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DEBENHAMS FALLOUT DID MIKE HAVE A POINT? P17



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SECRETARY OF STATE APPEALS TO MINISTERS OVER HUAWEI PLAN

WHAT WOULD MAGGIE DO?

CALLUM KEOWN

@CallumKeown1

US SECRETARY of state Mike Pompeo doubled down on America's criticism of the UK's plan to use Huawei technology yesterday, warning doing so could put the countries' security partnership at risk.

"Ask yourself: would the Iron Lady be silent when China violates the sovereignty of nations through corruption or coercion?" Pompeo said at a Centre for Policy Studies event, warning that the move could put the US and UK's security partnership at risk.

Theresa May faced accusations she was ignoring security warnings last week after it emerged the government is set to give the green light to the Chinese firm to build non-core parts of the country's 5G network.

Pompeo, a former head of the CIA, launched a stinging attack on China, describing it as an authoritarian regime with more than 1m Chinese Muslims in prison camps.

The US has led calls for a ban on Huawei technology amid concerns its equipment could be used for spying.

"Insufficient security will impede the US's ability to share certain information within trusted networks. This is just what China wants - to divide western alliances through bits and bytes, not bullets and bombs," Pompeo said.

His comments came as UK culture secretary Jeremy Wright insisted Britain would not compromise national security in exchange for a more cost-effective 5G network.

America's top diplomat also dangled the prospect of a free trade deal with the UK - once Brexit is resolved, in a speech on the so-called special relationship between the two countries.

He said the relationship was "thriving" and that President Donald Trump was eager for Brexit to be sorted and to sign a free trade agreement.

Pompeo was highly critical of Jeremy Corbyn on his visit to the capital yesterday, slamming the Labour leader's support for Nicolas Maduro's Venezuelan regime.

"It is disgusting to see leaders in not only the United Kingdom but in the United States as well who continue to support the murderous dictator Maduro," he said when asked about Corbyn's position.

He also raised the alarm over the rise of antisemitism in British politics, but stopped short of mentioning the Labour party directly.

Pompeo used his visit to ramp up US rhetoric against China, comparing the threat to that of the former Soviet Union.

He said: "In China, we face a new kind of challenge; an authoritarian regime that's integrated economically into the West in ways that the Soviet Union never was."



Tory MP goes 'on strike' in veterans row

CALLUM KEOWN

@CallumKeown1

CONSERVATIVE MP Johnny Mercer withdrew his support for the government over its treatment of veterans late last night, announcing he was going on strike.

The former Army captain hit out at plans to prosecute soldiers over historic crimes in Northern Ireland, as well as his own treatment at the hands of the whips' office.

In a letter to Prime Minister Theresa May, Mercer said he would not be voting with the government on any issues other than Brexit until action was taken to protect veterans from prosecution over historic allegations.

His dramatic intervention comes after the whips' office allegedly tapped up one of his old Army colleagues for "dirt" on him last month.

In his letter, Mercer said: "The recent behaviour of your whips' office has ground out of me any residual co-operation."

He added: "These repeated investigations with no new evidence, the macabre spectacle of elderly veterans being dragged back to Northern Ireland to face those who seek to re-fight that conflict through other means, without any protection from a government, who sent them almost 50 years ago, is too much."

Trump insists his property empire's \$1bn losses were only for 'tax purposes'

ALEX DANIEL AND SEBASTIAN MCCARTHY

@alexmdaniel @SebMcCarthy

US PRESIDENT Donald Trump yesterday hit back at reports of billion-dollar historic losses but raised eyebrows by admitting to methods he used in previous decades to slash his tax bill.

Trump used Twitter to respond

to a report in the New York Times which showed he lost more than \$1bn (£768.6m) over a 10-year period from 1985. The article detailed how Trump's core businesses of casinos, hotels and apartment buildings lost \$1.2bn over the period, meaning he was exempt from paying income tax for eight of the 10 years.

Trump tweeted: "Real estate developers in the 1980s & 1990s...

were entitled to massive write offs and depreciation which would, if one was actively building, show losses and tax losses in almost all cases. Much was non monetary.

