**Nanny knows best: UK floats near top of lifestyle ‘interference’ rankings**

**AUGUST GRAHAM**

FACING stiff competition from the Baltics this year, Britain slipped out of the top three in a ranking of “the worst places in the European Union to eat, drink, smoke and vape”.

The UK fell two spaces on free-market think tank group Epicenter’s annual Nanny State Index to fourth, overtaken by Lithuania and Estonia, both of which have suffered from a surge of “nanny state interference” according to the report’s authors.

However, the UK can still proudly say it has the most restrictive tobacco laws. Adjusted for affordability, Britain has the highest rate of tobacco duty in the world and, alongside France, became the first country to ban branding on cigarette packets in 2016.

Christopher Snowdon, head of lifestyle economics at the Institute of Economic Affairs, one of a number of European think tanks to work on the report, said there remains “a sliver of liberalism” in the UK thanks to relatively relaxed laws on alcohol advertising and the public health authority’s support for e-cigarettes as an effective smoking cessation aid.

However, Snowdon saw a chance that some of this could be changed in parts of the country: “A proposal by the Belgian government to ban vaping in ‘public’ places fell apart in 2017, but the idea – and several other nanny-state schemes – may rear its head again now that its chief proponent, Mark Drakeford, is the first minister for Wales.”

The annual report looks at policies that “raise prices, stigmatise consumers, restrict choice or inconvenience consumers”. 

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**TRUMP SUES BANKS AND PRIVACY ROW**

**CALLUM KEOWN**

@CallumKeown1

US PRESIDENT Donald Trump has taken the unprecedented step of suing Deutsche Bank and Capital One in a desperate bid to block the release of his financial records.

Trump, his three oldest children and seven of his companies have filed a lawsuit against the banks to block subpoenas issued by two US House Committees earlier this month.

Maxine Waters, chair of the financial services committee, and Adam Schiff, chair of the intelligence committee, hit back at the Trump family, branding the lawsuit “meritless” and an “unprecedented stonewalling” of Congress’ oversight.

The lawsuit, which escalates the bitter battle over Trump’s financial deals, argues the demands of the Democrat-controlled committees have no legitimate grounds or lawful purpose.

Both banks have “long provided business and personal banking services” for Trump, his lawyers confirmed, while Deutsche Bank has been involved in his property empire for an extended period.

The lawsuit, which was filed in New York late on Monday, said: “The subpoenas were issued to harass President Donald J. Trump, to rummage through every aspect of his personal finances, his business, and the private information of the president and his family.”

It also accused the Democrats of hoping to “stumble upon something they can expose publicly and use as a political tool against the President.”

Late last night Trump’s son Eric criticised Democratic lawmakers for issuing the subpoenas earlier this month, vowed Congress would be undeterred in continuing to pursue information about Trump’s businesses.

“As a private businessman, Trump routinely used his well-known litigiousness and the threat of lawsuits to intimidate others, but he will find that Congress will not be deterred from carrying out its constitutional responsibilities,” they said.

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**GAME OF PHONES**

Apple predicts iPhone rebound as Samsung tanks

**EMILY NICOLLE**

@emlynicolle

APPLE beat Wall Street estimates on both revenue and profit last night, as the tech giant forecast a comeback in iPhone sales later this year.

The move followed rival Samsung reporting its worst profit drop in two years, falling 63 per cent year-on-year to 6.2 trillion won (£4bn). Smartphone companies worldwide have been hurt by a recent slowdown in consumers waiting to upgrade their phones.

Apple boss Tim Cook said the company had confidence “things are getting a bit better”, as sales of its Flagship iPhone began to stabilise in China and wearables and accessories continued to outperform.

The positive outlook followed a reduction in sales guidance by Cook in January, as appetite for the iPhone started to wane.

Earnings per share reached $2.46 for the first three months of 2019, topping estimates of $2.38. Revenue fell five per cent to $52bn (£50bn), above expectations of $51bn. Apple’s share price jumped more than five per cent in after-hours trading.

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**FTSE 100 ▼ 7,418.22 -22.44 FTSE 250 ▼ 19,824.81 -86.39 DOW ▲ 26,592.91 +38.52 NASDAQ ▲ 8,095.39 -66.47 £/$ ▲ 1.304 +0.011 £/€ ▲ 1.363 +0.007 £/$ ▲ 1.121 +0.003**
Brexit offers a reset button on immigration

Given how much the government is struggling to actually leave the European Union it should come as no surprise that it also struggles with the key areas of policy that Brexit brings to the front and centre of the stage. Immigration policy is one prominent example and an area where the government still lurches from one idea to another. News this week that EU students could be required to pay substantially higher UK university fees sparked alarm among politicians and universities. EU nationals currently pay the same level of tuition fees as UK students, but education secretary Damian Hinds has floated the idea of ending financial support for EU citizens from 2021. Chancellor Philip Hammond and business secretary Greg Clark are understood to be bitterly opposed, and yesterday education minister Chris Skidmore attempted to row back, telling MPs that no decision has yet been taken. He went on to lament the “deeply regrettable” leak to Buzzfeed News, which first reported the proposal. At first glance, putting up financial barriers to limit the number of EU nationals who come to study in our universities seems like a needlessly provocative and damaging idea that would almost certainly trigger a tit-for-tat impact on UK students seeking to study in the EU. However, since Brexit (if it happens) will offer a reset button on established policies – including the current “home fees status” afforded to EU students – it is worth considering alternative approaches. Jacob Rees-Mogg has proposed diverting some of the taxpayer subsidy to non-EU citizens from developing countries. He asks, why subsidise the relatively wealthier Nigerian applicants? Seeking equal treatment for immigrants from developing countries. He asks, why subsidise the relatively wealthier Nigerian applicants? Seeking equal treatment for immigrants from developing countries? He asks, why subsidise the relatively wealthier Nigerian applicants? Seeking equal treatment for immigrants from developing countries?

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Tech activity gets a boost despite falling optimism

Tech activity growth in the UK technology sector has recovered to reach its fastest pace since the second quarter of 2018, while optimism fell to a 10-year low.

The strength of business activity rose to 54.4 in the first three months of 2019, up from 52.3 at the end of last year, according to data from KPMG. A reading above 50 shows an increase in overall business activity across the sector, whereas a reading below indicates a decline.

The technology sector outperformed the overall UK economy in the first quarter, which grew at its weakest pace for six years to hit 0.6. Despite the improved growth, businesses became less optimistic of the year-ahead as sentiment dropped from 69.8 at the end of 2018 to 65.6.

Firms cited Brexit uncertainty, a possible skills shortage and the subdued global economy as causes for concern. Separate new data from Studio Graphene today revealed more than 10 per cent of tech startups plan to step up hiring within the next 12 months, and almost 70 per cent will expand into new overseas territories.

“Despite our index reading this quarter, we saw small business optimism picking up even before the [Brexit] deal was confirmed and the prospect of some form of Brexit was removed from the equation,” said Simon Milnes, head of technology at KPMG UK.

“While business may be concerned about global economic headwinds threatening customer spending, confidence is being buoyed by long term trends where we have a track-record for innovation.”

Studio Graphene founder and director Ritam Ghandi said “raising investment and hiring talent” were among the key concerns for tech firms.

WHAT THE OTHER PAPERS SAY THIS MORNING

$78bn ($54bn) in its stock market value yesterday after investors punished it for its latest quarterly results. The internet giant missed revenue forecasts by $1bn on Monday night.

THE TIMES

RECORD £4.3BN LENT UNDER HELP TO BUY SCHEME

The government lent a record £3.4bn under its help to buy scheme last year. Lending rose by more than £500m on the previous year, with increases across all English regions, government figures released yesterday show.

GENERAL ELECTRIC SHARES SOAR ON STRONG RESULTS

General Electric shares climbed 8.2 per cent last night after it beat profit and revenue forecasts for the quarter. However, it warned that Boeing’s struggles after two 737 Max crashes could have an impact on its aviation business as it makes engines for the aircraft manufacturer.

THE DAILY TELEGRAPH

INVESTORS REBEL AGAINST BOSSES’ PAY AT HAMMERNON

Investors in Hammerson, one of the country’s largest shopping centre owners, rebelled against its decision to hand bosses hundreds of thousands of shares despite it sinking to a loss last year. Around three in 10 shareholders voted against the company’s pay report yesterday after it was criticised by influential shareholder group ISS.

VEGGIE WRAPS AND BACON BOOST MCDONALD’S IN UK

The new Veggie Wrap and the Big Mac with bacon helped drive sales at McDonald’s in the UK and Ireland as it enjoyed a “very strong” first quarter, climbing eight per cent year-on-year.

THE WALL STREET JOURNAL

FACEBOOK DESIGNS AS ZUCKERBERG CALLS CHANGE

Facebook rolled out a substantial redesign of its website and mobile app, as boss Mark Zuckerberg seeks to address criticism of the social-media giant’s influence. The end result is a platform with more emphasis on private groups and visual stories, and less on the main timeline.

