secretary Boris Johnson, who is seeking to replace May as Tory leader, tweeted: “The bill is directly against our manifesto – and I will not vote for it.”

MPs from across the spectrum reject Theresa May’s latest Brexit deal despite a series of climbdowns.

Metro Bank investors fire warning shot

CALLUM KEOWN
@CallumKeown

DISGRUNTLED Metro Bank shareholders raised their discontent at yesterday’s annual general meeting (AGM) but stopped short of a full-blown rebellion against the board following a torrid few months for the lender.

More than 28 per cent of investors voted against the re-election of two directors in charge of risk: Stuart Bernau and Eugene Lockhart.

Under-fire chairman Vernon Hill survived the AGM but 12 per cent voted against his re-election, up from the 3.7 per cent who rebelled against him last year.

The bank admitted in January that a swathe of commercial loans had been wrongly classified and should have been among its risk-weighted assets.

Shares have fallen 68 per cent since the error was discovered and the bank was forced to raise £375m in extra capital last week through a discounted share placing.

Chief executive Craig Donaldson, who offered to resign earlier this year, was the most popular board member, with just 10 per cent calling for him to leave.

Some shareholder advisory groups had urged investors to block the re-elections of Hill, Donaldson and a number of other directors.
Ministers must resist a bailout of British Steel

IMING is everything, whether in business or politics. British Steel’s cap-in-hand plea to the government for an emergency, job-saving bailout just 48 hours before the country goes to the polls is either an extraordinary coincidence or an audacious political ambush. Either way, there’s never an easy time for a government to face such a decision. The situation at British Steel is a perfect story for our times – featuring a cast of skilled workers facing global pressure, private equity trying to make a deal come good and a clash of political priorities and ideologies including free-market economics, state-directed industrial strategies, nationalisation, privatisation and environmentalism. Left-wing pundits were out in force yesterday, arguing that jobs must be saved and this “proud industry” must be given the support it needs. What it needs, in addition to cash, is gas and coal – both of which are imported and burned as part of the steel making process. The same voices calling for a bailout of heavy industry were calling for a carbon-neutral economy just days earlier. They need to get their priorities clear. Meanwhile, Jeremy Corbyn wants to wave his wand and nationalise the steel industry, as if doing so would protect it indefinitely from the forces of globalisation. Tory MPs are, by and large, instinctively hostile to the idea of propping up failing industries, but with an election looming (and possibly another one before the year is out) it was left to former Treasury civil servant Lord McPherson to say what ‘Tory MPs daren’t: bunging public money into British Steel “would be further evidence that industrial policy has lurched back to the failed interventionism of the 1970s,” adding: “If British Steel can’t compete at this exchange rate, you have to ask whether it ever will.” If the government is to part with taxpayer cash it must do so with real, strategic purpose in mind – and not simply use it as a short-term bailout. This morning, Tory grandee David Willetts and economist Mariana Mazzucato launch a new report aimed at generating “a mission-oriented UK industrial strategy”. They argue that the state should Marshall a wide range of forces to tackle major challenges in areas such as transport, ageing and artificial intelligence. Under such a framework, the steel industry would, according to Mazzucato, be “supported to transform, not to simply exist”. This is neither the clunking nationalisation of Corbyn nor the ruthless logic of the free-market. It’s a detailed and thought-provoking report, but has come too late to save British Steel.
EMBATTLED Chinese tech firm Huawei has accused the US of “bullying” and said it is working with Google to fight back against potentially crippling trade restrictions.

US President Donald Trump last week signed an executive order adding Huawei to a trade blacklist and effectively banning American firms from doing business with the Chinese company.

“Huawei is becoming the victim of bullying by the US administration,” said Huawei executive Abraham Liu. “This is not just an attack against Huawei. It is an attack on the liberal, rules-based order.”

The US has since scaled back the trade ban, granting firms a temporary licence to help minimise disruption for customers.

Liu insisted Google had “zero motivation” to block Huawei and said the two tech firms are working together to counter the measures. “We are working closely with Google to find out how Huawei can handle the situation and the impact from the US department of commerce decision,” he said.

Liu added that Huawei did not blame Google for its decision and said it was too early to say what the consequences will be.

The temporary lift on the ban means Google will be able to send Android software updates to Huawei, ensuring customers have access to the latest security patches.

It comes after Huawei founder Ren Zhengfei played down the impact of the trade restrictions, saying his firm had made preparations for a ban. “The US government’s actions at the moment underestimate our capabilities,” he told Chinese state media.

The US has said it will consider an extension of the temporary licence beyond 90 days.
Manufacturing orders slump in May as stocks rise amid Brexit impasse

HARRY ROBERTSON

@henrygrobertson

MANUFACTURERS in the UK saw order books slump in May, while recent Brexit preparations took stocks of finished goods to a decade high, according to the Confederation for British Industry (CBI).

Manufacturing output growth in the UK held steady in the three months to May, the CBI’s monthly industrial trends survey yesterday showed.

The survey, which asks 280 manufacturing firms their views on the sector, found order books deteriorated again in May following a fall in April, with total orders reaching their lowest balance since late 2016.

The stockpiling of finished goods reached its post-financial crisis peak in May.

Stock-building supported economic growth in early 2019, but the CBI said business surveys suggested underlying conditions have remained more subdued.

Anna Leach, CBI deputy chief economist, said stockpiling “combined with a sharp decline in order books” means “it’s clear why manufacturing firms are so keen to see a swift end to the current Brexit impasse”.

Ex-EC president: UK must support financial sector

HARRY ROBERTSON

@henrygrobertson

THE UK’s financial services sector should be much higher on the agenda of Britain’s Brexit negotiators, the former president of the European Commission (EC) said yesterday.

“I am relatively surprised by the fact that until now in the discussion of Brexit, the issue of financial services has not been very high up in the agenda,” said José Manuel Barroso, speaking at the City Week conference in London.

Barroso said: “I think the most important issue for Britain is services, and in services certainly the jewel of the crown is financial services.”

“So I would expect financial services to be on the top of any negotiation between the United Kingdom and Europe for the future relationship,” he said.

The UK’s services sector accounted for 80 per cent of GDP in 2016, according to the Office for National Statistics (ONS), while the financial services sector contributed 6.5 per cent of the country’s total output in 2017.

Barroso’s intervention comes a day after the chairman of insurance marketplace Lloyd’s of London said the government is not advocating strongly enough for UK financial services in its Brexit talks.

Bruce Carnegie-Brown told City A.M. yesterday: “I think financial services is underrepresented in the government’s mindset for what needs to happen post-Brexit decision.”

Today, Barroso, who was also formerly prime minister of Portugal, said he thinks London will stay a key financial hub after Brexit.

“London will remain a very important, one of the leading financial places in the world because of the culture, because of the global market infrastructure, because of the expertise,” he said.

Yet he warned: “I think the city should not underestimate the risks for its future of Brexit.”

He called on the UK’s leaders, saying: “ Regulation and supervision is much important from an economic point of view than anything you can say about tariffs.”

US-China tensions major threat to global growth, says OECD

HARRY ROBERTSON

@henrygrobertson

GLOBAL economic growth is under threat from the escalating US-China trade conflict, the Organisation for Economic Cooperation and Development (OECD) has warned.

The OECD’s closely-watched economic outlook said if current tariffs between the two countries are maintained, they will shave between 0.2 and 0.3 per cent from US and Chinese GDP.

US President Donald Trump has ratcheted up tariffs on $200bn (£158bn) worth of goods from China to 25 per cent from 10 per cent and cracked down on Chinese companies such as Huawei.

The Paris-based OECD, which has 36 of the world’s richest countries as members, downgraded its prediction for global growth to just 3.2 per cent in 2019 from a 3.3 per cent prediction in March.

Slowing trade growth, weak manufacturing and low investment are to blame for the downgrade, the organisation said.
FREE TRADING WORKSHOP
WEDNESDAY 29 MAY – 1:30-6:00PM – FINECO HUB | LONDON

FOR THOSE WHO WANT TO BE AHEAD OF THE CURVE

Join Mike Hamilton, CEO of Scalper School, Adam Harris, Professional Swing Trading Coach, and Simon Campbell of Round The Clock Trader, and learn how powerful intraday trading strategies can help you build consistent daily profits.

Tickets strictly limited.
Secure yours at finecobank.com

Open house every Wednesday and Thursday – 10am-8pm
FINECO HUB | 40 Gracechurch Street, London EC3V 0BT

All trading involves risks. Losses can exceed deposits.
London’s status as HQ hub ‘under threat’ from new immigration laws

JAMES WARRINGTON
@j_a_warrington

London’s status as a top global destination for multinational headquarters could be under threat amid new immigration laws and Brexit chaos, a report has warned. Research by think tank Centre for London showed the capital is the top-ranked destination for foreign direct investment into headquarters, attracting 591 projects since 2003. Over the same period, London and the south east have attracted a fifth of new investment in headquarter projects in western Europe, more than Ile-de-France, Dublin and Amsterdam-Rotterdam combined.

But Centre for London warned London’s status as a hotspot for headquarters could be under threat from new immigration rules and reputational damage from Brexit. New jobs in activities relating to headquarters have slowed down since 2016, according to the report, while business visits in London have fallen for the first time since 2009.

“The headquarter economy underpins London’s standing as a global city, and it’s vital that local and national decision-makers remain focused on strengthening the city’s offer,” said Nicolas Rosetti, research manager at Centre for London.

Deutsche chair facing calls to step down early

TOM SIMS

AT LEAST three major investors in Deutsche Bank want chairman Paul Achleitner to step down early amid discontent with the bank’s turnaround, two people with knowledge of the matter said yesterday.

Achleitner, whose term expires in 2022, is due to face investors at the bank’s annual general meeting tomorrow. A spokesperson for Deutsche Bank declined to comment, both on behalf of the bank and Achleitner.

The sources did not want to identify the three investors, and while they do not have the power to push through management change on their own, their calls are a sign of the pressures facing Germany’s biggest bank after years of failed turnarounds.

In recent years, Deutsche Bank has been plagued by failed regulatory tests, ratings downgrades, big fines and management reshuffles. It posted its first profit in four years in 2018.

Achleitner’s record of installing executives and overseeing the lender has been chequered, said one of the sources, who spoke on condition of anonymity.

Deutsche Bank shares hit record lows on Monday and yesterday, but were down 36 per cent since investors met last year’s shareholder meeting. The bank was already facing a potential rocky ride at this year’s gathering after two advisory groups to shareholders – Institutional Shareholder Services (ISS) and Glass Lewis – urged them to issue a vote of no confidence in management.