"Sometimes considered 'tax shelter,' you would get it by building, or even buying. You always wanted to show losses for tax purposes... almost all real estate developers did - and often re-

negotiate with banks, it was sport."

In a politically sensational day in Washington, Trump later asserted executive privilege over special counsel Robert Mueller's report into Russian meddling in the 2016 election, escalating a battle with Democrats in the US Congress.

Congress's judiciary committee recommended the House hold US attorney-general William Barr in

contempt for refusing to submit an unredacted version of the report.

A redacted version published last month did not conclude that there was a criminal conspiracy between the Kremlin and the Trump's campaign team.

Trump also yesterday signed an executive order to impose new US sanctions targeting Iran's revenue from exports of industrial metals.

CITY A.M.

THE CITY VIEW

Don't let the crown fall into Labour's hands

DESPITE the best efforts of a few valiant voices, the City (and its interests) received a shameful lack of attention during the Brexit debate and has been largely left to fend for itself ever since. However, the race to succeed Mark Carney at the Bank of England combined with the prospect of a hard-left Labour government has sparked a renewed focus on the most important component of the British economy. Andrew Bailey – chief executive of the Financial Conduct Authority and a candidate for the Bank of England's top job – has become increasingly vocal about the future of financial services and the regulatory regime that will underpin it. His call for a smarter, more flexible approach post-Brexit was echoed earlier this week by another contender for the governorship, deputy governor Sir John Cunliffe, who also warned against locking the UK into the EU's regulatory regime once the UK leaves the bloc.

The importance of the financial and professional services sector is underlined today by the release of an annual 'State of the City' report by trade body The City UK. One of the main points this group is always keen to

highlight is just how much of the sector is based outside London. Two thirds of the 2.3m people working in this field are based outside the capital, and across the country a staggering one in 14 workers makes a living in the industry. In 2017-18, the sector generated a mighty £75bn in tax revenue, amounting to £11 in every £100 the exchequer collects. The full report highlights the breadth and depth of the sector, and complements work done by other groups such as New Financial in demonstrating the importance of the sector to the wider economy in every corner of the country. This scope and scale is worth remembering the next time Labour figures attack the City as a mere playground for "the one per cent" – a smear that makes it into every stump speech offered up by the party's leadership. With politics now at its most unpredictable in living memory, the threat Labour poses to the financial services industry, and by extension the wider UK economy, must be taken extremely seriously. If this crown fell into Labour's hands, it would rust.

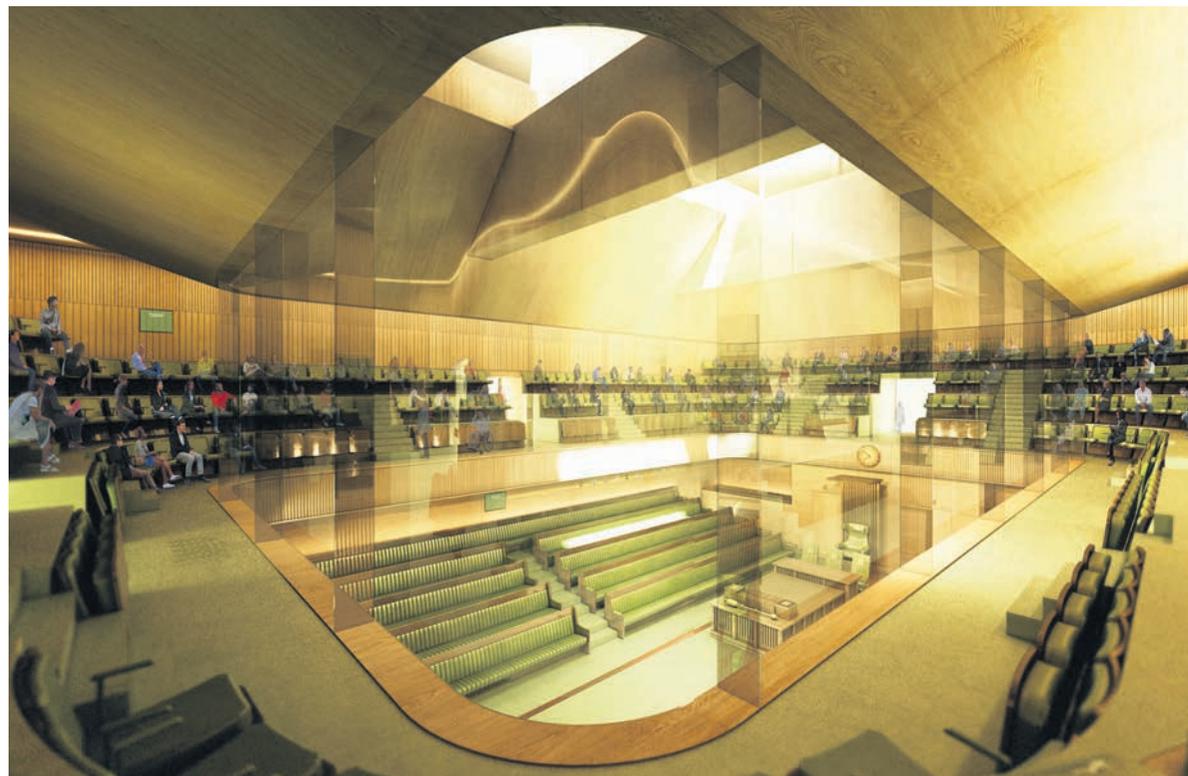
The City generated a mighty £75bn in tax revenue last year