ALICE BUYS STREAMING VIDEO NETWORK

Facebook agreed to acquire streaming video network Cheddar for $200m (€153.4m) in an all-cash deal that is expected to raise the profile of the company’s news division.
Handle with care: Four Seasons in administration

JESSICA CLARK
@jclarkjourno

CARE home group Four Seasons Health Care (FSHC) has gone into administration, the company announced yesterday.

Alvarez & Marsal has been appointed administrator to holding companies Elli Investments and Elli Finance after rescue talks to reduce the firm’s debt pile failed.

The group said the operating companies that oversee the care home and hospital operations are not in administration, and will continue to be run by the existing leadership teams as it launches an independent sales process.

Four Seasons is the UK’s biggest care home provider, employing around 20,000 members of staff and serving around 17,000 residents and patients in 253 care homes across the UK. Its administration is the largest care home company collapse since Southern Cross in 2011.

The group said it had secured funding to ensure continuity of care.

Claire Royston, group medical director of Four Seasons Health Care, said the decision “does not change the way we operate or how our patients, families, employees and indeed suppliers.

“Our priority remains to deliver consistently good care. It marks the latest stage in the group’s restructuring process and allows us to move ahead with an orderly, independent sales process.”

The announcement follows news that City veteran Guy Hands’ private equity firm Terra Firma, which owns the care home operator, had put the company up for sale to pay off debt owed to US hedge fund controllers.

Terra Firma paid £825m for the business but FSHC’s £500m-plus debt pile has been the subject of protracted restructuring negotiations.

Hands’ fund is no longer in operation and will continue to be run by the existing leadership teams alongside FSHC’s £500m-plus debt pile.

The firm’s debt pile has been the subject of negotiations.

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Conservatives take battering in the polls as Brexit stalemate takes toll

WILL BRETT-HARDING

A NEW poll has put the Conservatives behind Labour, the Brexit party and Change UK as voters prepare for the European elections almost three years since 2016’s vote to quit the EU.

Theresa May’s party is on track to win just 11 per cent of the vote in London, well behind Labour’s 28 per cent, and even trailing Change UK – the Independent Group’s 17 per cent, according to the latest YouGov poll.

Nigel Farage’s Brexit Party fared surprisingly well in the Remain heartlands of the capital, with 19 per cent putting them in second place among Londoners.

The national situation is no better for the Tories, with just 13 per cent of voters planning to back the party’s MEPs, putting them in third place behind the Brexit party’s 28 per cent, and Labour’s 22 per cent.

Yesterday, Labour’s governing National Executive Committee voted against backing a second referendum as part of its EU election manifesto.

BP profit slips on low oil prices as costs reduce

JOE CURTIS

BP’s PROFIT sank in the first quarter of 2019, blaming weaker oil prices and squeezed margins, but the oil giant still beat expectations.

Underlying replacement cost profit, the preferred measure in the oil industry, for the three months to the end of March fell from $2.5bn (£2bn) in 2018 to $2.4bn this year.

“The result reflected the weaker price and margin environment at the start of the quarter, partially offset by strong supply and trading results,” BP said.

Earnings per share dropped from almost $0.12 in 2018 to just over $0.10 so far this year, though BP raised its dividend 2.5 per cent to $0.1025.

BP’s 5.7 per cent profit slump widens to an almost 30 per cent gap compared to its fourth quarter takings in 2018, when it earned $3.3bn, boosted by stronger oil prices.

However, it still beat forecasts of $2.3bn, according to a Reuters survey of analyst predictions.

“Costs were lower, but so were oil prices,” said CMC Markets analyst David Madden.

Meanwhile, the company continued to integrate onshore US assets from BHP Billiton, which it bought for $10.5bn last year.

“The group aims to sell-off assets in order to pay-off the takeover of the BHP unit, and the debt to equity ratio edged up to 30.4 per cent from 30 per cent in the same period one year ago,” Madden said.

BUFFET BACKS BID

Billionaire investor will support Occidental’s Anadarko grab

WARREN Buffett signalled support for Occidental’s $38bn (£29bn) offer for rival Anadarko yesterday by announcing he will invest $10bn in the oil company on the proviso that the deal goes ahead. Chevron is also trying to win control of Anadarko.

IN BRIEF

CONFIDENCE OF EU BOSSES IN UK ECONOMY COLLAPSES

The confidence of European business chiefs in the UK economy has disappeared due to Brexit, causing them to slash their investment intentions, a new report by investment bank Credit Suisse has revealed.

Over 65 per cent of European business leaders said the political wrangling had made them less likely to invest in Britain, according to a survey of 90 bosses by Credit Suisse released yesterday.

Around fifty per cent of the bosses polled said Brexit was their main concern, ahead of the outlook for the Chinese economy and protectionism under US President Donald Trump.

Richard Kersley of Credit Suisse, said: “The uncertainty surrounding the UK’s position in the EU is the biggest concern for European executives.”

BRITISH STEEL SET TO GET £100M LOAN FROM STATE

Business secretary Greg Clark is set to announce a £100m funding package for British Steel. Clark will announce the pledge in the House of Commons today after the UK’s second-biggest steelmaker made the request for emergency funding to pay an EU climate levy, Sky News reported.

Government funding has reportedly been used to acquire carbon credits on behalf of British Steel before surrendering them to regulators. The company has signed a deal with the Department for Business, Energy and Industrial Strategy to repay the money on commercial terms over the next few months, Sky reported. Ministers have concluded there would be no state aid barriers to the deal as the money will be paid back on commercial terms.
StanChart unveils $1bn share buyback as bank reports jump in income

JESS CLARK

SHARES in Standard Chartered rose yesterday after the bank unveiled plans for a share buyback worth up to $1bn (£737.2m) and posted a 10 per cent jump in profit for the first quarter.

Underlying profit before tax was up 10 per cent to $1.4bn, the firm announced, as it revealed that it had received regulatory approval to start buying back shares, sending the bank’s London shares up more than four per cent.

The proposal follows chief executive Bill Winters’ plan, which was revealed in February, to double return on tangible equity and dividends in three years by cutting costs by $700m and boosting income.

The bank’s shares in London have dropped 42 per cent since Winters took over as chief executive. Winters said: “Our first quarter profit supports our belief that we will generate full-year returns of at least 10 per cent by 2021.

“The resolution of our legacy conduct and control issues means we can focus to create the insurance company of the future.”

Barclays ‘fired’ whistleblower

LAWRENCE WHITE

BARCLAYS allegedly pressured a former senior trader in the United States to ignore internal risk controls and then forced him out when he raised complaints, according to a public court document seen by Reuters, the latest in a string of allegations about the British bank’s handling of whistleblowers.

Brian La Belle, the bank’s former head of commercial real estate trading, alleged his bosses compelled him to perform trades and contact clients in August and December 2017 while he was on mandatory leave, contrary to regulations.

A spokeswoman for Barclays declined to comment as the case is ongoing.

Whitbread says political woes are hurting growth

JOE CURTIS

WHITBREAD yesterday revealed profit has plummeted 40 per cent since the £3.9bn sale of its Costa coffee chain to Coca-Cola last year. Profit before tax at the Premier Inn owner slumped 39.1 per cent year-on-year to just £260m in its fourth quarter of 2019, down from £436m last year, as it missed the firm’s $700m in funding

Barclays founder launches new insurer with $1.8bn in funding

ALEXANDRA ROGERS

LUTON Airport passengers will face difficulty getting home today as Addison Lee drivers stage their first 24-hour strike, launched over claims they are earning less than the minimum wage.

The majority of the 50 drivers who work at the airport will strike this morning at 5am until 4.50am tomorrow morning.

They claimed Addison Lee has increased the commission it takes from their journeys, netting those who work an average of 70 hours a week an hourly rate of £4.72.

Catlin founder launches new insurer with $1.8bn in funding

JAMES BOOTH

THE FOUNDER of Catlin has launched a new insurer, called Convex, with former Catlin chief underwriting officer Paul Brand as deputy chief executive.

Stephen Catlin will be chair and minimum wage.

Having completed the sale of Costa in January, analysts said Whitbread was in need of a caffeine kick as it warned of weakening demand on the horizon.

Investors were told to look forward to a June share buyback of up to £2.5bn, but yesterday Whitbread warned that its Premier Inn hotel chain is under pressure amid increased competition and Brexit caution.

Whitbread also blamed falling business and leisure confidence in its fourth quarter amid further delays to the Brexit process, warning that this has extended into April amid “an acute period of political and economic uncertainty”.

The firm warned in January it will not grow profit in 2019-20 due to these factors.

Laith Khalaf, senior analyst at Hargreaves Lansdown, warned Premier Inn is facing “an uphill battle” for growth, but added that the firm is in a strong financial position having sold Costa.

Danske profits fall as it tries to steady its ship

AUGUST GRAHAM

@AugustGraham

PROFIT at under-fire Danske Bank plunged last quarter, as the Danish bank continued to deal with fallout from a money-laundering scandal which has shaken it to its core.

Net profit fell 39 per cent year-on-year in the first quarter of 2019, to 3bn Danish krone, as the bank faced higher expenses and impairments.