One small but vocal investor last month added to the meeting’s agenda a vote to ousted Achleitner because the bank “remains trapped in an unbroken downward spiral”. In response, the supervisory board last month said it had full confidence in Achleitner. Last year, a similar effort failed to force out the chairman garnered just 9.1 per cent of the vote.

Achleitner became Deutsche’s chairman in 2012.

Turkey ends rate increase as it prepares to cut US import tariffs

JAMES WARRINGTON
@j_a_warrington

Turkey’s central bank has lowered its lira interest rate on foreign currency swap transactions, reversing a tightening of monetary policy rolled out earlier this month. The central bank said it has resumed its funding rate of 24 per cent, down from the 25.5 per cent it had previously introduced.

The hike came as part of a series of measures to stabilise the currency ahead of elections next month. Separately, Turkey’s trade ministry will implement a reciprocal reduction in tariffs on US imports this week, after the US halved tariffs on Turkish steel imports. Reuters reported, citing two Turkish sources. The US had doubled tariffs on Turkish steel and aluminium imports last August amid a diplomatic row between the Nato allies that accelerated a fall in the lira. Turkey retaliated by doubling tariffs on US cars, alcohol and tobacco imports.

Last week, the White House halved those tariffs, but also terminated Turkey’s eligibility for the Generalised System of Preferences programme. The lowered tariffs will take effect this week with a presidential decree, the sources said.
Protest disrupts shareholder meeting at BP

RON BOUSSO

ACTIVISTS disrupted BP's annual shareholder meeting yesterday shouting “this is a crime scene” in the latest climate protest against the oil and gas group, while rival Royal Dutch Shell got some rare praise from investors on its emissions policies.

Both oil giants have been working with shareholders in recent years to try to define a path towards meeting the goals of the 2015 Paris climate agreement to limit global warming. US rivals Exxon Mobil and Chevron are also under pressure from investors, but have so far not committed to any targets.

Two protesters inside BP's annual general meeting (AGM) in Aberdeen, Scotland, were carried out by security staff, while others turned on an alarm during BP chief executive Bob Dudley’s speech as activists complained the UK-based group was not doing enough to battle global warming.

The action came a day after Greenpeace protesters blockaded the entrance to BP's London headquarters, demanding it end all new oil and gas exploration.

BP agreed in February with a group of shareholders known as Climate Action 100+ on a resolution to increase transparency around carbon emissions, set targets to reduce emissions from its operations and link them to executive pay. That resolution won overwhelming shareholder support at the AGM.

But following BP’s overall carbon emissions rose in 2018 to their highest in six years, shareholders also pushed it to do more and follow Shell by imposing stricter emissions limits.

Outside the AGM, several dozen people held placards reading “BP climate criminals” and “climate emergency”. Around 20 environmental activists also gathered outside Shell’s AGM in the Hague.

Firms ‘too slow’ to share cybersecurity tips

JAMES WARRINGTON

COMPANIES must put competition aside and take a more collaborative approach to fighting cyber crime, a top asset management boss has said.

Fidelity International chief executive Anne Richards urged firms to be more open in sharing information about cyber attacks in a bid to minimise future threats.

“I think collaboration is really important across the industry because, particularly with the cyber aspects, one of the absolutely critical things is the speed of response,” Richards told the City Week conference in London yesterday.

“Because we’re worried about competition and because we’re all trying to minimise reputational risks and damage, I don’t think we’ve historically always been as fast at sharing with other people in the ecosystem,” Richards, who is one of the best-known figures in the asset management sector, said new regulation had helped improve corporate attitudes towards cybersecurity.

But she warned a reluctance to share information may have caused problems to escalate faster than they might otherwise have done.

Homeserve eyes deals as profit increases

ALEX DANIEL

HOMESERVE shares rose 6.9 per cent yesterday as the home repairs company revealed double-digit profit growth last year, driven by success in its key North American market.

The FTSE 250 utilities firm, which delivers maintenance to 8m people across the UK, US, France and Spain, added it expects more of the same next year even as it pours money into developing its Home Experts trading arm.

Profit before tax was £310.5m, a 13 per cent year-on-year rise from 2018, while revenue rose 12 per cent to edge over the £1bn mark for the first time ever. In the UK, where it makes most of its revenue, this translated to an eight per cent profit rise to £66m, while in North America profit rose 37 per cent to £54.7m.

Net debt rose 28 per cent as HomeServe invested in growth areas of the business to £304.7m, while ordinary dividend per share was up 12 per cent at 21.4p.

Chief executive Richard Harpin told City A.M. the firm was looking at doing more deals in the coming year in the US, Spanish and French markets. “We’ve got a number of targets – but we can never predict whether any of those are going to happen,” he said.

In a statement, he added: “Homeserve delivered another very good year with further profit growth across the group. North America was once again the outstanding performer and our progress there continues at pace. Allied to good performances in the UK, France and Spain, our membership business is strong and I remain excited about its prospects.”

“Our mission is to make home repairs and improvements easy for both homeowners and trades and I remain as passionate as ever about our efforts to provide great service.”

Topps Tiles earnings slip by a fifth

JAMES BOOTH

TOPPS Tiles’ profit before tax skidded nearly 20 per cent in the first half of its financial year, but the firm maintained its outlook for the year.

The specialist tile retailer said revenue slipped 0.2 per cent to £101.3m and profit before tax fell 18.8 per cent to £2.2m.

It said like-for-like sales increased 1.2 per cent in the seven weeks to 18 May, compared to a 0.2 per cent fall at the same period last year.

Chief executive Matthew Williams said: “Against a consumer backdrop which remains challenging, our trading performance was robust, underpinned by further gains in market share.”

He added: “While we are retaining a prudent view of market conditions for the remainder of the year, we remain confident in our ability to continue to extend our market leading position.”

On an adjusted basis, taking out items such as trading losses from its new commercial business, it said adjusted profit before tax was up 11 per cent at £8m and gross margin was up 90 basis points at 61.4 per cent.

In November, Topps revealed that adjusted profit before tax fell 14 per cent to £16m for the year ending 30 September.
The City AM Club is a new and exclusive membership programme designed specifically for you—London’s professionals. Access a unique and thoughtfully curated experience - from discounts, to added value, events and networking in your favourite restaurants and across leading lifestyle brands. The City AM Club is designed to match your lifestyle and take you through the week - morning till midnight. It’s Better On The Inside - are you in?

JOIN THE CLUB TODAY
VISIT CITYAMCLUB.COM

£240 per year
Lee Wild discusses the volatile market and looks at which portfolios are delivering returns for investors

Five years ago, our interest was piqued by a stock market phenomenon that promised consistent market-beating returns year after year. The winter months between 31 October and 30 April, if something sounds too good to be true, it often is, they say. Nevertheless, we ran a pair of portfolios to test the theory. They started well, delivering total returns of 15% and 18% compared with 9% for the FTSE 350 benchmark index. Encouraged by results, we’ve continued both six-month strategies ever since.

In the winter period 31 October 2018 to 30 April 2019, the interactive investor Consistent Winter Portfolio — a basket of five stocks which have each risen every year for the past decade — generated a total return of 28.30%.

The high-risk interactive investor Aggressive Winter Portfolio did even better, making 29.03% for investors who stuck to the portfolio’s rules of buying on 31 October and selling on 30 April. By comparison, the FTSE 350 benchmark index delivered a total return of just 6.40%.

Now, with a five-year track record, the strategy has been proved a massive success, delivering mouth-watering returns for loyal followers.

The 2018-19 Aggressive Portfolio easily beat the globe’s major market indices, even factoring in all purchase costs. That’s proof, if we were needed, that international investors have been wrong to use Brexit as an excuse to ignore UK equities.

### Rich Rewards for the Faithful

Buying the maiden interactive investor Aggressive Winter Portfolio at the end of October 2014 and reinvesting the proceeds into the next winter strategy each year would have generated a return of 96.7%, which includes all commission and stamp duty. Doing the same with the consistent portfolio would have returned 52.7%. Without any costs, the FTSE 350 index would have returned just 26.8% including dividends.

For the most part it is difficult to argue with the adage “Time in the market rather than timing the market,” but the interactive investor Winter Portfolios have consistently proved themselves worthy of any diversified investment strategy. Buying the FTSE 350 index at the end of October 2014, and holding continuously until the end of April 2019, would have generated a total return of 36.9%, excluding charges.

### Winter 2018-19 Round-up

The Aggressive Winter Portfolio 2018-19 turned a 14% deficit during the broad fourth-quarter sell-off, to end with a 2% gain. High street sports chain JD Sports was down 20% mid-December, but fear of a poor Christmas for the retail sector proved wide of the mark. JD delivered strong results and buyers chased the shares up until late April to end with a 54% gain for this year’s seasonal strategy. The spike in portfolio performance mid-April was also driven by serviced offices player IWG. Agreeing to sell its Japanese business and enter into a franchise agreement with the buyer is a potentially lucrative strategy.

Among the Consistent Winter Portfolio constituents, specialty chemicals giant Croda extended its run of positive winter returns to at least 15 years, and motorway barriers expert Hill & Smith delivered the goods again.

Greene King shares had halved from almost £10 in 2015 and sat near £5 last year when the latest winter portfolio launched in October. But, while the chart screams sell, its share price outperformed every winter. A run of solid trading updates underpinned a 53% gain for the six months. It had been 46% a few days earlier!

## The higher-risk portfolio made 29.03% for investors who stuck to the portfolio’s rules

### Shoe Zone steps up gains as rent falls face figures

HARRY ROBERTSON

Falling rents helped UK value footware retailer Shoe Zone hold steady in its interim half-year results, released yesterday, despite a tough trading environment.

The company’s profit before tax rose marginally to £11m in the half year ended 30 March, compared to £9.5m a year earlier, while revenue fell to £73m from £73.6m in the first half of 2018.

The company, a long-time fixture on the British high street, saw its rent on renewals fall 18.5% in the first half, equivalent to a full-year saving of £343,000.

Digital sales increased 4.9% per cent year-on-year, from £4.6m to £4.9m, ahead of the rise in the high street, at £4.4m, as it struck a warning over shaky consumer confidence.

Stephanie Clarke has worked at the British retailer for 15 years and looks at which portfolios are delivering returns for investors...
Majestic’s retail business draws several suitors

SAMANTHA MACHADO

MAJESTIC Wine revealed yesterday multiple suitors had shown interest in its retail business, a month after Britain’s largest specialist wine retailer said it was looking to sell the unit to focus online.

Sky News reported on Monday that OpCapita, former owner of the Connet retail chain, was among a group of investors looking to buy Majestic Wine’s store network for £100m.