“



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COMMONS PEOPLE Pictures reveal designs for MPs' temporary home during long-awaited makeover of crumbling parliament



THE FIRST images of parliament's new temporary home were unveiled yesterday. The House of Commons chamber, complete with green benches and the speaker's chair, will be recreated in Richmond House while restoration work takes place in parliament. The refurbishment of the Palace of Westminster is set to cost £4bn will not be completed until the 2030s, while the move to Richmond House, the former Department of Health building, will not happen until 2025 at the earliest.

MPs push for law change to support shareholders

ALEXANDRA ROGERS

@city_amrogers

SHAREHOLDERS and small business owners could soon be able to take direct legal action against parties they blame for causing them losses when their companies fall into insolvency, after a group of MPs called for radical changes to the law.

The All-Party Parliamentary Group (APPG) on fair business banking took to the Supreme Court yesterday in a bid to change the law on so-called "reflective loss", which applies to losses suffered by individuals that overlap with the general loss of the company.

The law currently states that only the company itself can bring a claim. This is to avoid parallel claims that make the alleged wrongdoer doubly liable.

However, the APPG argued that an exception should be made if shareholders can prove they had an independent and direct relationship with the party accused of causing the loss, and the wrongful act affects the company's ability to claim.

Currently, when companies fall into insolvency, the creditors appoint an insolvency practitioner (IP) to oversee the process. When an owner or shareholder's firm is placed into administration, they cede control to the IP which is then given responsibility for pursuing a legal claim.

In its claim to the High Court, the APPG argued that IPs are often appointed by creditors and so are reluctant to pursue legal action against them.

If the Supreme Court rules in favour of the APPG, it could lead to a flood of

claims against lenders, administrators and lawyers. The MPs said they were making an "unprecedented intervention" in a Supreme Court case.

"The rule against reflective loss presents an obstacle to accessing justice for the directors and shareholders of insolvent businesses as it acts as an exclusionary rule, preventing business owners from pursuing their own personal claims for losses resulting from a company's losses when it goes into insolvency," Heather Buchanan, executive director of the APPG said.

"Crucially, the APPG's intervention seeks to draw the Supreme Court's attention to the practical problems for shareholders, creditors and guarantors to pursue a company's legitimate claims against creditor misconduct after the company has been made insolvent."

FINANCIAL TIMES

FOX PROFIT GROWS ON STRENGTH IN TV NETWORKS

Fox booked a higher profit than expected in its March quarter, lifted by an increase in advertising revenues and strength in its TV networks. The earnings report is Fox's first since completing the sale of entertainment and film assets to Walt Disney in March. The \$71bn (£54.6bn) deal left Fox with a portfolio that includes its namesake broadcast network, Fox Sports and news channels Fox News and Fox Business.