Profit before tax, meanwhile, dropped 35 per cent to just over 4bn krone (£347m), considerably lower than the 4.47bn krone forecast by analysts.

Shares in the bank closed down 9.6 per cent.

Danske Bank was plunged into crisis last year as questions were raised over £200bn (€173m) in suspicious payments which flowed through its Estonian affiliate between 2007 and 2015.

Over 8,000 customers left the bank over the quarter.

£300,000 IS GOOD BUT ISN'T £400,000 BETTER?

Explore the coins that have marked history on the 29th May 5.30pm - 8.00pm.

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SEB MCCARTHY AND WILL DRETT-HARDING

Sainsbury’s boss Mike Coupe is set to lay out a plan B for the firm today after his hopes of a tie-up with Asda were dealt a damaging blow last week.

Pressure has been mounting on the chief executive ahead of this morning’s preliminary results, with Kantar figures yesterday showing Sainsbury’s was the only major supermarket chain to suffer a dip in sales this year.

The retail boss is fighting to stay on in his role following the UK’s competition watchdog’s decision to block a merger between Sainsbury's and Asda.

Coupe is expected to give details on the group’s next steps, but a further drop in profit in its results today could add to pressure on the chief executive.

According to Kantar figures released yesterday, Sainsbury’s suffered a 1.2 per cent fall in sales in the 12 weeks to 21 April when compared with the same period last year, while fellow big four member Tesco, Morrisons and Asda all enjoyed a modest rise in sales.

The supermarket giant also saw its market share slip by 0.5 percentage points to 15.4 per cent.

A VEGAN burger startup sent signs of confidence through Wall Street yesterday after raising the price range and size of its listing. Beyond Meat is set to price its float between $23 and $25 per share, potentially valuing it at almost $1.5bn (£1.15bn).

China expansion and UK woes take a slice out of Pizza Express

SEBASTIAN MCCARTHY

PIZZA Express reported a slump in underlying earnings yesterday, as expansion in China and tough trading conditions in the UK hit the restaurant group.

In the latest sign of distress within the casual dining sector, Pizza Express posted a 15.3 per cent fall in group earnings before interest, tax, depreciation and amortisation to £80.2m during 2018.

The group also posted revenue growth of 1.6 per cent to £543m for 2018 as it continued its expansion, which saw the pizza chain open 26 new restaurants over the course of the year.

Paypal gets the green light for iZettle merger

JAMES WARRINGTON

THE COMPETITION watchdog has given provisional approval to Paypal’s $2.2bn (£1.7bn) takeover of payments firm iZettle.

The Competition and Markets Authority (CMA) launched a probe into the merger last year amid concerns it would damage competition between payment platforms in the UK.

But in a provisional verdict, the CMA said it does not believe the deal raises competition concerns.

“We are pleased the CMA has provisionally cleared our transaction,” said Paypal president and chief executive Dan Schulman.

“We look forward to adding iZettle’s products and services to our platform to help small businesses access even more affordable tools to run their shops and compete against the retail giants.”

The CMA called in Paypal’s takeover of the Swedish payments firm in September, and the two companies have remained separate as a result. The watchdog is expected to issue its final verdict in mid-June.

EXTRA LARGE ORDER

Plant-based firm Beyond Meat hikes offering ahead of float

A VEGAN burger startup sent signs of confidence through Wall Street yesterday after raising the price range and size of its listing. Beyond Meat is set to price its float between $23 and $25 per share, potentially valuing it at almost $1.5bn (£1.15bn).

China expansion and UK woes take a slice out of Pizza Express

SEBASTIAN MCCARTHY

PIZZA Express reported a slump in underlying earnings yesterday, as expansion in China and tough trading conditions in the UK hit the restaurant group.

In the latest sign of distress within the casual dining sector, Pizza Express posted a 15.3 per cent fall in group earnings before interest, tax, depreciation and amortisation to £80.2m during 2018.

The group also posted revenue growth of 1.6 per cent to £543m for 2018 as it continued its expansion, which saw the pizza chain open 26 new restaurants over the course of the year.

Paypal gets the green light for iZettle merger

JAMES WARRINGTON

THE COMPETITION watchdog has given provisional approval to Paypal’s $2.2bn (£1.7bn) takeover of payments firm iZettle.

The Competition and Markets Authority (CMA) launched a probe into the merger last year amid concerns it would damage competition between payment platforms in the UK.

But in a provisional verdict, the CMA said it does not believe the deal raises competition concerns.

“We are pleased the CMA has provisionally cleared our transaction,” said Paypal president and chief executive Dan Schulman.

“We look forward to adding iZettle’s products and services to our platform to help small businesses access even more affordable tools to run their shops and compete against the retail giants.”

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Vodafone says flaws were found in Huawei tech, but no backdoor

James Warrington

VODAFONE has denied reports it found a so-called backdoor in Huawei equipment, but confirmed it identified security flaws in the firm’s technology.

The telecoms firm said it found security vulnerabilities in two Huawei products supplied to its Italian business in 2011 and 2012, adding issues were quickly resolved.

It denied reports the weaknesses amounted to a backdoor giving the Chinese firm unauthorised access to its fixed-line network.

“The issues in Italy were all resolved and date back to 2011 and 2012,” a Vodafone spokesperson said.

“In addition, we have no evidence of any unauthorised access. This was nothing more than a failure to remove a diagnostic function after development.”

Despite this, the security issues, first reported by Bloomberg, will come as a huge blow to the troubled Chinese firm, which is trying to shake off accusations of spying.

Huawei is at the centre of a political row over its role in global 5G networks.

Earlier this week the US, which has led calls on a ban on the firm, reiterated warnings that Washington will reassert intelligence-sharing agreements with allies that use Huawei’s equipment.

“It is the United States’ position that putting Huawei or any other untrustworthy vendor in any part of the 5G telecommunications network is a risk,” said state department deputy assistant secretary Robert Strayer.

Virgin deals fresh blow to Boeing

Alex Daniel

Airbus profit plunges as pressure on rival grows

Alex Daniel

Airbus has enjoyed relative anonymity since the second fatal crash involving one of arch-rival Boeing’s 737 Max planes in early March left the model grounded by aviation authorities around the globe.

As the US firm heads into its third month of lawsuits, cancelled orders and very public soul searching, Airbus has cashed in by ramping up production of its A320 plane – the 737 Max’s direct competitor.

It churned out 162 passenger jets in the first quarter of 2019, up on 121 last year.

But yesterday’s results were a stark reminder that the French giant has its own turbulence to contend with.

Germany last month extended its embargo on arms sales to Saudi Arabia.

New chief executive Guillaume Faury stepped in at the end of last month to replace Tom Enders, amid a wider management shake-up, and he sold 80 to 890 commercial aircraft deliveries in 2019, up on last year’s company record of 860.

He said the commercial aircraft market remains “robust”.

Eurozone beats predictions for GDP growth

Harry Robertson

The Eurozone economy achieved faster-than-expected growth in the first quarter of the year, marking a pickup from its recent lacklustre performance, official statistics revealed yesterday.

Economic growth in the currency area was 0.4 per cent in the first quarter compared to the quarter before, double the rate of 0.2 per cent seen in the final quarter of 2018 and above analysts’ forecasts.

The figure took the zone’s annual growth rate to 1.2 per cent, and will cheer European policymakers as a sign that the continent may be recovering from an economic slump.

Yesterday’s figures, released by official statistics body Eurostat, included data from Germany that is yet to be fully released. The stronger growth indicated that the struggling German economy performed well in the first quarter of the year.

IN BRIEF

Italy exits recession but growth still slow

Italy has dragged itself out of recession with economic growth of 0.2 per cent in the first quarter of the year, the country’s statistics organisation said yesterday.

The quarterly figures mean the Eurozone’s third largest economy limped to an annual growth rate of 0.1 per cent. Italy’s economy shrank by 0.2 per cent in the final quarter of 2018, and 0.3 per cent in the quarter before that.

Much of the recent downturn has been blamed on the distance between the coalition government – made up of the right-wing League and the populist Five Star Movement – with the European Union over the former’s budget plans. The dispute ended the previous week.

Admiral acquires Spanish broker in joint venture

British insurer Admiral Group said yesterday it had acquired Spanish digital broker Aceto in partnership with insurer Mapfre SA and private equity firm Oakley Capital.

Admiral said it formed the joint venture with Oakley and Mapfre to combine its broker Rastreator Comparador Corredura de Seguros with Aceto, two of Spain’s “most regarded” digital brokers for insurance and other financial products.

Rastreator is Admiral’s digital insurance broker in Spain and Aceto provides the full completion of the sales process for customers, which enables consumers to compare prices from over 30 insurance providers, the company said.

Watchdog slaps KPMG with £6m fine over audit

The accountancy watchdog has slapped KPMG with a £6m fine and “severely reprimanded” the auditor after finding fault with how an insurance audit was conducted.

KPMG must also carry out an internal review following the Financial Reporting Council’s findings, which relate to the 2008 and 2009 audits of Syndicate 218, a Lloyd’s of London market based firm.