Traditional store groups are facing the brunt of rising property taxes and sluggish consumer spending adding to competitive pressures from online rivals and discount chains.

Analysts at Liberum said Majestic’s retail and commercial business is worth three to four times core earnings, valuing the unit between £100m and £130m. “Anywhere between £75m and £100m should be considered seriously,” Liberum said, adding that the current valuation of the group was too cheap and severely undervalued the firm.

The wine producer and distributor said in March it would sell some assets, close stores and review its dividend to focus on its growth engine Naked Wines, which it acquired in 2015, as it seeks to fend off competition from discount markets and online rivals.

The company, which has over a million customers in Britain, the United States and Australia, plans to rename itself Naked Wines.

The firm’s is behind beloved cartoon Peppa Pig, which performed well interest tax depreciation and amortisation was up 21 per cent at £198m. It said growth was driven by Peppa Pig, superhero show PJ Masks and its new production Cupcake & Dine: General Services.

The company said that a decline in its film, television and music division was the result of fewer film releases and a market decline in home entertainment.

Profit slips at Entertainment One after write-downs reach £61m

JEFF BOWERS

ENTERTAINMENT One said yesterday that its profit before tax fell 43 per cent to £57m after one-off charges.

The company behind children’s TV favourite Peppa Pig said adjusted profit before tax was up 20 per cent at £166m from £130m.

Outbreak raises Cranswick pork exports to east

JUSTIN GEORGE VARGHES

BRITISH meat processor Cranswick said on yesterday comparable annual export volumes in its core far-east markets jumped 16 per cent, as it benefitted from higher prices after African swine fever epidemic hit the world’s biggest pork market, China.

The company, which processes and supplies fresh pork, sausage, bacon and cooked meats, said prices “strengthened considerably” in the second half of the year after supply tightened in China.

China has reported more than 120 outbreaks of the incurable disease in all of its mainland provinces and regions, as well as Hainan island and Hong Kong, since it was first detected in the country in early August. Millions of pigs have died as a result of the epidemic.

Revenue at Cranswick slipped 1.9 per cent to £1.4bn, while its profit before tax dropped from £92m to £82m.

Adam Couch, Cranswick’s chief executive officer, said: “The last year has been one of consolidation following three years of very strong growth.”

Thyssenkrupp board backs chief’s spin-off listing plan

CHRISTOPH STEITZ

THYSSENKRUpp’s supervisory board yesterday said it unanimously approved chief executive Guido Kerkhoff’s overhaul strategy, including a plan to list its prized elevators unit, the conglomerate said.

“We have agreed that the executive board will now work out the concrete plans and begin the implementation,” Thyssenkrupp supervisory board chairman Martina Merz said in a statement following a meeting of the company’s directors.

“As the supervisory board, we are convinced that the executive board is on the right track with the new strategy.”

Earlier this month, Thyssenkrupp’s chief executive said the steel-to-submarines conglomerate would embark on a new round of restructuring, including exploring a stock market listing for its elevators business.

The conglomerate’s crown jewel saw margins fall in the second quarter due to higher material costs.

Cranswick pork market prices “strengthened considerably” in the second half of the year after supply tightened in China.
Finding ways to make your money more interesting

**Competitive fixed rate bonds**
Invest The Wellesley Way

The Wellesley Way

Your capital is at risk and interest payments are not guaranteed. Investment in any Wellesley Listed Bonds are not covered by the Financial Services Compensation Scheme.
Markets reward Galliford Try after it unveils plan to shrink workforce

ALEX DANIEL
@alexmdaniel

GALLIFORD Try has announced it will axe 350 of its workers in a bid to make the business more profitable, as the struggling building firm grapples to streamline its operations.

The firm, which last month warned the plans to scale back its core construction arm would hit profit by between £30m and £40m, yesterday said its guidance for the rest of the year was unchanged.

The latest announcement confirmed the construction division would shrink to a revenue base of around £1.3bn, down from £1.5bn. Shares were buoyed by the first decisive move since the company said it was to reorganise how it operated in April. The firm said the cuts would deliver annual savings of about £15m by 2021.

City A.M. understands most of the cuts will be associated to the scale-back of its Scottish infrastructure construction division.

Shaftesbury owns swathes of property in the West End

HARRY ROBERTSON
@harryrobertson

NATIONWIDE said its profit fell 15 per cent as the building society’s interest income was squeezed by strong market competition and it splashed out on technology. Its full-year results revealed yesterday.

The UK stalwart’s profit before tax fell to £833m in the year to 4 April, down from £977m in the same period a year earlier.

Net interest income fell three per cent to £2.9bn for the year, compared to £3bn in 2018.

Nationwide’s spending on digital banking hurt its profit in the year to 4 April. The company took a charge of £75m from asset write-offs and additional technology investment.

The building society’s interest margin – the way lenders traditionally make money – was squeezed by increased competition among rival financial institutions.

The building society said it saw no end in sight for the environment of tough competition that has forced the figure downwards.

Nationwide has pledged to keep a branch in every town and city that currently has one for at least the next two years, amid rising concerns that people risk being cut off from traditional finance.

Its net interest margin, the difference between its deposit interest rate and its lending rate, fell to 1.2 per cent in the year ending in April, from 1.3 per cent the previous year.

Nationwide’s net mortgage lending increased 13 per cent, however, to £8.6bn for the full year.

Its member deposit grew to £154m for the full year from £146m in 2018.

Joe Garner, the building society’s chief executive, said: “2018-19 was a strong year for Nationwide. More people have chosen us for their mortgages, savings or current accounts.”

During the year, we also announced a significant boost in our technology investment over five years to ensure we continue to excel on service,” he said.

Mark Rennison, its chief financial officer, said: “In line with our expectations and previous statements, our net interest margin narrowed reflecting conscious pricing decisions and competition for lending. We expect this trend to continue during the coming financial year.”

Tesco Bank abruptly quits UK’s ‘challenging’ mortgage market

JOE CURTIS
@joe_r_curtis

TESCO Bank has thrown in the towel on mortgages, ceasing all new lending as it attempts to sell off its existing ledger book.

Currently the bank has 23.000 mortgage customers to whom it has lent £3.7bn, which it is now exploring the possibility of offloading to another provider.

Bank boss Gerry Mallon said “challenging market conditions have limited profitable growth”.

“Our focus is on how we best serve Tesco customers,” he added.

Tesco Bank first began offering mortgages in 2012, but in February slashed its home loans fees and tried to attract new customers with cashback deals and other incentives as housing market activity was restrained.

The supermarket’s banking arm was recently named the worst challenger bank by customers, with 6.3 per cent of surveyed users threatening to leave the bank over its complaint turnaround times.

Shaftesbury scrap with top investor continues amid bump in revenue

JAMES BOOTH
@jamesbooth1

WEST End landlord Shaftesbury’s spat with its largest investor heated up yesterday as it announced 5.2 per cent revenue growth in the first half.

Shaftesbury is facing a potential £10m claim from Hong Kong billionaire Samuel Tak Lee.

Lee, who owns 26 per cent of the company, is claiming losses of £10m in connection to a 2017 equity fundraising which he says diluted his interest and was used to block him making a takeover bid.

A spokesperson for Lee said: “Directors must always act in the best interests of all shareholders; Shaftesbury’s board failed to do this.”

Speaking to City A.M., Shaftesbury chief executive Brian Bickell said: “We have had this long-running correspondence with Mr Lee, but we have never met him. We get a lot of letters from his lawyers but we don’t see that to be a dialogue. “What happens next is up to him, we are not being distracted from running the business and the results demonstrate that.”

Shaftesbury said net income from its property portfolio grew 5.2 per cent to £46.6m in the six months to 31 March.
Thomas Cook’s shares begin to claw back losses

JOE CURTIS @joe_r_curtis

THOMAS Cook’s shares shot upwards yesterday, but not enough to offset a huge stock market slump over the last week. The struggling travel agent’s share price closed up almost 19 per cent at 12.2p after falling to under 10p earlier this week.

However, the share price rise was equivalent to only around 2p, as the value of Thomas Cook’s stock hovered at such a low level.

A newcomer of 17p cent on Monday, following a 40 per cent plunge last Friday, forced the firm, which is trying to sell off its airline arm, to reassure customers its immediate future is not at risk and that “operations are running as normal”.

The firm has also said it will push on with plans to open a new hotel in Crete, its 13th new opening of the summer season.

But panic has gripped investors after the holiday maker issued yet another profit warning last week as well as a massive £1.5bn loss in the six months to the end of March.

The terrible set of results prompted Citigroup to warn shareholders that Thomas Cook’s shares were virtually worthless, valuing them at 0p and urging investors to sell out.

Thomas Cook has issued a statement saying it has “the support of our lending banks and major shareholders”.

Private jet departures in UK nosedive amid US competition

ALEXANDRA ROGERS @city_amrogers

PRIVATE jet departures from the UK took a downward turn last month as the market faced stiff competition from the US.

The number of business aircraft departures in the UK fell in April by 4.1 per cent on the previous year, compared with 3.1 per cent for Europe as a whole. The number of business aviation registrations in Europe has also been falling.

Oliver Stone, managing director of Colibri Aircraft, which carried out the research, said: “Increased demand for pre-owned jets from the large USA market has led to a rise in the number of aircraft going from Europe to the USA, reducing the fleet of European aircraft.”

Is ‘Do It Yourself’ Investing a Cheap Trick?

Iain Barnes
Head of Portfolio Management, Netwealth

In contrast with the most financially literate clients, it is easy to fall prey to the many human biases that all people face. These thinking traps (which can include loss aversion, overconfidence, familiarity bias and herd behaviour) can have considerable effects on investor outcomes – and are better overcome by a watchful and objective team with all the necessary experience to make informed decisions about where and how to invest.

DIY investing may well be cheaper – but it’s not always the most cost effective. For personal investing, individuals can invest in a single equity index-tracking fund at a very reasonable cost – say for 0.2%. But holding more than one strategy (by diversifying) is usually worth it. Owning funds also requires a plat- form or a wrapper to host the investments, which is usually another 0.1 to 0.2% a year at a minimum.

Hiring a wealth manager like Netwealth lets you roll all your ongoing portfolio management, administration, custody, trading and reporting costs into one straightforward fee, clearly explained upfront and quoted including VAT.

So, while buying passive funds on a DIY basis may seem cheaper, being a passive investor is rarely a better option overall. Especially when we can actively manage investments on your behalf, reducing your stress and offering advice if you need it – at a truly competitive cost.