IBM TO SELL \$20BN BONDS TO FUND RED HAT DEAL

IBM will borrow \$20bn (£15.4bn) to fund its takeover of open source software

WHAT THE OTHER PAPERS SAY THIS MORNING

pioneer Red Hat, according to people familiar with the deal, in the second bumper bond sale of the week after Bristol-Myers Squibb sold \$19bn of debt on Tuesday.

THE TIMES

HUNT: IRAN WILL BE CHALLENGED ON NUCLEAR

Britain has warned there will be "consequences" if Iran ceases its commitments under the international nuclear deal after Tehran announced it no longer felt bound by them and threatened to resume uranium enrichment. The foreign secretary called Iran's move an "unwelcome step".

TYRIE DEMANDS POWER TO POLICE BIG COMPANIES

Leading businesses are getting away with ripping off customers and should be policed more closely, the head of the competition regulator has said. Lord Tyrie said the public would be shocked at the "weakness" of penalties.

THE DAILY TELEGRAPH

JP MORGAN POISED TO CONTROL A CHINESE FUND

JP Morgan's asset management arm could soon become the first foreign company to own a majority stake in a Chinese fund manager after its partner in a joint venture put part of the business up for sale. Shanghai International Trust has put a stake up for auction, with JP Morgan widely expected to snap it up.

GERMAN SLOWDOWN SET TO BLOW €100BN BLACK HOLE

Germany faces a budget shortfall of €100bn (£86bn) over the next four years as its economy slows, according to leaked government figures published by Bild newspaper.

THE WALL STREET JOURNAL

DONALD TRUMP JR SUBPOENAED ON RUSSIA

The Republican-led US Senate Intelligence Committee in recent weeks subpoenaed Donald Trump Jr, the US president's eldest son, to testify about answers he gave congressional investigators as part of their Russia probe, according to people with knowledge of the matter.

UBER SET TO PRICE IPO AT MIDPOINT OF TARGET RANGE

Uber is on track to price its initial public offering at the midpoint of its target or below, according to people familiar with the matter, following a big stock-market drop and the disappointing debut of rival Lyft.

May to meet Tory backbench over her own exit date

OWEN BENNETT

@owenjbennett

THERESA May has agreed to a crunch meeting with a powerful group of Tory MPs who have the authority to change party rules and force her from office.

The Conservative leader will address the executive members of the backbench 1922 Committee next Wednesday as pressure grows on her to resign from party leadership.

She will be asked to provide clarity on her intention to quit as Prime Minister, but Downing Street said yesterday she was sticking by her plan to step down only once "phase one" of Brexit, referring to the withdrawal agreement, is completed.

The 1922's executive committee wants May to set out her departure plans if the Brexit deal is not passed by the Commons.

Speaking after a meeting of Conservative backbenchers yesterday evening, top Tory Sir Graham Brady said: "I'm sure that when we meet with her, that will be the question that needs to be resolved to people's satisfaction."

Under current party rules, May cannot be challenged for the party leadership until 12 December – exactly a year after she survived a previous confidence vote.

The 1922 Committee discussed changing the rules two weeks ago, and Brady hinted that debate could yet be reopened if May does not set out a clear timetable next week.

"We will have a further meeting as a committee following that [meeting with May] where it will be open to us to reach further conclusions or not," he said.

Brady also said he expected the Prime Minister to try once again to get parliamentary backing for her Brexit deal before the European elections take place on 23 May.

May's decision to meet the 1922 executives next week was not warmly received by all Tory backbenchers, with Brexit-backing Nadine Dorries describing it as "yet more can-kicking".

Tory MP Antoinette Sandbach, who is opposed to Brexit, accused her fellow executive committee members of "unseemly bullying" of the PM.

Standard Chartered shareholders revolt over chief executive's pension

CALLUM KEOWN

@CallumKeown1

STANDARD Chartered shareholders gave the bank a bloody nose yesterday over a "stealth increase" to chief executive Bill Winters' pension.

Investors holding more than 36 per cent of the UK-based multinational bank's shares voted against its directors' pay report at its annual general meeting (AGM).

Shareholder advisory firms ISS and Glass Lewis had urged investors to vote against Winters' pay increase.

Earlier this year, the Investment Association said it would target companies whose director pension contributions were not in line with the majority of employees.