Partner Mark Taylor and former partner Anthony Hulse were both fined £40,000 and £25,000 respectively for failing to establish and maintain systems and controls to prevent the manipulation of an insurance audit.

Strayer.

A Syndicate 218 director, Douglas Morgan, has been banned from the Chartered Institute of Management Accountants for two years.
Asos weathers bad press to keep customers logged in

Stephan Shakespeare

measure of whether consumers have heard anything positive or negative about the brand in the last fortnight) remained steady at +3.5 increasing to +5.1 the week after, while Consideration scores (whether someone would consider purchasing from the brand in future) briefly declined.

Asos was the only one of its competitors to offer such a loyalty scheme, and these scores after it was scrapped seem to imply that it was doing little for customer retention.

In early December, Asos issued a sales warning after high levels of discounting created challenging conditions, leading to a staggering 40 per cent fall in the share price. Buzz scores dropped by 12 points (+4.1 to -8.1) although Consideration scores actually increased from +9.4 to +11.7. This suggests customers aren’t swayed by a brand’s financial performance.

In an effort to stop serial buy-and-returns, Asos has announced plans to suspend or blacklist accounts with suspicious purchase histories. This led to a public backlash from customers who felt they should be able to order multiple items then return those that don’t fit or suit them.

Buzz scores fell six points after the news (+3.3 to -2.9) but, despite the negative reaction, Consideration scores again rose from +10.9 to +16.7 – the highest point since September.

The general trend is that consumer perception is fairly robust in the face of negative press, and purchase intent hasn’t decreased.

Asos customers are more concerned by designs and fabrics than balance sheets and controversy.

© Stephan Shakespeare is the chief executive of YouGov.

Asos customers are more concerned

JESS CLARK

JUPITER said its assets under management (AUM) soared by £1.4bn in the first three months of 2019.

However, funds under management increased from £89.9bn in March 2018 to £103.5bn in the first quarter. St James’s Place chief executive Andrew Croft said the performance demonstrated the “resilience” of the business.

“We must anticipate that the uncertainty will inevitably impact investor sentiment from time to time, it does not change the long-term needs of individuals,” he said.

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Matthew Wilson looks at Uber and what the current losses mean for investors.

Underwhelming or canny? Uber may have learned something from Lyft after it announced it will chase a lower market valuation than previously forecast when it lists next month. Nevertheless, for a company that is burning cash at the rate it does and with no obvious path to profitability, it’s still asking rather a lot from investors.

Uber will price shares at $44 to $50, valuing the company at between $80.5bn and $91.3bn. That’s well below the $100bn banded about for some time last year but still well ahead of the last funding round in August, when the company was valued at around $71bn.

The latest financials are not terribly appealing and raise many questions as they answer. In Q1 2019, Uber made a net loss of $1bn, on revenues of $3bn. That represented growth of 28% year-on-year, but well down from the 70% growth a year ago.

Last year’s numbers were also not very pretty. The company burned $2.1bn in cash in 2018, albeit down from $4.5bn a year before. Meanwhile, revenues from the core ride-hailing division have flattened over the last two quarters. This remains a worry, but of course Uber has ambitions to be a lot more than a mere taxi app.

Lyft casts something of a shadow over the Uber IPO. Having been aggressively priced ahead of going public, shares in Lyft are now down around 20% from where they were on IPO day. That may leave investors to be somewhat cautious ahead of the Uber IPO and be afraid of getting burned. Inevitably, following the decline in Lyft shares – and accusations of dodgy short selling going on - there will be questions asked about whether the valuation sought by Uber is a sign of weakness or strength.

Lyft is a specter that’s haunts Uber as it seeks to raise capital, with investors comparing the two companies and the companies themselves rather obvious clone. Uber’s ambitions have not been met with much enthusiasm from investors.

Even if Uber is losing market share, it’s still in a position of dominance. Range of other investments - look a bit opaque and hard to quantify for investors.

As I hand over to my successor Nick Mackenzie, I believe that, with our strong pub and beer brands, talented and dedicated team and high-quality estate, Greene King is well positioned to make further progress and continue outperforming the market.

The firm said it expects to limit net cost inflation to between £10m and £20m over the year.

City A.M. Watch List for Luxury Week at The Royal Exchange

Tuesday 14th May

6:30pm - 8pm
9 The Royal Exchange
London EC3V 3LQ

A voyage through time, in one luxurious evening at The Royal Exchange: As part of The Royal Exchange’s inaugural Luxury Week, City AM brings together the horological experts from Watches of Switzerland, Bremont and Watchfinder & Co. for an unprece-dented glimpse of fine watchmaking’s inner workings.

If you are interested in attending, please RSVP to events@cityam.com.
MINING giant Glencore yesterday downgraded its copper output estimates, as production at some mines is set to be hit by upgrade works.

The firm expects to extract around 1.46m tonnes of copper in the financial year, Glencore said, down from a previous 1.54m tonnes estimate. It came in a quarter when severe weather battered Queensland, Australia, causing flooding which reduced production of the metal.

Combined with safety outages at its Mopani mine in Zambia, copper production fell seven per cent compared to the first three months of 2018, to 320,700 tonnes.

However, the London-listed miner, whose shares closed down 2.6 per cent at 304.35p yesterday, saw better results in other areas. Cobalt production hit 10,900 tonnes, a 56 per cent increase year-on-year, while zinc output grew eight per cent. But unusually high uranium content in 3,500 tonnes of cobalt from its Congo subsidiary Katanga put limits on the exports, and Katanga made no cobalt sales in the first quarter. The exports resumed in April, Glencore said, but are under continued monitoring by the authorities.

The company’s share price was also hit in a double whammy as news broke that the Chinese manufacturing purchasing managers index dropped from 50.5 to 50.1 month-on-month, weighing on London miners.

ALEX DANIEL @alexmdaniel
SCOTTISH engineering firm Weir Group said it is on track to meet its full-year targets after a solid first quarter performance in which orders from continuing operations were up 18 per cent, boosted by its acquisition of US company Esco.

With Esco removed, however, orders were down seven per cent as a result of reduced oil and gas refurbishment activity. The firm pointed to “good momentum” from mining markets, which saw a three per cent year-on-year increase in orders, while original equipment orders were down 10 per cent as a result of “lumpy” demand.

Boss Jon Stanton said profit forecasts for 2019 were unchanged.

EMPLOYEE rewards platform Perkbox has raised £13.5m in a funding round, led by London-listed fund Draper Esprit. The firm, which provides workers with rewards and benefits, will use the funding to aid in its expansion into France and Australia.
A PROPERTY lawyer was elected as the City of London’s next planning chief yesterday. Alistair Moss, who is co-head of real estate at City law firm Memery Crystal, was voted in as the new chair of the planning and transportation committee at a City Corporation meeting. Moss, who was a firm favourite to win the election in the months leading up to yesterday’s announcement, is set to replace outgoing chairman Chris Hayward, who has spearheaded the Corporation’s plans to allow more skyscrapers and boost the City’s quiet nighttime economy.

One planning figure in the City said: “Alastair’s style will be a bit more demure than Hayward’s but in terms of his viewpoint, it’s not that dissimilar... He believes that the City should be open for business and development and for it to continue to be the engine of growth of in London”.

In a statement yesterday, the City of London Corporation said Moss was particularly committed to tackling road safety, having previously campaigned to secure the City’s 20mph speed limit.

CALLUM KEOWN
@CallumKeown1

JP MORGAN backed a $3.8bn (£2.9bn) Sirius Minerals financing package yesterday as the miner looks to complete a fertiliser project in North Yorkshire. The US bank has underwritten a $400m share placing, which was launched yesterday morning, and will provide a $2.5bn revolving credit facility, Sirius Minerals revealed.

The giant polyhalite mine under the North York Moors had been expected to cost $3bn but the company revised that to up to $3.6bn last year as construction costs rose.

After yesterday’s announcement revealed further costs, along with plans to tap up investors for $400m, shares in the company plunged more than 19 per cent.

Sirius also hoped to raise $400m from the sale of convertible bonds and $500m of debt.

Chief executive Chris Fraser said there was now a “clear pathway to a fully financed project” enabling construction to progress at full speed. The equity will be raised through a placing with existing shareholders, who include Australian mining magnate Gina Rinehart.

Sirius has estimated that the site holds sufficient potash – used in the production of fertiliser – for a century of mining and could support more than 1,000 jobs.

We are pleased to announce that we are launching a comprehensive markets-led solution for our funding requirements, which will enable Sirius Minerals to complete the development of its mine and unlock what we believe to be the world’s largest known high-grade polyhalite deposit,” Fraser said.

“The funding package will bring together equity, convertible bonds, high yield debt, and a $2.5bn revolving credit facility in a multi-stage, flexible structure that balances the availability of capital with the needs of the project. that the model was designed and engineered in the UK, and would use engines built in Wolverhampton. A spokesperson said this was “reinforcing both the company’s British roots and the diversified, globalised nature of its manufacturing strategy”. The Indian-owned car maker has previously warned a no deal Brexit scenario would “threaten our competitiveness as a business.”