For those who want to invest online. And not play games.
O

YouGov data shows that almost three
times more than average attitudes to eating out.
its customers have more indulgent
growing technology companies, and
within 24 hours.
runs Prime Pantry, a service allowing
shut down last year. Amazon also
Amazon Restaurants UK, which was
food delivery market before with
driven by success in professional
brands rose 10 per cent to £369.1bn,
after the logo is rolled out in August.
the ranking.
week, was not taken into account for
from £8.7bn to £6.4bn.
would receive if it licensed the brand
the net economic benefit its owner
its brand value, which is calculated as
place at the beginning of this year as
executive Philip Jansen prepares to
brand slumped this year as new chief

BT’s brand value slumps ahead of
image overhaul

JESS CLARK
@jckjourno
THE VALUE of telecoms giant BT’s
brand slumped this year as new chief
executive Philip Jansen prepares to
overhaul the company’s image.
BT dropped two rankings to 10th
place at the beginning of this year as
its brand value, which is calculated as
the net economic benefit its owner
would receive if it licensed the brand
in the open market, fell 25 per cent
from £8.7bn to £6.4bn.
The company’s upcoming rebrand,
which was ridiculed online after its
minimalist logo was revealed last week,
was not taken into account for the
ranking.
However Brand Finance, which com-
piled the research published yesterday,
is expected to reconsider BT’s placing
after the logo is rolled out in August.
The total value for the UK’s top 150
brands rose 10 per cent to £609.1bn,
driven by growth in pharmaceutical
services, retail, insurance, tourism
and leisure.
The highest performing brands in
these sectors included £Y, which grew
its value by 40 per cent to £81bn, Astra,
up 39 per cent to £52bn and British
Airways, which saw brand value in-
crease 23 per cent to £2.4bn.
Meanwhile, the value of supermar-
ket brands continued to grow as
online services remained popular with
consumers. Tesco was the highest-
ranking supermarket with brand
value growth of 17 per cent to £8.8bn.
Sainsbury’s brand value rose 11 per
cent to £4.5bn. Morrisons was up 3.9
per cent to £2.6bn and Coop soared 45
per cent to £2.1bn.
Brand Finance chief executive David
Haigh said: “It is the best of British
brands whose reach already extends
beyond the UK which will flourish due
to their international presence.
“Global reach outside of Europe is
what will ultimately help sustain
momentum and further brand value
growth.”
“Despite the weaker pound and on-
going Brexit saga, this year’s UK 150
show a surprising level of re-
silience. Lower petrol prices, cheaper
flights and the continued desire to
take a holiday are benefiting airline,
hospitality and retail brands.”

O

Will Amazon’s Deliveroo stake improve its luck in the UK?

NATALIA ZINETS
UKRAINE’s new President Volodymyr
Zelensky yesterday issued a decree
setting 21 July as the date for a snap
parliamentary election, according to
a statement on his website.
Zelensky, a political novice before
running for the presidency, said on
Monday he was dissolving parliament
to prepare for an election. The vote
would give his new party the oppor-
tunity to win seats for the first time.
Television comedian Zelensky took
the oath of office as Ukraine’s new
President on Monday, promising that
as hard as he had worked in the past
to make Ukrainians laugh, he would
now work to keep them from crying.
The inauguration day was marked
by informal moments that conveyed
the outsider persona that helped
make Ukrainians laugh, he would
as hard as he had worked in the past
This represents an increase from
2017, when dividends were about six
times the amount paid to pensions.
The increase was from a rise in
dividends, rather than a fall in
contributions.
LCP partner Phil Cuddeford said: “It is
critical to go beyond the simple
headline statistic when it comes to
drawing conclusions on the
contributions or dividends debate.
There will be many factors to
consider and certainly no one-size-
fits-all answer.”

FTSE 100 firms face £100bn bill
from new rules

ALEX DANIEL
@alexmdaniel
BLUE-chip firms could collectively
be left up to £100bn worse off because
of changes to accounting standards
rules, according to research.
Upcoming tweaks to the
International Financial Reporting
Interpretations Committee rule 14
make regulations stricter on what
companies have to report when it
comes to their pension contributions.
This, along with increasing pressure
for accelerated contributions from
companies, could leave many FTSE
100 companies with billions of
pounds worth of bills.
The analysis by Lane Clark and
Peacock (LCP) also found companies
paid about £80bn in dividends to
shareholders in 2018, seven times the
£13bn paid into pension schemes.

O

BT’s brand value slumps ahead of
image overhaul

Will Amazon’s Deliveroo stake improve its luck in the UK?

Ofcom has expressed concern about
the treatment of reality TV stars, a
week after ITVs axed the Jeremy Kyle
Show following the death of a
contestant.
Appearing in front of the Digital,
Culture, Media and Sport
Committee, Ofcom chief executive
Sharon White said the regulator is
“particularly concerned” about the
duty of care broadcasters have

Ofcom boss Sharon White said clearer guidance was needed for broadcasters

Sharon White said ITV has asked the
regulator for more time to complete
its internal inquiry into the Jeremy
Kyle Show death.

O

Ofcom has expressed concern about
the treatment of reality TV stars, a
week after ITVs axed the Jeremy Kyle
Show following the death of a
contestant.
Appearing in front of the Digital,
Culture, Media and Sport
Committee, Ofcom chief executive
Sharon White said the regulator is
“particularly concerned” about the
duty of care broadcasters have

Ofcom boss Sharon White said clearer guidance was needed for broadcasters

Sharon White said ITV has asked the
regulator for more time to complete
its internal inquiry into the Jeremy
Kyle Show death.

Ofcom has expressed concern about
the treatment of reality TV stars, a
week after ITVs axed the Jeremy Kyle
Show following the death of a
contestant.
Appearing in front of the Digital,
Culture, Media and Sport
Committee, Ofcom chief executive
Sharon White said the regulator is
“particularly concerned” about the
duty of care broadcasters have

Ofcom boss Sharon White said clearer guidance was needed for broadcasters

Sharon White said ITV has asked the
regulator for more time to complete
its internal inquiry into the Jeremy
Kyle Show death.

Ofcom has expressed concern about
the treatment of reality TV stars, a
week after ITVs axed the Jeremy Kyle
Show following the death of a
contestant.
Appearing in front of the Digital,
Culture, Media and Sport
Committee, Ofcom chief executive
Sharon White said the regulator is
“particularly concerned” about the
duty of care broadcasters have

Ofcom boss Sharon White said clearer guidance was needed for broadcasters

Sharon White said ITV has asked the
regulator for more time to complete
its internal inquiry into the Jeremy
Kyle Show death.

Ofcom has expressed concern about
the treatment of reality TV stars, a
week after ITVs axed the Jeremy Kyle
Show following the death of a
contestant.
Appearing in front of the Digital,
Culture, Media and Sport
Committee, Ofcom chief executive
Sharon White said the regulator is
“particularly concerned” about the
duty of care broadcasters have

Ofcom boss Sharon White said clearer guidance was needed for broadcasters

Sharon White said ITV has asked the
regulator for more time to complete
its internal inquiry into the Jeremy
Kyle Show death.

Ofcom has expressed concern about
the treatment of reality TV stars, a
week after ITVs axed the Jeremy Kyle
Show following the death of a
contestant.
Appearing in front of the Digital,
Culture, Media and Sport
Committee, Ofcom chief executive
Sharon White said the regulator is
“particularly concerned” about the
duty of care broadcasters have

Ofcom boss Sharon White said clearer guidance was needed for broadcasters

Sharon White said ITV has asked the
regulator for more time to complete
its internal inquiry into the Jeremy
Kyle Show death.

Ofcom has expressed concern about
the treatment of reality TV stars, a
week after ITVs axed the Jeremy Kyle
Show following the death of a
contestant.
Appearing in front of the Digital,
Culture, Media and Sport
Committee, Ofcom chief executive
Sharon White said the regulator is
“particularly concerned” about the
duty of care broadcasters have

Ofcom boss Sharon White said clearer guidance was needed for broadcasters

Sharon White said ITV has asked the
regulator for more time to complete
its internal inquiry into the Jeremy
Kyle Show death.

Ofcom has expressed concern about
the treatment of reality TV stars, a
week after ITVs axed the Jeremy Kyle
Show following the death of a
contestant.
Appearing in front of the Digital,
Culture, Media and Sport
Committee, Ofcom chief executive
Sharon White said the regulator is
“particularly concerned” about the
duty of care broadcasters have

Ofcom boss Sharon White said clearer guidance was needed for broadcasters

Sharon White said ITV has asked the
regulator for more time to complete
its internal inquiry into the Jeremy
Kyle Show death.

Ofcom has expressed concern about
the treatment of reality TV stars, a
week after ITVs axed the Jeremy Kyle
Show following the death of a
contestant.
Appearing in front of the Digital,
Culture, Media and Sport
Committee, Ofcom chief executive
Sharon White said the regulator is
“particularly concerned” about the
duty of care broadcasters have

Ofcom boss Sharon White said clearer guidance was needed for broadcasters

Sharon White said ITV has asked the
regulator for more time to complete
its internal inquiry into the Jeremy
Kyle Show death.
New Brexit deal offers up boost to FTSE index

The FTSE rose yesterday, helped by a rally in home-builders amid news of a proposed parliamentary vote on a second Brexit referendum and gains in Asia-facing stocks after the United States relaxed restrictions on China’s Huawei.

The FTSE 100 was up 0.3 per cent, while the FTSE 250 rose 0.5 per cent, with builder Galliford Try leading gains after announcing job cuts.

After weeks of waiting for significant updates on Brexit, investors welcomed a “new era” for Britain’s departure from the European Union set out by Prime Minister Theresa May, which offered the prospect of a possible second referendum on the agreement.

That thrust housebuilders 1.2 per cent higher, their biggest one-day rise in a month. Persimmon and Taylor Wimpey were among top gainers on the main index.

Heavyweights HSBC, Prudential and Standard Chartered also offered support as markets hoped that trade tensions between Washington and Beijing would ease after the United States eased restrictions on telecom giant Huawei.

Shares of Lloyds and Barclays gained as Tesco’s decision to stop mortage lending raised the prospect of reduced pressure on margins, due to lesser competition.

Keeping a lid on gains were exporter stocks that weakened as sterling strengthened.

Britain’s largest industrial distribution firm, Electrocomponents rose 7.8 per cent to a seven-month high after reporting profit ahead of market expectations.

Diversified healthcare services group UDG Healthcare scaled a more than eight-month high with a 6.8 per cent rise, after the company raised its 2019 adjusted profit forecast.

Metro Bank, which has seen its shares hammered after disclosing an accounting error, advanced 7.5 per cent following its annual meeting.

Keeping a lid on gains among midcaps was Entertainment One, which slumped 11 per cent after missing estimates for revenue.