The bank planned to pay Winters a £474,000 pension allowance – up from £460,000 last year – on top of his £2.4m salary in cash and shares.

Speaking ahead of the result, Winters defended his pay.

He said: "I don't know what the focus on pension allowances is when we have been totally transparent that the board decided not to impose a pay cut on me, not to violate the contract that they have with me. That's it. I mean the rest is noise."

The bank said it recognised the "significant" opposition and would engage with shareholders.



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PRACTICALLY PERFECT Disney beats forecasts as theme parks draw in crowds



DISNEY beat expectations with a first-quarter revenue rise as its theme parks attracted more visitors. The firm, which recently bought 21st Century Fox for \$71bn (£54.6bn), reported revenue of \$14.9bn, up from \$14.6bn last year.

Stagecoach sues Department for Transport over franchise ruling

ALEXANDRA ROGERS

@city_amrogers

BELEAGUERED transport secretary Chris Grayling could be called to the stand after Stagecoach launched legal action over the government's decision to disqualify it from three rail franchises.

Stagecoach said it was suing the Department for Transport (DfT) over its decision to bar it from the East Midlands, the West Coast and

South Eastern franchises last month. The East Midlands franchise was instead awarded to Abellio, after the DfT said Stagecoach submitted "non-compliant" bids due to its refusal to share open-ended pension liabilities with the government.

As part of the proceedings, Grayling may be forced to give oral evidence in court.

A DfT spokesperson said it had "total confidence" in the decision.

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Provident says hostile bidder NSF overvalued

--JAMES BOOTH

@JamesdBooth1

PROVIDENT Financial said yesterday it had concerns about the valuation of Non-Standard Finance (NSF), which is trying to take it over.

Provident said it had concerns NSF was undercapitalised, claiming NSF's business was facing "significant headwinds".

It added there was an overly-positive perspective on NSF's headline financial performance, and that the firm was overvalued relative to other UK lenders.

Provident said it "strongly believes" its investors should not have to face the risks associated with a review of the deal by the Competition and Markets Authority (CMA), urging shareholders to "take no action in relation to the offer".

John van Kuffeler, NSF's group chief executive, said: "Any suggestion of an NSF capital raise or weakness in its financial performance is complete nonsense and rich coming from Provident."

"Unlike Provident, NSF has not needed an emergency capital raise and does not have a recent history of three profit warnings, the last being only in January."

Provident's latest broadside against NSF comes after Schroders, its third-largest shareholder, publicly came out against the offer on Tuesday.

The UK fund manager, which holds a 14.6 per cent stake in Provident, said the offer was not in the best interests of Provident shareholders.

NSF's offer has gained the support of more than 50 per cent of Provident shareholders, including trader Neil Woodford, Invesco Asset Management and Marathon Asset Management.

On Tuesday, NSF urged Provident shareholders to accept its offer by the deadline of 1pm on 15 May.

It said "the performance of the Provident business continues to fall far short of its potential."

NSF added: "Our offer and clear transformation plan present a brighter future for customers and employees while unlocking substantial value for shareholders."

TRUMP CARD The New York Times gains 223,000 subscribers in the first quarter



THE NEW York Times boosted its profit 38 per cent to \$30.2m (£23.2m) in the first quarter, beating expectations. The paper, which has repeatedly come under attack from US President Donald Trump, added 223,000 online subscribers in the period.

Joules drafts in former top Asda director as new chief executive

SEBASTIAN MCCARTHY

@SebMcCarthy

FASHION group Joules poached retail veteran Nick Jones to take over as chief executive, it announced yesterday.

A former senior director at Marks & Spencer (M&S) and Asda, Jones has spent 25 years working within the retail industry.

After 15 years with M&S, latterly as director of home, beauty and gifts, Jones joined Asda in 2011 and subsequently became responsible for

the performance of the grocer's trading divisions across food, general merchandise and its George clothing brand.

Jones is set to take over at the British lifestyle brand from Colin Porter, who has been drafted in at struggling men's tailoring giant Moss Bros.

In a statement yesterday, Ian Filby, non-executive chairman of Joules, said: "On behalf of the board and everyone at Joules, I am thrilled to welcome Nick as our next chief executive."