JLR moves Defender production from the UK to its Slovakia plant

ALEX DANIEL
@alexmdaniel

JAGUAR Land Rover yesterday continued its process of shifting vehicle production away from the UK, by announcing it will build the next generation of the Land Rover Defender at its new £1bn Slovakia plant.

The company told City A.M. the decision was not Brexit-related, but that the model was designed and engineered in the UK, and would use engines built in Wolverhampton. A spokesperson said this was “reinforcing both the company’s British roots and the diversified, globalised nature of its manufacturing strategy”.

The Indian-owned car maker has previously warned a no deal Brexit scenario would “threaten our competitiveness as a business.”
Brexit blamed by Countrywide for earnings hit

SEBASTIAN MCCARTHY

EMBATTLED estate giant Countrywide has ended its financial year with a £40.3m loss, wiping off £9.8m from its market valuation.

The group also said that it was forecasting adjusted earnings before interest, tax, depreciation and amortisation to be “broadly in line with the board’s expectations”.

The company said: “The ongoing uncertainties surrounding Brexit continue to weigh heavily on consumer confidence as a whole. For Countrywide, this uncertainty is affecting the residential and commercial property markets, particularly in London and the south.”

The results followed a challenging 12 months for the group, which has issued a series of profit warnings and been hit by several investor rebellions.

Last year, the firm rowed back on plans for an executive pay deal in the wake of a potential shareholder rebellion, having drawn anger from investors over a new incentive scheme for bosses.

UK households could gain £70m windfall in new energy scheme

MORE than £70m is likely to be paid to customers each year as Ofgem starts an automatic compensation scheme to shore up confidence in the process of switching suppliers.

Customers will get at least £30 to compensate them for “erroneous switches”, and delays to refunds.

The new policy, estimated by Which? to be worth £70m last year, will be a “wake-up call” for suppliers, the regulator claimed.

Robert Buckley at Cornwall Insight said the policy could prove an additional burden to struggling small suppliers, but probably would not have a major impact.

NO EASY RIDE

with investors. Only when the trust performs well is the manager rewarded – the fund charges a performance fee of 5% NAV returns above 10% per annum with a high-water mark. This is pretty unheard of in the fund management world, and Woodford deserves credit for this.

Investors with the required patience must, however, fully understand this is a high-risk strategy. The manager invests in early stage disruptive growth companies, taking high-conviction positions and holding them for the long term. It is not a company that should be compared to its peers, but is instead one to tuck away in the bottom drawer.

The clue with Patient Capital has always been in the name, patience is absolutely key.

STAYING POWER REQUIRED

Investment trust IPOs have had a chequered history over the years, but the clue with Patient Capital has always been in the name, and we still think patience is absolutely key.

With this investment trust sitting on a double-digit discount, investors who came on board at launch will be nursing the double whammy of a widening discount and a falling share price – painful stuff. But now is not the time to abandon this strategy.

The trust is relatively well diversified in terms of the number of holdings – 93 at the end of March, but is very concentrated when it comes to individual positions. The top 10 holdings account for 56.9% of net asset value (NAV), although this is not unusual for a Woodford portfolio. The five largest holdings are Autolus (9.3%), Benevient AI (8.7%), Oxford Nanopore (7.1%), Atom Bank (6.9%) and Proton Partners (6.2%).

At sector level, healthcare accounts for 50.4% of the portfolio, with the next largest sector exposures being financials at 28.2% and technology at 15.4%. Having no exposure to energy and mining stocks – which have been among the best performing sectors in the market – certainly hasn’t helped the trust’s performance.

Geographically, the trust is UK focused, with an allocation of around 77%. Woodford has no restrictions on overseas holdings, but it’s telling that this significant regional holding is the US at 18%. As these companies evolve, the geographical profile of the portfolio may also change to become more global in nature, influenced by events such as overseas listings or a result of changes to the capital value of a non-UK company.

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FTSE 100 lower as miners weigh on China factory data

An unexpected slowdown in China’s April factory activity, coupled with a firmer pound weighed on the FTSE 100 as miners and exporters weakened, even as Standard Chartered surged on buybacks plans.

Dim outlooks from Glencore and Whitbread added to woes as the main index closed down 0.3 per cent. The FTSE 250 nevertheless managed to clock in a fourth consecutive month of gains.

The domestically focused FTSE 250 lost 0.4 per cent yesterday. Glencore dropped 2.6 per cent as severe flooding in Australia led it to lower its 2019 copper output target.

Whitbread, the owner of Premier Inn, which recently sold Costa Coffee, fell 6.2 per cent on its worst day in more than two years after forecasting weak revenue growth in the UK.

Mining shares were at over a month-low, hit as most industrial metals weakened. Data showed factory activity in China, the world’s biggest copper consumer, unexpectedly slowed in April.

More than doubled in the last year amid a crackdown on hidden product endorsements. influenced and trusted by millions of consumers, their social media posts are sponsored with so-called micro-influencers with smaller, more niche followings.

Instead, brands are opting to partner with so-called micro-influencers with smaller, more niche followings. Their authenticity and transparency have prompted a shift away from big-name stars.

“Brands are using micro-influencers to reach a more niche audience, one that is more likely to engage with the content they produce,” says Farah Abrahimi, director of digital and social media at Socialbakers.

The surge in the use of the hashtag #ad doubles in a year amid a crackdown on hidden product endorsements. The number of gains.

To appear in CITYMOVES please email your career updates and pictures to citymoves@cityam.com
What women want? Fairness and flexibility at work

Socially-minded staff will migrate towards employers that demonstrate equality

Gender inequality across UK businesses remains rife. According to a recent KPMG survey, more working women than men primarily choose their jobs due to locality and flexibility of working hours.

In an age of tech-enabled agile working, there is no justifiable rationale for these factors to be more of a concern for women than men. And the truth is, if businesses do not evolve with the needs of their workforce, they are likely to be denying themselves access to the best talent pools.

In order to get under the skin of the UK’s talent and diversity issues, we asked 1,500 workers about their attitudes to their job – what motivates them and how they feel about working in the role that they’re in. A third of those we spoke to work in financial services, while the rest work in a range of sectors across the UK.

When we looked at the responses through a gender lens, significant themes emerged around the reasons why individuals chose a particular role. Almost a third of women said that their main motivation for being in their current job was locality, with only 18 per cent of men saying the same thing.

What’s also interesting is that women are less likely than men to choose a job because they find it interesting, it offers good progression opportunities, or a good salary.

When looking specifically at financial services, double the amount of women than men were likely to rule out a career in financial services because they imagine that it would involve long hours.

This proves that there is a reputational issue here – business leaders within this sector need to rectify this in order to ensure that their workforce remains diverse.

This week is UK Fintech Week, and I’m sure that we will learn about all sorts of potentially mind-bending technologies. With this in mind, I don’t believe it is too much to ask for employers to equip their staff with the tools that they need to work remotely and flexibly.

In doing so, workers would no longer need to consider flexibility as a factor when making a decision about which job to choose. They can instead focus on aspects that will enhance their enjoyment.

Organisations should consider intelligent working, where employees are judged on outputs rather than processes, meaning staff can work wherever and whenever they want, provided that they get the job done.

Alternative hours and flexible contracts can be extremely effective, especially for global organisations that deal with clients in different time zones.

Shared parental leave gives both parents more freedom over their decision making. But companies need to make sure that staff feel empowered to make use of the benefits on offer.

As the make-up of the UK workforce continues to grow and evolve, we know that socially-minded millennials and Gen Z are becoming an increasingly powerful economic force, and will migrate towards employers that clearly demonstrate equality.

Competition among employers is fierce, so making sure that future workers are aware that your organisation offers flexibility and fairness could mean the difference between winning or losing the war for talent.

Paula Smith is a partner at KPMG in the UK.
The healthcare industry is trapped in a tricky impasse

Joe Zammit-Lucia

There is no such thing as a fair or socially just price for pharmaceutical products or other medical innovations

... the fight of giant pharmaceutical companies against price transparency.

Paul Ormerod

Extinction Rebellion hates capitalism, but these protesters wouldn’t exist without it

The extinction rebellion protesters of the streets of London seem to consist of two disparate interest groups: pensioners and the young. Their shared connection is that most of them — certainly in the former group — seemed to be affluent.

An identical alliance was observed a few months ago in the rather unseemly scene of health care. Pharmaceutical companies are reticent to invest in such research, because its price is deemed too high. Yet the episode in Richmond upon Thames does suggest that this is about managing public opinion — is about managing public opinion, is about managing public opinion.

Some companies, such as AstraZeneca, seem to be putting their products or other medical innovations. The risks and costs of undertaking drug discovery and development for drugs for patients where it is shown to be effective — has been talked about for over a decade. Yet much advanced has been made beyond the old example here and there, although we are still far from the data analytics has given the idea a fresh impetus.

The reality is that outcomes-based prices, while potentially providing a modicum of respite, is unlikely to be a magic bullet.