LONDON REPORT

TOP RISERS

1. Sainsbury’s Up 4.70 per cent
2. Coca-Cola HBC Up 3.63 per cent
3. Persimmon Up 3.03 per cent

TOP FALLERS

1. Rolls-Royce Down 2.46 per cent
2. Imperial Brands Down 2.01 per cent
3. Pearson Down 1.92 per cent

NEW YORK REPORT

Wall St rises as Huawei respite boosts tech

Shares of technology companies helped lift Wall Street yesterday after the United States temporarily eased curbs on China’s Huawei, alleviating investor concerns about pressure on future corporate results in the sector.

Late on Monday, the United States granted Huawei equipment maker a license to buy US goods until 19 August. The development offered a reprieve to shares of chipmakers, with the Philadelphia Semiconductor Index gaining 2.1 per cent to end a three-day slump.

Shares of Huawei suppliers such as Intel, Qualcomm, Xilinx and Broadcom rose between one per cent and 4.6 per cent.

Technology shares rose 1.2 per cent to add the most gains to the S&P 500 among the benchmark index’s major sectors.

The Dow Jones Industrial Average rose 277.43 points, or 1.07 per cent, to 25,877.33, the S&P 500 gained 24.13 points, or 0.85 per cent, to 2,864.36 and the Nasdaq Composite added 83.35 points, or 1.08 per cent, to 7,785.72.

Even with yesterday’s gains, the S&P 500 is still on track to post its first monthly decline of the year. The index is now three per cent away from its all-time high on 1 May as it has been pressured by mounting concerns about a prolonged US-China trade war.

Among the S&P 500’s major sectors, only defensive consumer staples shares traded lower, down 0.3 per cent.

Shares of Kohl’s and JC Penney plunged after the two department stores quarterly results missed expectations.

Kohl’s shares dropped 12.3 per cent, the largest decline among S&P 500 companies, after the retailer cut its full-year profit forecast and reported quarterly same-store sales and profits that missed expectations.

Shares of rival, JC Penney fell seven per cent after the company also reported a bigger-than-expected fall in quarterly same-store sales.

CUSHMAN & WAKEFIELD

Cushman & Wakefield has appointed retail strategist Paul Durkin as head of UK retail. Paul joins from Asda, where he was senior director of strategy, to lead a team focused on delivering advisory services to clients operating in a sector evolving at unprecedented pace.

Prior to joining Asda, one of Britain’s largest supermarket brands, Paul held senior strategy positions at SABMiller, Morrison and McKinsey. He starts work at Cushman & Wakefield in June. Paul’s recruitment follows several other senior appointments at Cushman & Wakefield. Former Kingfisher’s group property manager Tim Crighton has joined to provide specialist retail supply chain and logistics advice to clients.

NEURO-INSIGHT

Neuro-Insight, a neuromarketing and neuroanalytics company that uses unique brain-imaging technology to measure how the brain responds to communications, has promoted Shaiza Gnaa to the role of UK chief executive.

She will replace the current UK chief executive, Heather Andrew, as she steps down from the business. Shaiza joined Neuro-Insight in July 2017 as head of new business. Since then, the company has added a series of major brands to its client list, including The Telegraph, UKTV and SlimFast. The promotion recognises Shaiza’s role in driving the company’s new business strategy and strengthening key relationships. As chief, Shaiza will be responsible for strengthening Neuro-Insight’s profile, as well as further expanding the business and its impressive client portfolio. Shaiza previously set up and led the global insight function for GHD. Prior to this, she worked at Proctor & Gamble for seven years, where she was responsible for designing and executing consumer research and building storytelling capability for their luxury fragrance and skincare brands. Heather, who has led the UK business since 2010, will stay on at Neuro-Insight as a non-executive director.

CUSHMAN & WAKEFIELD

Airship has announced David King-Harris as vice president (VP) of sales in Europe, Middle East and Africa (EMEA). David will lead Airship’s EMEA sales organisation directing regional growth for the company’s new London office in Southwark and its locations in France and Germany. He brings nearly a decade of sales leadership experience including roles at Lyris, Silverpop, IBM and, most recently, Movable Ink as regional vice president sales EMEA. Prior to that, David founded a project management company, which he led for eight years before acquisition. Other appointments include Dale Flores as VP of sales Americas, Neil Garvey as VP of infrastructure and security and Jeff Winsor as VP of technology services.
The Green Party is trying to overthrow capitalism

Harry Phibbs

The socialist states not only brought poverty – they also proved ecological catastrophes

The extreme left-green party is trying to overthrow capitalism

This is perhaps the most important case of the 2019 election. But the Greens are not just about environmental issues. They are about the future of work and the future of money.

The Greens are a radical party. They are not afraid to challenge the status quo. They believe that the current system is broken and that we need a new one.

They want to see a world where people are not just paid a wage, but are also given a basic income. They want to see a world where work is not just about making money, but is about creating a better world for everyone.

The Greens want to see a world where people are not just consumers, but are also producers. They want to see a world where people are not just rich and poor, but are all middle class.

The Greens are not just about being green. They are about being just.

They are about fairness, justice and equality.

Paul Ormerod

Puzzled over Australia’s shock election result? Economic theory can help explain

The Prime Minister’s customs “compromise” is meaningless. It’s not a permanent customs union and the UK will still probably negotiate a customs union until December 2022 anyway under the existing transitional arrangements.

The people who enjoy the milkshakes being thrown at the far right like it because they feel they otherwise have no power. The far right are popular because they feel they’re taking the power back. No side feels like they have “the power”. Where is the power? It is the power of the people through the ballot box.

The Prime Minister is a-outsider. He has no experience of government, no policy agenda, no vision for the country. He is a failure. He is a disaster.

The Prime Minister is a failure. He has no experience of government, no policy agenda, no vision for the country. He is a failure. He is a disaster.

The Prime Minister is a-outsider. He has no experience of government, no policy agenda, no vision for the country. He is a failure. He is a disaster.

Paul Ormerod is an economist at Volterra Partners LLP, a visiting professor to ultimately control who “watches the watchers”.

The Prime Minister’s customs “compromises” are meaningless. It’s not a permanent customs union and the UK will still probably negotiate a customs union until December 2022 anyway under the existing transitional arrangements.

The people who enjoy the milkshakes being thrown at the far right like it because they feel they otherwise have no power. The far right are popular because they feel they’re taking the power back. No side feels like they have “the power”. Where is the power? It is the power of the people through the ballot box.

The Prime Minister is a-outsider. He has no experience of government, no policy agenda, no vision for the country. He is a failure. He is a disaster.

The Prime Minister is a-outsider. He has no experience of government, no policy agenda, no vision for the country. He is a failure. He is a disaster.

Paul Ormerod is an economist at Volterra Partners LLP, a visiting professor to ultimately control who “watches the watchers”.

The Prime Minister’s customs “compromises” are meaningless. It’s not a permanent customs union and the UK will still probably negotiate a customs union until December 2022 anyway under the existing transitional arrangements.
Malevolent superintelligence? That’s science fiction, not reality

N STANLEY Kubrick’s 2001: A Space Odyssey, HAL 9000 was an all-knowing robot that decided to destroy a spacecraft and its crew. Naturally enough, the crew didn’t care for this.

The film was an important crossover moment from science fiction to science fact. Many who saw HAL came to believe that there are indeed such computers in charge of things.

What was once the stuff of fiction is now closer to reality, and the question of whether artificial intelligence (AI) will cause us harm has become more important than ever.

After all, automated cars will soon take to our roads, and drivers may begin to worry that the family saloon might decide to kill them in order to save a coachload of schoolgirls.

Fears around AI have been stoked by the concerns of some public figures. Stephen Hawking said that the emergence of AI could be the “worst event in the history of our civilization”, as it may try to replace humans.

Meanwhile Nick Bostrom, a philosopher at Oxford and author of the bestselling book Superintelligence, thinks that AI could create an “existential catastrophe” for us all.

Released in 2014, Superintelligence scared a huge number of people by describing AI research as being at the cusp of suddenly taking over and controlling our lives – or at worst, destroying us all.

This sounds compelling, because it panders to our love of catastrophe as our lives become ever more comfortable and less arduous. It also plays up to our love of catastrophe as destroying us all.

But there’s no reason to be afraid. AI developments are hyped up to appear far more intelligent than they really are.

It is true that the technology is blooming everywhere, from health to space to agriculture, but there is no hint as yet of the kind of general intelligence that we humans have and which can create these marvels.

Already, AI can have capabilities more like those of animals and far superior to our own. AI-powered eyes, like those of an eagle, can see a stamp a mile away. But just as an eagle poses no risk to us, neither are these tech developments a threat to humans.

Bostrom also believes that intelligent machines will have goals of their own and will be hostile to us, but he is reduced to describing absurd scenarios such as a machine wanting to make an infinite number of paperclips and destroying all the world’s resources to do so.

This is very early science fiction indeed – it is straight out of The Sorcerer’s Apprentice, a poem from 1797.

One of the odd things about Bostrom’s menacing AI prediction is that he assumes there will be only one of them, because it will have killed all the others – a bit like the dragons fighting it out with the zombified dragon in Game of Thrones.

But this assumes that superintelligent computers never evolve towards the same thing that humans acquired in spades thanks to evolution: the ability to cooperate and work together.

Also, why assume that any creation would want to destroy its creator? All the myths and religions we know assume that created things are more or less well-disposed towards their creators, and much more likely to worship them and build temples than to seek to kill them. In Bostrom’s science fiction, the Superintelligence wants to kill their parents.

Of course, AI could be dangerous in the future – extraordinary weapons are now being created by all the major powers, from submarines with no crews to huge fleets of heavily-armed drones and tiny tanks.

The AI that we need to be most careful of is the one that extends already-existing technologies – like weapons, cars, and fully-automatic factories – and makes them much cheaper, yet superior to our own.

And AI rebellion against us? That’s just science fiction.

Yorick Wilks is a visiting professor of Artificial Intelligence at Gresham College.
PERSONAL FINANCE

Katherine Denham outlines how to cope with confusion around social care costs

Distracted by the ongoing Brexit crisis, the government appears to have shoved the not-so-small issue of social care to one side. With a growing elderly population (by 2046, a quarter of the UK population will be aged 65 or over), and proportionately fewer taxpayers able to prop them up, the rising cost of social care is an urgent matter.

A report published by think tank the King’s Fund last month warns that the social care system has reached a “crisis point”, with 22 per cent of elderly people not getting support from local authorities when they have asked.

And yet, Simon Bottery, senior fellow at the King’s Fund, sees little evidence that the government is willing to act on this worrying trend.