Sacked fund manager barred from Gam Investments annual meeting

JESS CLARK

@jclarkjourn

TIM HAYWOOD, the star fund manager fired from Gam Investments over allegations of misconduct earlier this year, was barred from entering the firm's annual meeting yesterday.

Haywood, who had travelled from London to Zurich for the meeting, had not registered his shares ahead of a deadline and was therefore

unable to attend, Gam said.

The Swiss asset management company failed to secure the backing of at least 50 per cent of shareholders at the meeting to discharge the board from legal liability following the scandal, which made the firm's share price plunge after Haywood's suspension.

The move will not have repercussions for the board immediately but will make it easier

for shareholders to take legal action.

Last year, Gam accused Haywood, who looked after absolute return bond funds, of failing to do or record correct due diligence.

Haywood has said he rejects the charges of misconduct and claims the accusations are hurting Gam's efforts to repair its reputation.

"The Gam narrative is not going to change until they treat me fairly," he said.

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Commerzbank hesitates over takeover plans

JESS CLARK

@jclarkjourno

COMMERZBANK played down the prospect of an immediate takeover deal as it revealed its first quarter results yesterday, weeks after merger talks with rival lender Deutsche Bank fell apart.

The bank's chief financial officer Stephan Engels said he "didn't hear anyone knocking at the door" and said the option remained to continue as a standalone company, as the bank reported a drop in profit and revenue for the first quarter of 2019.

Revenue fell 2.8 per cent year-on-year to €2.16bn (£1.86bn) from €2.22bn in 2018 driven by exceptional items, the German bank reported.

Group operating profit was €244m, down from €258m, driven by taxes and discontinued business.

Profit before tax plummeted 25.3 per cent from €301m in the first three months of 2018 to €225m this year.

Commerzbank and Deutsche Bank abandoned takeover discussions last month after they determined there were too many risks attached to the potential deal.

The merger, which was backed by the German government, would have created the Eurozone's second largest lender.

Following the collapse of the talks, Deutsche Bank cut its revenue target. Engels said: "Business with our clients remains on a positive track."

"Even in a very competitive environment, the first quarter is proof of the resilience of our corporate clients business and an example of what is possible."

"The challenge now is to build on this progress. We are continuing to implement cost reductions despite further increases in compulsory contributions and ongoing strategic investments."

"Our cost targets remain unchanged."

MISSED THE BEAUTY MARK Coty slides after sales slump on weakening demand



COSMETICS giant Coty said yesterday revenue for its third quarter had fallen short of market expectations, decreasing 10.4 per cent from a year ago to \$2bn (£1.5bn). The firm looks after brands such as Burberry, Wella, Hugo Boss and Calvin Klein.

Deutsche Bank faces investor anger after share price plunge

AUGUST GRAHAM

@AugustGraham

DEUTSCHE Bank yesterday faced pressure from investors as two of the world's largest shareholder advisory firms called on investors to vote against the bank's leadership.

Glass Lewis and ISS both cited a 40 per cent reduction in the company's

share price in the past year, Bloomberg reported.

The fall comes after its merger talks with Commerzbank fell through last month.

Yesterday Vestia, a Dutch firm which specialises in affordable housing, sued Deutsche over allegations of bribery in a London court. The bank denied knowledge.

Melrose founder to retire in 2020 after GKN deal

CALLUM KEOWN

@CallumKeown1

THE CO-FOUNDER of buyout specialist Melrose is set to reveal plans to retire next year following its £8bn acquisition of engineering firm GKN.

The turnaround firm will announce today that executive vice-chairman David Roper plans to retire next year, Sky News reported.

Roper, who turns 70 next year, founded the company in 2003 along with executive chairman Christopher Miller and current chief executive Simon Peckham.

The company fell into the red last year following its hostile takeover of aerospace parts group GKN, posting pre-tax losses of £550m led by accounting charges relating to the deal.

Melrose executives have taken a pay cut this year after being handed £42m each for 2017 following the GKN deal.

Executive pay for 2018 has fallen ahead of today's annual general meeting, with the top four directors being paid a combined £3.1m but investors could still oppose the re-election of board members.