First of all, the most severe (and most expensive) diseases are treated with multiple therapies. Trying to disentangle which part of the cost that is attributable to which clinical effect will be challenging, to put it mildly.

Second, reducing the price of a drug will result in less revenue per treatment for pharmaceutical companies. This means that they will need to increase the price of successful treatments to recoup what they lose in their returns. True, they can argue that the higher price is fair because it is seeing clear success — and, potentially, a decrease in related healthcare costs. This may work in some disease areas, but it is unlikely to be sufficient in many others.

Neither does it resolve the fundamental issue facing healthcare payers and providers: their budgets cannot accommodate the absolute costs of all innovative, and not just drugs.

Turning to data, artificial intelligence, and data analytics as a “solution” to this issue risks trying to apply a technological fix to what is fundamentally a political problem. Political because it relates to how we choose to fund and provide health care. Political because re-" responding to the backlash from drugs perceived to be too expensive is about managing public opinion in an area of policy that is emotion-ally highly charged.

The easy way out is to turn on pharmaceutical companies. But they are simply a profiteering from people’s illnesses.

This may be politically convenient for some, but does not reflect reality. More than 20 years ago, I was constructing risk models which showed that large, integrated pharmaceutical companies were no longer going to be in a position to carry the financial risk associated with drug discovery and development. And so it has proven to be. This is why so many new therapies now originate in startup companies that can tap the financial markets, thereby spreading risk. This has worked only par-tially, since the price that large pharmaceutical companies are now paying to acquire smaller ones with promising drugs in development is astronomical.

The way out of this increasing challenge is not obvious. It’s not a complex Rubik’s cube that seems almost insoluble.

Much thinking has gone into these questions for many years — with precious little to show for it. And the old pharmaceutical company formula of generating ever-more data and combining that with sophistication so an old product will not be effective for much longer. Resolving this challenge is important for all of us, as we will all need treatment for something or other at some point in our lives.

The solutions, if there are any, will not come simply from embracing the new technology. It will require some fundamental reimagining of how we think about costs, benefits, the future of health research and healthcare systems, and their funding and provision models.

And, ultimately, we need to accept that the issues are political, not technological or technical. Until we can get our heads around that lens, and hopefully allow some ways forward to emerge, then we should all be concerned about what will happen to us when we are diagnosed with a severe illness.

Dr Joe Zammit-Lucia is a co-founder and trustee of Radix, the think tank for a fairer society. A sizeable proportion of this programme of generating ever-more data and combining that with sophistication so an old product will not be effective for much longer. Resolving this challenge is important for all of us, as we will all need treatment for something or other at some point in our lives.

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Blockchain’s claim that it is set to change the world is hollow

Lucinda Kingham
Senior Account Executive, Firefly Communications

AST month, I attended a debate in the Houses of Parliament, not on the legalities of the ever so tedious withdrawal agreement, but on cryptocurrency and blockchain.

At first, I was surprised that a discussion on these topics only lasted an hour and a half and considering that, although blockchain technology powers cryptocurrencies such as bitcoin, the terms are not synonymous. It seems that there is still much to learn about the technology that is set to “change the world”.

For instance, while listening to a panel of leading figures in the industry, I couldn’t help but notice that really no one could confirm or deny anything that they said. It’s clear that blockchain has the potential to dramatically change industries, and I don’t deny that it could have a potentially huge impact, but it is still nascent, and industries are struggling to understand the technology.

Think about it: the first application of blockchain technology is a digital currency in the form of bitcoin. But governments and industries alike are still failing to regulate it and are struggling to move fast enough to catch up with the speed of development. Bearing in mind that bitcoin was launched 10 years ago, it’s clear that education needs to be a priority.

Last month, the EU made a step in the right direction — it launched the International Association of Trusted Blockchain Applications. The 100 plus member list includes the likes of IBM and Accenture, and its overall goal is to create a framework for the development and implementation of blockchain technology. This is wholly a positive step towards regulation, and will provide greater clarity for organisations in this industry.

However, the overriding feeling I get from reading or listening to anything on the topic of blockchain is that it’s some kind of magical fairy dust, and that if you sprinkle it over a problem, it will supernaturally fix it. Economic crises, climate change and poverty have all been challenges that this technology can supposedly overcome. It has even been cited as a solution to Brexit.

Unfortunately, for most of these issues, you need to cross borders and even continents in order to implement solutions that could potentially tackle them.

In an article on Brexit, Pindar Wong wrote that blockchain’s “cryptographic certainty” could be used to check goods and apply tariffs without the need for a border, and thus alleviate the issues surrounding the Irish backstop. What Wong fails to consider is that an unapproved technology with barely any regulation would be impossible to implement.

On the topic of the Irish border issue, Matthew Hughes wrote: “This, simply, isn’t something that blockchain can fix. The problem isn’t the technology or the implementation, but the fact that the fundamentals of the problem are simply too complicated. The issue isn’t technology, but a bubbling cauldron of society, history, heritage, and geography.”

It is clear that we cannot apply blockchain to every problem that we face — social, economic, or political problems (like Brexit) cannot be solved purely with the flick of a technological wand.

Blockchain needs more thorough, well-developed regulations, and both industries and government bodies need more education on the benefits of this technology. Many people associate blockchain with cryptocurrency, which in turn represents market volatility and risk. Therefore, businesses are reluctant to implement blockchain applications due to the unstable regulatory environment and an overall lack of trust.

Blockchain promises a lot, but delivers very little at this stage in its evolution. There is real potential for this technology to revolutionise industries, but until our understanding gets better, blockchain won’t be able to solve any problems at all.

The overriding feeling I get from this topic is that it’s some kind of fairy dust

Lucinda Kingham is senior account executive at Firefly Communications.
Spoil now or later? Tips for passing on wealth

THERE are so many psychological barriers when it comes to passing on wealth to younger generations. For parents with teens, there is the worry that they will be given too much, too young – after all, how can you expect them to knuckle down and study if they have been handed everything on a plate?

The 20s aren’t dissimilar – it’s that “never get a proper job” worry – some call it “richkiditis”.

By the 30s, the glass-half-empty parents might be worrying about their kids divorcing, and whether half of their money might follow the ex.

By the 40s, some parents might simply decide it’s too late – their kids have a house, a family, and seem happy. By the time the kids are in their 50s, parents might be worrying about their own long-term care needs. And by the time the grandkids come along, we’re back to the “too much, too young” concerns. And so the cycle continues.

So what’s the answer? I think it’s about giving little and often to ensure that your children are used to, and receive, money that is proportionate to the funds that they will inherit. This is to prepare them for the life ahead. Think about the implication of inheriting a lump sum similar to a lottery win, and see how they turn out with no education or preparation.

It can be particularly problematic if children inherit substantial sums of money when they haven’t learned how to cope with that level of wealth.

Don’t spoil them now or spoil them in later life, just be sensible and gift regularly. Also make sure that you regularly talk about money and investments.

So when should wealth be passed on? The 20s is often a good time to begin the process, even if it’s just starting the inheritance conversation. Though the reality is that there is never an optimum time, and it really depends on various factors, such as how sensible the child is when it comes to money. And what about the process of passing on wealth? Some parents are in a situation where they are able to gift money, and in my experience, the best approach is to test the water first. For example, you could deposit a reasonable amount of money into an Isa – if your child decides to use the money to invest or buy a property, you might feel comfortable to gift more. If the money is spent on an around-the-world trip, you might want to rethink your approach – softly, in a more casual way.

And by talking to loved ones about how you would like to pass on your wealth, it might encourage them to do the same.

For those who have a financial adviser, Alley says that it might also be useful for family members to come along to a meeting in order to initiate discussions about the future, in a safe environment with a professional who can answer any questions.

Ultimately, if you would rather your money was left to loved ones instead of the taxman, then these conversations are crucial. As Porteous puts it: “Inheritance tax discussions with children are the grown-up version of the birds and the bees talk. You might not want to have ‘the talk’, but avoiding it is a lot worse. There is no point in putting it off.”
Unlock the hidden potential of white asparagus

Our resident chef tells you how to get the most out this ghostly veg

White asparagus is popular across Europe, and while you can sometimes find it fresh it’s more often than not toned for our supermarkets. In Germany and Holland it’s a more popular asparagus than the green variety and is more likely to be grown locally. That being said, the Chin family in the Wye Valley pioneered British-grown white asparagus a few years back. About time too, as our climate isn’t so dissimilar.

You need to treat white asparagus differently than green. It’s thicker and more fibrous, usually needs peeling and and takes more cooking, which is why prepped and canned white asparagus is so popular.