Meanwhile, the Commission on Funding of Care and Support estimates that one in 10 people face lifetime care costs of £100,000, forcing tens of thousands to sell their homes each year.

“Advances in medicine mean that we’re living longer lives, but our health isn’t something we can always control,” says Pamela Reid from Quilter Cheviot, who advises people not to ignore the fact that they might need assistance in later life.

But while it’s all very well to tell people to plan for their old age, there’s a degree of confusion around the costs – or rather, who will foot the bill.

“One of the many problems with the current social care system is the complexity and uncertainty around the provision from the state,” says Rachael Griffin, financial planning expert at Quilter. “Worryingly, people sometimes bank on the public purse to pay for their care, or at least part of it.”

According to figures from Quilter, 72 per cent of people think that it’s important to take into account potential long-term care needs when making inheritance plans.

But even those who expect to pay for social care can be left baffled as to how much they need to pay in before state funding kicks in.

Care funding can vary depending on the local authority and on the individual’s healthcare needs, but in general, people with assets below £14,250 are not required to use their money to contribute to their care, while anyone with assets valued above £23,250 will have to cover all the costs themselves.

Those falling between the two thresholds have to contribute some cash. To determine how much state help you should have with costs, the council carries out a financial assessment to determine your eligibility.

Eligibility is affected by the type of assets held by an individual and the type of care they need. For example, if someone needs care in their own home, the value of their house doesn’t count towards their assets. But if they need to go to a residential care home, the value of the property is included in the assessment, meaning that they would need to sell it (unless, for example, a spouse is living there).

And to add yet more confusion, this could all be set to change when the government finally publishes its heavily delayed green paper, which could propose massive reforms to the social care system.

One potential policy idea is to create a system that resembles auto-enrolment, which Griffin says would make it abundantly clear how much the state will provide, so that people know how much they will need to fund.

And regardless of what emerges in the long-awaited green paper, it’s apparent that we will all have to take personal responsibility going forward. With current funding gap at £1.5bn, and expected to rise to £3.5bn by the 2024/25 tax year, it’s clear that the onus is now on individuals to make private provision when it comes to social care.

Admittedly, the lack of any definite conclusions around the reforms makes it difficult for people to plan financially, but that’s not to say you should do nothing.

Like everything finance-related, the earlier you start, the better.

“People often don’t start thinking about the money they need for care until they are in their 50s, at which point it’s much harder to save large sums of money,” warns Griffin.

She points out that, because of the pension freedoms, people can now use their pension pot to draw down income at higher rates in later life to help pay for care. “Increasing your contribution rates is a tax-efficient and smart way to plan ahead,” she says.

You could also consider buying investment bonds. Typically classed as a “single premium life insurance policy” (because a portion can be paid out on death), investment bonds are usually excluded from the financial assessment when determining whether you are eligible for care.

You can withdraw up to five per cent each year of the amount you have paid into your bond without paying immediate tax on it.

Another strategy is to use your housing wealth. For example, equity release can provide a lump sum, regular income, or both. However, if you decide to go down that route, Griffin says that it’s important to plan ahead, and make sure that your family is in the loop about your plans.

With most of us preoccupied with mortgages and pensions, social care couldn’t be further from our minds. But taking social care into account when planning your finances helps to ensure that you’ll have a good quality of life in your later years.

Susan, busy calibrating thousands of investment choices.

InvestEngine.com
Is wearable tech a blessing or a curse?

How can you get your staff to hand over data about their sleep, health, and fitness?

F YOU’VE woken up and checked your watch for last night’s sleep data, you’re not alone. In the UK, more than five million wearables (such as Fitbits and step counters) are now part of individuals’ everyday lives – 1.96m were sold in 2017 alone. So it’s only natural for employers to be interested in the power of wearables as well. With workplace absence now more likely to be caused by stress, anxiety, or lack of proper sleep than traditional musculoskeletal problems, devices that can aggregate and then determine the overall health (and potential health risks) of an organisation provide powerful data points.

On one level, this degree of monitoring and guidance is what employees say they want. A study by Capital Employee Benefits found that 76 per cent of staff would welcome financial wellbeing advice from their employer. But there are understandable concerns about how data may be used. After all, it’s not uncommon for individuals with weight problems to suffer discrimination or unconscious discrimination in the workplace, and privacy campaigners worry about the potential in the workplace, and privacy campaigns worry about the potential health risks) of an organisation.

On one level, this degree of monitoring and guidance is what employees say they want. A study by Capital Employee Benefits found that 76 per cent of staff would welcome financial wellbeing advice from their employer. But there are understandable concerns about how data may be used. After all, it’s not uncommon for individuals with weight problems to suffer discrimination or unconscious discrimination in the workplace, and privacy campaigns worry about the potential health risks) of an organisation.

As wearables improve in functionality, their potential use is ever-widening. In the US, where employers are linking workplace benefits to data from wearables. At insurer Aetna, for instance, employees can boost their bonuses if their sleep tracker data shows that they attain the right amount of rest each night over a certain period. Other employers are linking rewards with physical exercise. By giving away a little bit of data, employees can enjoy several benefits – for instance, an employer’s health screening may identify health risks that they can act on.

So should wearables be seen more as a blessing than a curse? Wouldn’t employing may identify health risks that they can act on. For some employees, wearable technology is already compulsory, such as lone workers, or those in dangerous occupations where location-based monitoring is needed to ensure safety. And research indicates that newer entrants to the workplace will be far more open about technology, so long as it serves them a purpose too – 75 per cent of millennials report being comfortable with biometric technology, for example. In this sense, attitudes should gradually change.

But employers shouldn’t get complacent – that a wearable will be automatically accepted. The next generation of products are even more advanced, and may require even more effort to get staff on side. These include sociometric badges capable of measuring the amount of face-to-face interaction staff have, as well as their physical proximity to other people. Vocal pitch changes can be measured and recorded to analyse the “social affinity” among teams.

The topic of wearables won’t go away, and it will be a key discussion area at this summer’s inaugural Festival of Work hosted by the Chartered Institute of Personnel and Development (CIPD) on 12-13 June at Olympia London. This event will celebrate people in the office and debate the future of work. While a positive employee reaction to wearables isn’t guaranteed, what’s certain is that more employers will want to use them. They just need to work out how to tell staff why.

Anton Riolo is head of content for CIPD Events at Haymarket Business Media.
MARK HIX: HOW I FELL IN LOVE WITH FISHING

In an extract from his new book, Hooked: Adventures in Angling, the restaurateur talks about how he got hooked

Angling: it’s potentially cold, it’s definitely wet, it can be lonely and chances are you won’t catch anything. But it’s about so much more than that to me. It’s become a social event that involves cooking and having a laugh and a bit of banter with the boys.

Nothing beats it for getting the adrenaline going. I still remember a 40kg (88lb) sailfish I caught in Costa Rica, back in 2002. It was caught on a fly, which is very light tackle for a heavy, fast, fighting fish, and it took a good 45 minutes to reel in. I was knackered afterwards. There’s definitely a bit of that primal drive of man versus beast, though as most angling is for sport, you release it afterwards. Or sometimes it gets away from you, which is frustrating. Either way, the fish gets to live to fight another day and there’s still a thrill in making the connection.

I shoot a little bit in season, it’s not enough. I’m sure they will even imagine how many hours I’ve spent out our lunch – we can present different dishes on the various flat surfaces by a river isn’t a crucual part of our social day out. It’s about so much more than that to me. It’s become a social event that involves cooking and having a laugh and a bit of banter with the boys.

Nothing beats it for getting the adrenaline going. I still remember a 40kg (88lb) sailfish I caught in Costa Rica, back in 2002. It was caught on a fly, which is very light tackle for a heavy, fast, fighting fish, and it took a good 45 minutes to reel in. I was knackered afterwards. There’s definitely a bit of that primal drive of man versus beast, though as most angling is for sport, you release it afterwards. Or sometimes it gets away from you, which is frustrating. Either way, the fish gets to live to fight another day and there’s still a thrill in making the connection. I shoot a little bit in season, which keeps me busy when the salmon and trout season finishes in autumn and winter, but, given the choice, I’d rather be on the river or out at sea. Shooting a bird above your head is instant; once you’ve shot it, you wait for the next one to kill. But with fishing there’s a bit of a fight – sometimes a hell of a fight, depending on what you’ve hooked – and then there’s the opportunity to re-launch or take it home for supper.

When I was a kid, I was really into golf, but fishing gradually started to take over, and by the time I was 16, that was that. I grew up in West Bay in Dorset, right by the seaside, so if you saw the sea bubbling – which indicated there were shoals of fish around – you just grabbed your rod and went down to the beach or the pier. My grandmother used to grill or pan-fry mackerel when they were really fresh, and she would pickle the rest.

Now, I probably go fishing two or three times a month and I can’t even imagine how many hours I’ve spent doing it, though I’d still say it’s not enough. Compared to my earlier experiences as a kid, when it was simply something exciting to do at weekends, after school or on holiday, fishing has become a bit of a social event for me in later life. It’s always been well documented as one of the top five most popular outdoor participant sports, but I don’t really regard fishing as a sport – more of a good day out with some of my like-minded friends. I’m sure they will all agree that the word ‘sport’ doesn’t really come into our favourite outdoor activity. And, of course, the incentive, apart from a good lunch, is to rock up to the destination with our gear and catch fish.

Cooking on an open fire by a river isn’t a sport either, but it is a crucial part of our social day out. We rarely talk pre-fishing about what kit and flies we’re going to take, but we do discuss what the menu is and choose wines to match. Some passersby may think we’re competitive, as from the outside our fishing lunches may look a bit extravagant compared to what anglers normally consume. However, because we’re in the hospitality business, these are really quite normal working lunches while enjoying some banter with friends. If there are a few of us, maybe four or five, we often use the bonnet of an old Land Rover to set out our lunch – we can present different dishes on the various flat surfaces of the bonnet, creating the perfect griddle baffle.

© Hooked: Adventures in Angling & Eating, published by Mitchell Beazley, is available for £20 from any Hix Restaurant
Wally Pyrah previews today’s action from Happy Valley

**Time for punters to shell out on Lor’s Fat Turtle**

REIGNING champion Zac Purton, with 123 victories this season, is already over the hill and far away as he closes in on his third jockeys’ title ahead of today’s Happy Valley action.

He currently leads his nearest pursuer Karis Teetan by 48 winners but looks even more determined in his quest to overhaul his best ever total of 136 wins.

However, the trainers’ title race is looking more intriguing, with three in with a shout of lifting the coveted trophy at the final meeting of the season in July.