New houses put up for sale slide amid volatility

SEBASTIAN MCCARTHY

@SebMcCarthy

MORE surveyors reported a drop rather than a rise in new houses being put up for sale last month than in any other poll since June 2016, according to the Royal Institution of Chartered Surveyors (Rics).

Waning appetite from new buyers and uncertainty over Brexit has driven a slowdown in new instructions, which also fell to a 16-month low in London during April.

Buyer enquiries and sales remained negative in the capital, with nine per cent more respondents forecasting a further fall in deals over the next three months.

Sixty-six per cent more respondents reported a fall rather than a rise in London house prices during April, remaining unchanged from the previous month.

According to Rics, people putting their houses on the market are also

becoming “increasingly realistic” over their asking prices, suggesting that homeowners have been lowering expectations about the sums which prospective buyers are willing to pay for a property.

“Although there are signs of greater realism on pricing from vendors, there is little conviction in the feedback from respondents to the survey that activity in the housing market will pick-up anytime soon,” said Simon Rubinsohn, chief economist at Rics.

He added: “Significantly, the key Rics buyer enquiries indicator remains subdued and sales expectations looking a year out are only modestly positive.”

Analysis from Lonres earlier this week found that new instructions dropped 27 per cent across three of London’s prime areas, with the group noting that “it was sellers rather than buyers who were more cautious about the impact of Brexit”.



Purplebricks said market conditions had become “increasingly challenging”

Purplebricks continues slump in wake of chief exec’s departure

JOE CURTIS

@joe_r_curtis

PURPLEBRICKS’ shares plummeted a further 10 per cent yesterday its chief executive’s resignation and admission that it has expanded internationally too quickly.

The online estate agent’s share price dropped 11.9 per cent on

Tuesday as news broke that Michael Bruce was stepping down immediately to be replaced by operations boss Vic Darvey.

The company revealed in the same update that it would retreat from its international bases. Purplebricks will pull out of Australia and scale back investment in America as it fights to cut expenditure.

IN BRIEF

KPMG STUNG WITH £5M FINE FOR AUDIT FAILURE

KPMG was hit with a £5m fine for misconduct relating to an audit of Co-op Bank yesterday. Audit partner Andrew Walker was also fined £125,000, with both “severely reprimanded” by the Financial Reporting Council. The Big Four audit giant and Walker admitted their conduct “fell significantly short” in an audit following Co-op Bank’s merger with the Britannia Building Society in late 2009.

FACEBOOK ROLLS BACK BAN ON CRYPTO ADS

Facebook said yesterday it would loosen the restrictions in its ban on advertisements related to financial services and products, rolling back a block on cryptocurrency and blockchain-related posts. The social media giant started blocking ads which promoted crypto in January last year, before adapting it to allow adverts from companies which had received prior approval. The changes mean many types of ads will no longer require such approval.

SAUDI SHOPPING CENTRE GIANT SETS IPO PRICE

Saudi Arabia is gearing up for its largest float in five years after the kingdom’s largest shopping centre operator confirmed the details of its planned float yesterday. According to a company document released yesterday, Arabian Centres is set to raise as much as 2.8bn riyals (£574m) after pricing its initial public offering at the bottom of its indicative range.

WHO LETS SOMETHING SIMPLE TAKE LONGER THAN IT NEEDS TO?