WYE VALLEY WHITE ASPARAGUS WITH A POACHED DUCK’S EGG

SERVES 4-6

**INGREDIENTS**
- 20 medium sized white asparagus tips
- 4 duck or hens eggs
- 60g unsalted butter
- 2tbsp chopped parsley
- The juice of a lemon
- Half a tablespoon of granulated sugar
- Salt and finely ground black pepper
- To prepare the asparagus cut about 2-3cm of the woody base of the asparagus, if it looks like they are very woody cut a little more off. With a swivel type peeler, carefully peel, starting from 3cm down from the tip to the bottom of each stem, where they were cut.
- Bring a pan of well-salted water to the boil with the sugar and lemon juice, drop the asparagus in and simmer for 15-20 minutes, or until tender to the point of a knife. Carefully drain the asparagus in a colander and arrange on plates. If you are cooking the asparagus in advance you can cook them a bit less and leave in the cooking liquor until required which actually improves the flavour.
- Meanwhile poach the ducks eggs, then gradually melt the butter in a pan, add the parsley and a little more lemon juice and seasoning to taste.
- To serve arrange the asparagus on warmed serving dishes, ensuring the liquid is drained on some kitchen paper then place the egg on the asparagus and spoon the butter on top.

**MY FOOD DIARY**

Mark Hix

Afterwards he said he “didn’t normally like cheese but this one was pretty good”. It was only later he realised he’d eaten in a vegan restaurant – his face was a picture of bemusement!

MY FOOD DIARY

Mark Hix

CO-FOUNDER OF PLANT-BASED RESTAURANT KALIFORNIA KITCHEN

Loui Blake on bandwagon trends and his top vegan dishes

Funnily enough, it was just last week. It was at Plant Food & Wine in Manhattan, a vegan restaurant by Matthew Kenney, and was incredible. Strong flavours and innovative staff made it a great all round experience.

WHAT’S YOUR FAVOURITE DISH?

At Plant Food & Wine in Manhattan, a vegan restaurant by Matthew Kenney, and was incredible. My favourite dish at that meal, the oyster mushroom gyoza and above all this was incredible. Strong flavours and knowledgeable staff made it a great all round experience.

WHAT’S THE BEST THING ABOUT THE LONDON FOOD SCENE?

Not another poke place... "Not another poke place... "

WHO ARE YOU AND WHAT DO YOU DO?

Mark Hix

WHEN WE FIRST OPENED KALIFORNIA KITCHEN, we had quite a few guests who had no idea it was a vegan restaurant, although we did have a massive sign saying “Don’t Kale My Vibe” on the wall. There was one guy – judging by his build, definitely a meat eater – who ordered our burger and fries. Afterwards he said he “didn’t normally like cheese but this one was pretty good”. It was only later he realised he’d eaten in a vegan restaurant – his face was a picture of bemusement!

FOOD MEMORY?

WHAT’S YOUR EARLIEST FOOD MEMORY?

WHAT’S THE WORST THING ABOUT THE LONDON FOOD SCENE?

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FOOD&DRINK
The Punter
HONG KONG RACING TRADER

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

Precious Sweetie can prove to be a treat for punters

Racing takes place on the dreaded Happy Valley ‘C+3’ course today. The inner-city venue has seven different tracks, with the rails moved from meeting to meeting.

With racing taking place weekly throughout the season, this allows the grass to grow normally without too much wear on each track.

The ‘C+3’ course is the tightest of all the circuits, with just under a cricket-pitch width of 22 yards and a home straight measuring just over one-and-a-half furlongs.

It doesn’t take a rocket scientist to tell you that horses need to be up one-and-a-half furlongs from the off, and tell you that horses need to be up one-and-a-half furlongs.

This progressive four-year-old confirmed earlier promise with a clear-cut win against similar opposition over course and distance and, despite a 7lb penalty, is certainly capable of successfully following up. The draw looks awkward on paper, and with Har Har Heart a close-up fourth, and Magnetism sixth.

At the revised weights, they are all closely matched on that form, although well-drawn Big Bang Bong, who has a profile of racing up with the pace from the off, is capable of getting a good position from the off. Another factor to consider this afternoon is a local weather forecast calling for heavy showers and thunderstorms. This could clearly have a bearing on ground conditions come race-time.

One horse that did us a good turn three weeks ago was the Peter Ho-trained PRECIOUS SWEETIE who lines up again in the 1.15pm over six furlongs.

He looks certain to surpass last season’s record-breaking 65 winners as a rookie trainer, with 53 wins already on the scoresheet and over two months of the current season to go. Lor is represented by a couple of runners at Happy Valley this afternoon and both can be given chances.

His main contender VINYC lines up in the finale at 3.50pm over the extended mile, but has so far proved expensive to follow since arriving in Hong Kong 18 months ago. Half-a-dozen runs have yet to provide a win, although he is clearly talented, judged by placed efforts against better company than he meets here.

This time he is equipped with blinkers and has drawn the plum inside number, allowing him to get a dream journey along the rails. He should be difficult to beat, especially with jockey Zac Purton turning down other rides in the race to partner him.

In the same contest, it might be worth having a saver on fast-improving GOD OF DRAGON who has looked a different horse since joining Tony Cruz’s stable at the beginning of last month.

He produced an eye-popping trial at the Valley recently, which augurs well for the future. Lor’s other runner, Witness Hunter has a form chance in the 2.45pm, but is mapped to have a wide transit throughout the contest.

Fancy Frankie’s Vincy to finally strike on start number seven

There is no doubt his stable is in red-hot form, with 10 winners and 10 places from his last 50 runners. He looks certain to surpass last season’s record-breaking 65 winners as a rookie trainer, with 53 wins already on the scoresheet and over two months of the current season to go. Lor is represented by a couple of runners at Happy Valley this afternoon and both can be given chances.

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With the Cricket World Cup just around the corner, you could forgive the captain of the hosts and favourites for displaying some signs of nerves.

After all, the events between 30 May and 14 July will define Eoin Morgan’s four years of hard work. Alongside coach Trevor Bayliss, Morgan has been instrumental in turning England from a listless team who were lacking an identity, lagging behind the times and who were knocked out of the 2015 World Cup in the group stage into the current incarnation.

It’s been a long road, but now the ultimate goal is on the horizon Morgan feels no nerves – just excitement.

“I think we’re as strong a position as we could be at this stage,” he tells City A.M. “I think we’d be nervous if we weren’t there.

“But the fact that we’ve been on this journey now for four years, and played some good cricket along the way, particularly at home, gives us more of an element of excitement.”

It’s a response typical of Morgan and his team. They are confident front-runners, a settled and optimistic group who are supremely comfortable with their approach.

Their confidence is well-founded too. Since winning just two of their six group stage matches at the 2015 World Cup in Australia and New Zealand to suffer an ignominious exit, England have racked up a formidable record. They have lost just three of 18 series comprising more than one game over the past four years, winning 53 of their 76 matches altogether.

Under Morgan’s bold captaincy, England have not only improved immeasurably, they have pushed the boundaries of one-day cricket, redefining what a par score is while setting trends in bowling variations and tactics as well.

They may have reached the summit, but Morgan knows they can’t afford to stand still. “Over the last two years, being close to world No1 and then being No1 hasn’t changed us a lot,” he says.

“Getting there is a huge acknowledgement of the work we’ve been doing and going in the right direction, but how we get there remains the goal and the desire to continuously improve remains one of the aspects of our team. Continuing in that vein does create a lot of expectation, but the expectation is there for a reason, because we have played well.”

One of the key factors behind England’s rise has been their desire to constantly evolve – and that means having players vying for places.

With Jofra Archer and Chris Jordan having been given the opportunity to impress in the one-off ODI against Ireland and the following series against Pakistan and New Zealand, Morgan is looking forward to the ongoing World Cup.

“That’s been the case now for three of four years, probably since we first started in 2015,” Morgan explains. “We’ve had constant competition for places – we’ve had guys who have been left out at different times and probably wouldn’t have played in any other team in the world, or been given an opportunity at some stage.

“We had one with Jonny Bairstow, where he was left out for quite some time and was always the next batsman in, which is unfortunate for him. But the level of trust that we put in the guys we have selected in the final XI needs to remain in order to continue playing the way that we play.”

Archer has dominated the headlines over the past few months after England changed their eligibility rules to give the Barbados-born all-rounder a shot at making the World Cup. But although the 24-year-old possesses obvious qualities which would improve the England side, Morgan, Bayliss and selector Ed Smith have a balancing act to weigh up.

“When you select a player in a squad or a team it’s not purely on performance,” Morgan says. “Their accountability and what they offer in the changing room and around the team is added in as well because World Cup and trophies are won by teams, not individuals and it’s important that you continue to give to a team and a culture as opposed to taking away.”

With most sides having played four matches in the One-Day Cup before joining up with England, the present is all about finding form.

“We will obviously be looking at the same players who have played over the last four years, but it’ll be a matter of looking at guys who are in form and contributing to wins,” Morgan adds.

“There will be opportunities for everybody to play because we haven’t had serious injuries since Olly Stone back in the summer last year, so the law of averages suggests we’re probably due an injury. We need more than that 15 initially; we need guys who are ready to come in and play.”

Having put four years of effort into getting this far, it seems England are leaving nothing to chance in the run-up to what they hope will be their crowning glory.