With 15 meetings left, 10-time champion John Size has seen his seemingly unassailable lead whittled down to seven by Frankie Lor, who has won it seven times, only one more behind.

All three are firing plenty of ammunition at the inner-city track, especially Moore, who once upon a time, with a stable full of starstudded horses, was an infrequent visitor to the Valley.

Times have changed, and with another chance of a title beckoning, he will be looking to boost his already impressive tally of 11 winners at Happy Valley this season.

His best chance of success could be consistent top-weight Happy Warrior, with one victory and five seconds to his name this term, in the 2.15pm over the extended mile.

Moore has overlooked the horse’s regular pilot Purton and put valuable 5lb claiming rider Victor Wong in the saddle.

Size will be hoping his former useful sprinter Zero Hedge rediscovers his form now he is back on a similar winning rating, in the 3.15pm, while he also saddles his star performer Tornado Twist in the finale at 3.50pm over six furlongs.

This is the best race on the card, with numerous track specialists lining in wait, including Jimmy Ting’s potential sprint superstar Yee Cheong Baby, who blitzed his rivals on his debut run over five furlongs and will try to defy a 6lb penalty as he steps up in distance.

With the inside draw, and Purton in the saddle again, he is going to take some catching, but drawn next to him is the equally exciting Lor-trained FAT TURTLE.

This former three-time winner in Australia, who chased home smart sprinter Champion’s Way at Sha Tin in March, just failed to give a more experienced Planet Star 19lbs when beaten a neck from a wide draw over the track and trip last month.

This time, with the early pace sure to be red-hot and in his favour, he is mapped to sit just behind the leaders and make the valuable 6lbs he receives from both Tornado Twist and Yee Cheong Baby count down the home straight.

Jimmy Ting, with 33 wins in his first season as a trainer, could have better luck when he saddles top-weight and exciting prospect TELECOM PUMA in another six-furlong dash at 3.50pm.

This New Zealand-bred four-year-old has steadily improved in three runs this year, especially his latest effort last month when just outpaced in the closing stages by Dream Come True over five furlongs.

He has been partnered by apprentices in all three races, but this time Purton climbs aboard and his experience can prove vital.

---

**My Ally can defy handicapper and bowl over his rivals**

SUCH is the handicap system in Hong Kong, with relatively few racehorses totalling around 1300, it’s guaranteed that the majority of races are going to be tight and exciting finishes.

Horses that collect penalties for a win will always find it hard to successfully follow up unless they are very progressive or potentially smart gallopers.

Mostly, horses that win at the Valley have to wait their turn for their next success, be it when their handicap rating has dropped down again or they attempt a new trip.

In the 1.15pm race over the extended mile at Happy Valley, the Richard Gibson-trained MY ALLY jumps out of the form book looking like a well-handicapped horse and one who has been earmarked for this contest for some time.

This former French-bred gelding, who was placed in Group company in his home country, finished third beaten a length by Racing Luck over course and distance in January and now finds himself 18lbs better off with that rival.

That’s because Gibson subsequently chose to run him over inadequate trips of six furlongs, and on the all-weather, and as a result his rating has dropped back down to an attractive mark.

This looks a competitive and tightly-knit handicap, with the closely matched Racing Luck, Big Bang Bong, Last Kingdom and Magnetism having raced against each other on numerous occasions this season.

Add the likes of the unexposed Gold Win, Xiang Yin and Win Win and it will be hard to find who will start favourite.

My Ally is likely to go off at attractive odds and rates a good each-way proposition.

---

**Live Hong Kong Racing**

Group 1 Standard Chartered Champions & Chater Cup
Pakistan Star defends his crown at Sha Tin this Sunday

Shops Coral Ladbrokes Betfred BetVictor Sky Sports Racing

Hong Kong Racing Merchandise now available at www.giftatraces.com
HAPPY VALLEY
Going: Turf  -  GOOD

12.45 CRONKITE HANDicap (DV) (CLASS 5)  [1st (B) [(1) (GF ) [(G)]]  by 4p  & 7f  &  £207,595
 paras: 1  10  13  11  8  9  7  6  5  4  3  2  1
  
  1  01070362 SWEET DOLL (HP) [(G) [(GF ) [(G)]]  £29,981  1  5  3  8  9  10  7  11  12  13  14  15
  2  01070310 CHERISH (G) [(G) [(GF ) [(G)]]  £23,540  11  10  9  8  7  6  5  4  3  2  1
  3  01070298 KILLARNEY (G) [(G) [(GF ) [(G)]]  £20,312  10  9  8  7  6  5  4  3  2  1
  4  01070287 PLEASANT BREEZE (G) [(G) [(GF ) [(G)]]  £18,165  13  12  11  10  9  8  7  6  5  4  3  2  1
  5  01070286 MY FOLLOWER (G) [(G) [(GF ) [(G)]]  £18,165  12  11  10  9  8  7  6  5  4  3  2  1
  6  01070283 SASSY LADY (G) [(G) [(GF ) [(G)]]  £18,165  11  10  9  8  7  6  5  4  3  2  1
  7  01070285 FAIR DOLLY (G) [(G) [(GF ) [(G)]]  £18,165  10  9  8  7  6  5  4  3  2  1
  8  01070284 LADY' S LIZARD (G) [(G) [(GF ) [(G)]]  £18,165  9  8  7  6  5  4  3  2  1
  9  01070282 THE BUBBLE (G) [(G) [(GF ) [(G)]]  £18,165  8  7  6  5  4  3  2  1
  10  01070281 MY SWEET (G) [(G) [(GF ) [(G)]]  £18,165  7  6  5  4  3  2  1
  11  01070280 ELEGANT LADY (G) [(G) [(GF ) [(G)]]  £18,165  6  5  4  3  2  1
  12  01070279 A LADY'S DaUGHTER (G) [(G) [(GF ) [(G)]]  £18,165  5  4  3  2  1
  13  01070278 RICHIE BEE (G) [(G) [(GF ) [(G)]]  £18,165  4  3  2  1
  14  01070277 ORANGE LADY (G) [(G) [(GF ) [(G)]]  £18,165  3  2  1
  15  01070276 RICHIE ROYAL (G) [(G) [(GF ) [(G)]]  £18,165

12.45 DARTSHORE HANDicap (DV) (CLASS 6)  [1st (B) [(1) (GF ) [(G)]]  by 4p  & 7f  &  £190,000
 paras: 1  10  13  11  8  9  7  6  5  4  3  2  1
  
  1  01070177 SWEET LADY (G) [(G) [(GF ) [(G)]]  £36,586  1  5  3  8  9  10  7  11  12  13  14  15
  2  01070178 RAISIN CRISP (G) [(G) [(GF ) [(G)]]  £33,242  11  10  9  8  7  6  5  4  3  2  1
  3  01070179 MY LAZY LADY (G) [(G) [(GF ) [(G)]]  £31,406  10  9  8  7  6  5  4  3  2  1
  4  01070180 SASSY LADY (G) [(G) [(GF ) [(G)]]  £28,930  13  12  11  10  9  8  7  6  5  4  3  2  1
  5  01070181 MY FOLLOWER (G) [(G) [(GF ) [(G)]]  £28,930  12  11  10  9  8  7  6  5  4  3  2  1
  6  01070182 SASSY LADY (G) [(G) [(GF ) [(G)]]  £28,930  11  10  9  8  7  6  5  4  3  2  1
  7  01070183 FAIR DOLLY (G) [(G) [(GF ) [(G)]]  £28,930  10  9  8  7  6  5  4  3  2  1
  8  01070184 LADY' S LIZARD (G) [(G) [(GF ) [(G)]]  £28,930  9  8  7  6  5  4  3  2  1
  9  01070185 THE BUBBLE (G) [(G) [(GF ) [(G)]]  £28,930  8  7  6  5  4  3  2  1
  10  01070186 MY SWEET (G) [(G) [(GF ) [(G)]]  £28,930  7  6  5  4  3  2  1
  11  01070187 ELEGANT LADY (G) [(G) [(GF ) [(G)]]  £28,930  6  5  4  3  2  1
  12  01070188 A LADY'S DaUGHTER (G) [(G) [(GF ) [(G)]]  £28,930  5  4  3  2  1
  13  01070189 RICHIE BEE (G) [(G) [(GF ) [(G)]]  £28,930  4  3  2  1
  14  01070190 ORANGE LADY (G) [(G) [(GF ) [(G)]]  £28,930  3  2  1
  15  01070191 RICHIE ROYAL (G) [(G) [(GF ) [(G)]]  £28,930

CARDs provided by RACING POST
THE PUNTER

Tom Marriott reports from yesterday’s Breakfast with the Stars event

Dragonet set to lead good crew from Ballydoyle in Investec Derby

Despite a sharp drift in the betting a few days ago casting major doubt over the participation of Aidan O’Brien’s ante-post Investec Derby favourite Sir Dragonet, the latest report from the trainer suggests otherwise.

Speaking at the annual Breakfast with the Stars event at Epsom Racecourse yesterday, the six-time winner of the Oaks event at Epsom Downs with the Stars, Gosden gives glowing update on his leading Oaks pair Too Darn Hot next week, John Gosden has high hopes in Friday’s Investec Derby favourite Sir Dragonet, the latest renewal of the big race.

As a three-year-old colt, he’s certainly the best I have ever seen in the unique nature of Epsom.

The betting slightly indicates that it was a very strong trial at Chester, with the form of the second and third. But I couldn’t have been more delighted with the other fillies at Lingfield and we’ve got two very realistic chances in the race.

Meanwhile, spectators were given a glimpse of one of the Oaks outsiders, the Roger Varian-trained Tauteke, who worked under Andrea Atzeni at the Surrey track.

"I was delighted with how she moved and how she finished going through the line," said Varian. "It will do her the world of good." Even though she is no leading fancy at 50/1, we have seen in the past with the likes of Talent and Taghrooda that a trot around Epsom can be invaluable preparation ahead of the big race.

Gosden is aiming to win the Oaks for a third time and of his two runners this year, he believes Mehdaayih may have the slightly stronger credentials.

The big question mark hanging over the general 7/1 shot is that he needs to be supplemented for the race at a cost of £85,000.

"It’s a huge amount of money and there are still other options," said Morrison. "We get a free entry into the Irish Derby and the Grand Prix de Paris."

At slightly bigger odds of 9/1 with Star Sports is Bangkok, whose trainer Andrew Balding was on hand to provide an update on the son of Australia’s progress.

"He’s a horse we’ve always liked and he probably didn’t achieve what he should have done last year. But the way he wintered and began to relax in his work at home, we were getting pretty excited in March."

Balding’s colt opened his account two months ago with a win at Doncaster, beating Telecaster by just over a length, and then went on to win the Classic Trial at Sandown.

"When we spoke with the way he did it that day [at Doncaster], his work improved again, he won well at Sandown and he’s in a great place at the moment."

More will be known come Monday’s supplementary stage, but as things stand it looks like an Investec Derby that is O’Brien’s to lose, with a select handful of horses hungry to pick up the pieces.

After an exciting two weeks, the big question is whether or not a horse will turn their form from the two trials at Chester and Lingfield previously available.

Mehdaayih’s win in the Cheshire Oaks catapulted her into favouritism for the second fillies’ Classic of the year and the daughter of Frankel looks set to be supplemented: “The owner is very keen to supplement her, as are we, so that will happen this week.”

Anapurna is another daughter of the star sire and Gosden is hopeful both his contenders will handle the unique nature of Epsom.

"Both are athletic fillies who are light on their feet and while both are young and still have plenty of scope for improvement, I couldn’t be happier with them."

Gosden is aiming to win the Oaks for a third time and of his two runners this year, he believes Mehdaayih may have the slightly stronger credentials.

The betting slightly indicates that. It was a very strong trial at Chester, with the form of the second and third. But I couldn’t have been more delighted with the other fillies at Lingfield and we’ve got two very realistic chances in the race.

Meanwhile, spectators were given a glimpse of one of the Oaks outsiders, the Roger Varian-trained Tauteke, who worked under Andrea Atzeni at the Surrey track.

"I was delighted with how she moved and how she finished going through the line," said Varian. "It will do her the world of good." Even though she is no leading fancy at 50/1, we have seen in the past with the likes of Talent and Taghrooda that a trot around Epsom can be invaluable preparation ahead of the big race.
CRICKET'S TIME TO DELIVER

This summer's World Cup heralds the start of key spell in sport's battle for hearts and minds. By Neil Hopkins

ITH the biggest ever summer of international cricket about to start, featuring a men's World Cup as well as men's and women's Ashes series, the sport faces perhaps its greatest challenge. But will such riches put cricket back in the public consciousness for the first time since 2005?

This year's Ashes series marked the end of terrestrial television coverage stretching back decades during which, for large swathes of any given summer, you could watch cricket seven days a week. It might not have been acceptable in the '80s or '90s, but it was possible. Five days of Test cricket had a John Player Sunday League squeeze-in on the Sunday, a rest day, while on the seventh day God unleashed a cast of international stars on the NatWest Trophy. Every generation has its heroes but the sight of Viv Richards cracking windmills on Malcolm Marshall cartwheeling stumps around the stands was all you needed to become hooked.

Who knows how many England cricket chiefs are Joni Mitchell fans, but there has, since 2005, been a sense that you don’t know what you’ve got ‘til it’s gone.

Channel 4’s live coverage of that year’s Ashes attracted 2m viewers yet by the next home series in 2009 an all-encompassing broadcast deal with Sky was into its fourth season. While coverage was more innovative and engaging than ever, the audience for England’s series-clinching final day victory was a mere 2m.

Let’s be clear: Sky’s huge investment has helped England scale new heights of professionalism and performance and its coverage is highly sophisticated. Furthermore, Sky’s support for women’s cricket, and women’s sport in general, has received far less credit than is due. The great challenge for sports governing bodies, however, has long been to maintain a balance between reach and revenue. Since choosing the latter in the hope that success would inspire a new generation, cricket has rarely been able to get onto the front pages. It is not a coincidence that, across the same period, the grassroots game has suffered.

Reversing this process is the fundamental challenge facing the England and Wales Cricket Board (ECB), but times change and now there is simply no terrestrial broadcaster able – or inclined – to allocate eight-hour slabs of scheduling to Test cricket.

Nor is it necessarily the case that audiences, particularly younger ones, would watch it anyway. The amount of time young people spend watching sport on TV is decreasing at an alarming rate for broadcasters and administrators.

DISRUPTIVE

The ECB’s answer is The Hundred, a brand new format that jettisons the concept of overs in favour of innings consisting of 100-ball countdowns.

Now, The Hundred has not been universally well received. As a broadcast-friendly format designed to hook the most casual of sports consumers, though, it has convinced the BBC to host live cricket for the first time this century.

Of course, that’s only half the job. The Hundred has to attract audiences with limited interest in cricket. This makes it cricket’s equivalent of the iPad in that its target customer has no idea they want it until it is launched.

The concept is certainly disruptive, to use the current argot, but the ECB will be keen to avoid alienating the game’s existing fanbase, notable not only for its affluence but also for its diversity. After all, this is what has attracted and retained the interest of major commercial partners, not least NatWest whose longstanding support for the English cricket will enter its 40th season next year.

For now, alienation seems way off given the speed with which the vast majority of World Cup and Ashes tickets have sold out, and the sport undoubtedly has an incredible, unprecedented summer ahead of it.

Teams are queuing up to upset favourites England in the World Cup, and with strong Aussie men’s and women’s squads arriving to defend the Ashes, the hosts will be keen to avoid complacency.

As for Joni Mitchell, England fans will hope the only taxi being ordered is for Mitchell Starc and his Australia teammates. Otherwise, defeat in the World Cup and the Ashes may mean English cricket faces a future that is altogether more stark. The Hundred might then become the most important century in English cricket.

Neil Hopkins is global head of strategy at NBC Sports and Entertainment.
The staggered launch of the England and Wales Cricket Board’s great new hope hasn’t gone exactly to plan. Although it was unlikely to begin in textbook fashion, The Hundred has so far experienced the full repertoire of problems on the runway, leaving the majority of its passengers apprehensive ahead of take-off.

After all, the idea to squeeze a fourth format into the domestic cricket schedule alongside the County Championship, One-Day Cup and T20 Blast from next summer is an ambitious and divisive one. But following criticism at every turn – over the actual need for a new format, the 100-ball concept itself and just about every other aspect of the public-facing operation so far – the man in charge of its delivery is unfazed.

“I think it’s good that people have opinions,” Sanjay Patel, The Hundred’s managing director, tells City A.M. “We’ve listened to a lot of those opinions – we haven’t taken them lightly, and in some respects it’s helped us shape some of our thinking. For me it shows how passionate the game is. When you want to change something that people are passionate about they are going to have opinions. What we need to do is turn that passion into advocacy and I’m sure we can do that.

“I want to use those people who have criticised us and get them to help us grow the game. If we grow the game everyone benefits. What do cricket fans want? They want to watch brilliant players playing in front of good crowds on good wickets. That’s what The Hundred is going to deliver – world-class cricket, for both the men’s and the women’s competition, and I think we’re on track to deliver it.”

MASSIVE OPPORTUNITY
Patel, who worked at Diageo and Heineken during almost two decades in the fast-moving consumer goods sector before joining the ECB in 2015, has spent the past four years developing The Hundred – first as chief sales and marketing officer and commercial director, before the tournament became his sole focus in February. Having grown up in a cricketing household and played the game right up to international level with Scotland, he is passionate about its future. And having carried out research and formulated plans since 2015, he is excited for what he describes as “a massive opportunity”.

Here’s the grand plan to attract a new audience: eight city-based teams – two from London and one each from Manchester, Birmingham, Cardiff, Leeds, Nottingham and Southampton – will compete over a five-week period to coincide with the school summer holidays from mid-July to mid-August 2020. Eleven of the men’s games and the final of the women’s will be broadcast on free-to-air television by the BBC, with Sky also involved.

Each franchise, coached by a well-known face yet to be confirmed, will help us grow the game. If we grow the game everyone benefits. What do cricket fans want? They want to watch brilliant players playing in front of good crowds on good wickets. That’s what The Hundred is going to deliver – world-class cricket, for both the men’s and the women’s competition, and I think we’re on track to deliver it.”

Sanjay Patel, the man in charge of The Hundred, tells Felix Keith why the controversial new 100-ball tournament is needed to attract a new audience.
be comprised of 15-player squads, with three overseas players per side, which will be selected NFL-style in a live draft on 20 October. The sides will play 100 balls per inning where bowlers are allowed to deliver either five or 10 consecutive balls, with ends changing every 10 balls.

After trial games in September, Patel says “the overwhelming feedback was that this is a great format” and he believes that, marketed correctly, this is the tonic to cricket’s ailments.

“What came back from our research was that three things were critical,” the 46-year-old says. “Time: The Hundred directly addresses that because it can be played between two and two-and-a-half hours.

“Complexity: so if you make the game easier to understand it is going to naturally appeal to more people. The Hundred will have a simple countdown from 100 balls, with runs going up. Whoever scores the most runs wins. The way you can present that in stadia, digitally and in broadcast, it makes the game a simple one.

“The last thing is perception and this is particularly important with the teenage audience and those from south Asia. They said that if we had a competition that was faster and more exciting they were more likely to get involved. That’s exactly what The Hundred will deliver.”

ENGAGING THE AUDIENCE

Whether or not you agree on the concept itself, the need to do something is clear. Cricket is failing to make the most of its assets.

Patel says the ECB talked to over 100,000 people to gather 100m data points. Some of their findings are stark. Of the 10.5m who follow cricket in England, only 1.1m attended matches in 2018, of which 94 per cent were white and 82 per cent male. Three quarters of people who currently follow cricket came into it before the age of 16, but currently the sport is also only reaching seven per cent of children at primary school age.

“We’re not just competing against all the other sports,” Patel adds. “We’re competing against leisure activities and the entertainment industry, so if you don’t do anything that interrupts young people and engages them, they’re not automatically going to come into cricket.”

The hope is that an entirely new tournament which “starts with the audience in mind” can home in on what’s important. It’s not without its compromises, though.

In order to accommodate The Hundred in next summer’s prime-time slot, the One-Day Cup has been moved and, in the words of the ECB’s managing director of county cricket, turned into a “development competition”, while the T20 Blast has in some ways been superseded.

However, Patel says England’s white-ball players will be available throughout the whole competition and the Test players will be available for the start and the end of the tournament, provided director of cricket Ashley Giles permits them to play around games against the West Indies and Pakistan.

After months of speculation, many of the unknowns are now known. Next, before October’s draft – what Patel “calls our launch event” – will come head coach, overseas players, team names and identities, ticket pricing and commercial partner announcements.

“We’ve learnt a lot over the last two years,” says Patel. “What we’re hoping to do is put that learning into practice. What’s important now is that between now and first ball that we build this tournament in the right way.”

Whether you like it or not, The Hundred is nearing fruition.
Smart technology does more than take selfies.

From helping pilots avoid turbulence to making cars more intuitive to reinventing retail, IBM is working behind the scenes to change the way the world works. Find out how at ibm.com/smart/uk