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Harnessing the power of over one billion cricket fans, UNICEF and the ICC Cricket World Cup 2019 are supporting children around the world. Be part of this and help through #OneDay4Children.
Dealing with Messi the key for Liverpool

FOOTBALL COMMENT
Trevor Steven

Liverpool’s Champions League semi-final against Barcelona tonight comes at the perfect time. The Reds in form, have momentum after a 5-0 thrashing of Huddersfield on Friday and, following Roberto Firmino’s return to training, have all their major players fit.

If this game had come around one year ago I definitely would have preferred Barca to win, but things are much tighter now. Of course there are no walkover games at this stage of the competition and no such thing as easy passage to the final, but I think Jurgen Klopp’s side will be confident of their chances.

Liverpool are within a whisker of the Premier League title and essentially face a four-game season finale – the remaining league matches against Newcastle and Wolves.

There’s a lot to admire about them at the moment. Mohamed Salah is back to his best, Virgil van Dijk has just won the PFA player of the year award. Sadio Mane is on fire, they have a top level goalkeeper in Alisson and fullbacks who are key to their distinctive playing style.

Having reached the Champions League final last year Liverpool have experience of these crunch ties and have what I believe to be an advantage in playing the away leg first.

Overall they’ve been dealt the best hand they could hope for and they have a great opportunity to take something back to Anfield.

MAN-MARKING CONUNDRUM

Although they’ve already wrapped up La Liga, Barca are not the fearsome side they used to be. The problem, of course, is that they still have Lionel Messi, who is just as scary as he has always been.

Like many managers before him Klopp will have spent plenty of time coming up with a way to stop Messi play; former player Luis Suarez is a threat, but he’s very much second fiddle to the Argentine.

Everything Barca do in attack is channelled through Messi and with good reason: he’s nearly unstoppable when he’s afforded space. He will hurt you unless you pay him special attention.

Before their quarter-final clash I wrote that Manchester United should make Scott McTominay man-mark Messi, follow him everywhere and frustrate him. They didn’t do so and were blown away 4-0 on aggregate.

Liverpool are stronger than United but Klopp is still faced with a conundrum: stick with his 4-3-3 pressing system, or make a change on account of Messi? Jordan Henderson and James Milner are capable of doing the job, although I would prefer Georgino Wijnaldum to do it as Messi usually drifts inside off the right-hand side.

MIDFIELD BATTLE

Aside from Messi, I think the match will be decided in midfield.

Barcelona’s possession-based style can undo opponents and if Liverpool are starved of the ball their system could be disrupted and forced into making costly mistakes. If you overcommit and surrender space you’ll be punished. If Liverpool can get good possession in midfield and release the pace of Salah and Mane at the right times Barca, like any side, will be vulnerable.

Ultimately it’s about discipline: staying in shape and waiting for the right time to pounce and grab a precious away goal.

I don’t think the tie will be won or lost in the first leg, but if they play to their potential Liverpool can certainly put themselves on the way tonight.

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Trevor Steven is a former England footballer who has played at two World Cups and two European Championships. Follow him: @TrevorStevenID
Depleted hosts playing catch up after classy Ajax draw first blood in Europe, writes Michael Searles

T WAS Tottenham’s first European Cup semi-final since their debut season in the competition back in 1962, but the pressure of the occasion, they produced a lacklustre performance that will leave them wondering what could have been.

Spurs came into the game on the back of their first defeat at the new Tottenham Hotspur Stadium, in which they looked short of ideas and fatigued against West Ham.

This match played out in similar fashion as Spurs fell to a second successive 1-0 defeat, and third in four matches, as Mauricio Pochettino’s men produced another display devoid of creativity.

Whether it was due to tiredness from the recent schedule, or because they were missing a couple of key players, to only manage one shot on target in the home leg of a Champions League semi-final will be a huge source of concern for the manager and his coaching team as the season enters its climax.

TOTAL FOOTBALL

For long parts of this game, particularly during the first half, Ajax looked as though they were the home team. The Dutch side controlled the game, retained possession and opened Spurs up time and again.

Frenkie de Jong and Donny van de Beek ran riot in midfield, linking up with the forwards, which included former Southampton player Dusan Tadic in a false nine position, and created plenty of opportunities.

Van de Beek was rewarded for his bursts forward into the opposition box with a goal in the 15th minute as he latched onto a through ball from Hakim Ziyech after some great play from the visitors. The Ajax No6 fired a shot and sat Hugo Lloris down before slotting it past the goalkeeper to score a crucial goal.

It could have been more. Van de Beek had a chance for a second but was stopped by Danny Rose, who only just put it past his own goal. Even 19-year-old centre-back Matthijs de Ligt got in on the action as he burst forward from the back, while David Neres nearly doubled their lead when he struck the post late on.

ROUTE ONE

Not many would have predicted at the start of the season that the Champions League semi-final would see Llorente up against Daley Blind, but without Harry Kane and Son Heung-min, the Spaniard stepped up to the challenge.

Llorente held up the ball well, bringing Christian Eriksen and Dele Alli into play, and had a good chance to score from a free-kick during the first half, but couldn’t find the target.

Ajax were uncomfortable under the pressure of the 6ft 4in forward and looked vulnerable from set-pieces, but Llorente was unable to repeat his vital goal against Manchester City two weeks ago as Spurs fired blanks.

While Llorente held his own up front and played to his strengths, the team’s dependence on Kane and Son to score the important goals was more than apparent as the game wore on.

CONCussion WORry

Jan Vertonghen required treatment from the Tottenham medical staff following a nasty clash of heads with Toby Alderweireld in the first half. After five minutes of wiping blood from a cut on his nose, they declared him fit to come back on, but within seconds he looked as though he was about to pass out.

The ease with which he was allowed to re-enter the field of play – although the referee did try to make sure he was okay – was a serious error of judgement from the medical team that should not go unnoticed.

Had Vertonghen continued he would have been at risk of suffering serious damage from heading the ball or colliding once again.

Following on from Loris Karius’s concussion in the Champions League final last year, the introduction of a head injury assessment, as there is in rugby, should surely be debated.

SiSSOKO’S IMPACT

As disturbing as it was to see Vertonghen carried down the tunnel, dazed and unable to walk properly, the change in formation that it forced Pochettino into making actually benefitted Spurs.

The decision to start in a 3-4-3 formation, with Rose and Kieran Tripper providing the width, was the wrong one, as Ajax dominated the centre of the pitch.

In Pochettino’s defence, the absence of Harry Winks, Kane and Son, combined with Moussa Sissoko’s recent injury, meant choices were few and far between. But the difference Sissoko made once he entered the match in place of Vertonghen was notable.

Spurs looked a lot less overawed in midfield as the Frenchman hassled De Jong and Van de Beek and helped bring his team up the field. It also allowed Eriksen further forward and with a much better grip on the game, Tottenham looked a lot more equal to Ajax throughout the second half.

Although they were unable to find that all-important goal, the change helped to stem the tide and ensured Ajax were not able to add on their one away goal, leaving it all to play for in Amsterdam next week.

DEADLINE SET FOR MURRAY TO MAKE WIMBLEDON RETURN

Andy Murray has until 18 June to ask for a wildcard if he is to play at Wimbledon this summer. Murray is recovering from a hip resurfacing operation which he underwent in January and is yet to set a return date.

“This has been no discussions with Andy yet,” said All England Club chairman Philip Brook. “It’s too soon to know the answer to that one.”

Wimbledon, which begins on 1 July, has increased its prize money by 11.8 per cent, with men’s and women’s singles champions now taking home £2.35m.

Injured Rudiger to miss rest of the Chelsea season

SURREY’S ONE-DAY CUP WOES CONTINUE IN HAMPSTEAD LOSS

Surrey slumped to a fifth defeat in six One-Day Cup matches as Hampshire completed a comfortable 53-run victory at the Oval yesterday. Liam Dawson (108) and Aiden Markram (88) helped the away side reach 307 batting first, with Stuart Meaker and Conor McKerr taking three wickets each. Surrey started well through Mark Stoneman (70), but the hosts lost regular wickets and were bowled out for 254.

Chelsea defender Antonio Rudiger will miss the remainder of the season with a knee injury, Rudiger limped out of the Blues’ 1-1 Premier League draw with Manchester United and will undergo an operation in Italy on his meniscus. Andreas Christensen, who replaced him on Sunday, is expected to fill in for the 26-year-old, who has made 24 appearances this season.

IN JUdeR RUDIGER TO MISS REST OF THE CHELSEA SEASON

Geraint Thomas finished fifth in the Tour de Romandie prologue yesterday as Team Ineos, who used to be called Team Sky, made their unofficial debut yesterday.

Tour de France winner Thomas crossed the line four seconds behind winner Jan Tratnik in Switzerland. Chemical firm Ineos, which is owned by Britain’s richest man Sir Jim Ratcliffe, confirmed its takeover in March after Sky ended its 10-year sponsorship. The new look team is set to be unveiled at the Tour de Yorkshire, which runs from Thursday to Sunday.

Thomas fifth as team Ineos prepare to make debut

HEADACHE FOR SPURS

Championship Promotion for Luton and Barnsley

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