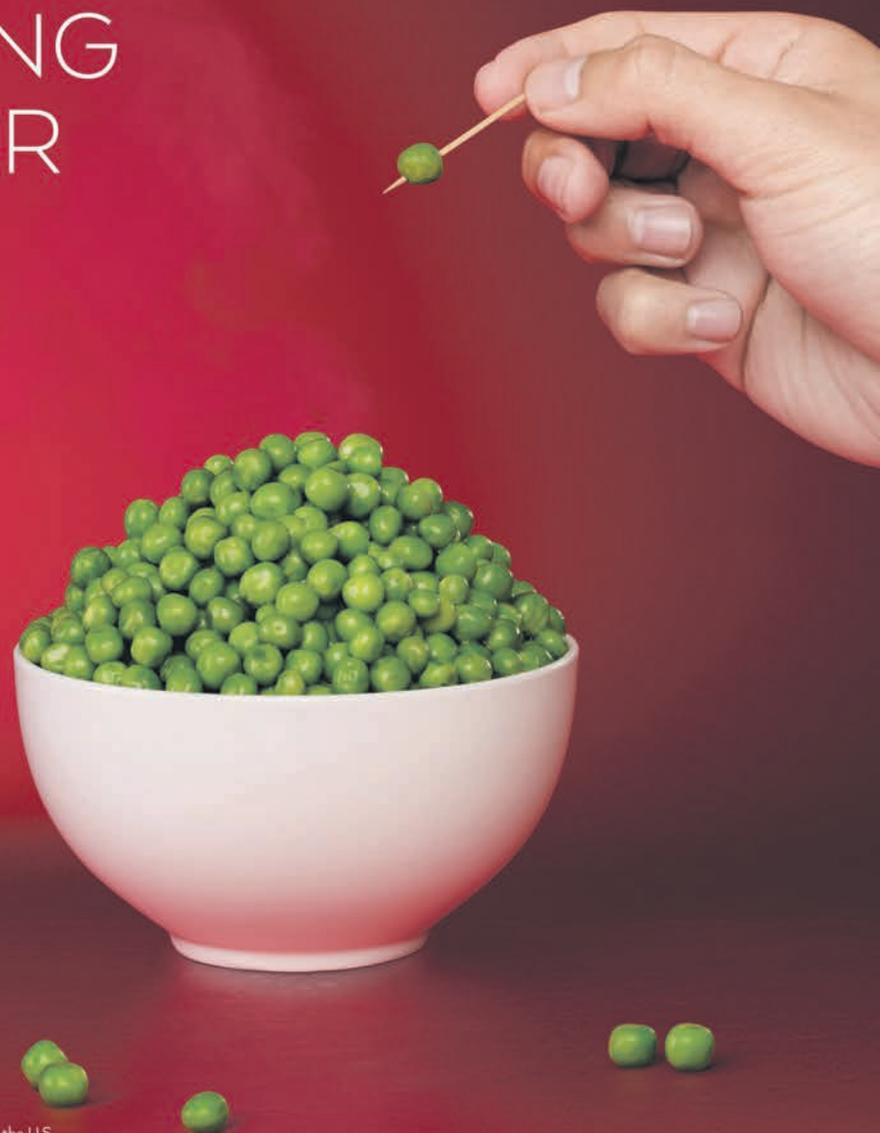
Nobody. So why do car hire companies make you queue just to collect your rental? Car hire needs to get better. That’s why the new Avis app lets you sign for your pre-paid car online, to skip the queues and counter altogether.

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Europe's woes continue as car and parts output slumps to six-year low

HARRY ROBERTSON

@henryrobertson

THE EUROPEAN automobiles and parts sector remained in a strong downturn in April, data company IHS Markit said yesterday.

Output, new orders and employment all fell sharply last month, IHS Markit said, in more bad news for Europe's struggling manufacturing sector.

Earlier this week, the European Commission halved its 2019 growth prediction for Germany – Europe's manufacturing powerhouse – to just 0.5 per cent, citing weak demand and new emissions tests hurting margins.

IHS Markit's headline purchasing managers' index (PMI) figure, a widely-watched indication of the health of the sector, fell to a six-year low of 43.2. A score of under 50

indicates contraction since the previous month.

Output expectations at car and parts firms were the most pessimistic in seven years, according to the survey.

Other manufacturing sectors also recorded falling output in April, notably metals and mining and chemicals. The former posted the strongest decline since November 2012.

GREENWICH ME TIME Tourists spending a fifth of their cash outside central London



TOURISTS visiting London are spending £2.8bn in zones two and three each year, as sites in Tower Hamlets, Islington, Camden, Greenwich and Hackney draw vital cash, a study from campaign group London First showed today.

Chinese exports in shock fall as US tensions rise

HARRY ROBERTSON

@henryrobertson

CHINESE exports unexpectedly fell in April, according to official customs data released yesterday, in a sign that pressure from the US is hurting the country's economy.

Exports fell 2.7 per cent in April year-on-year, far below economists' expectations of a rise of 2.3 per cent, with exports to the US falling sharply by 13.2 per cent.

The surprise drop came as trade tensions between China and the US continued to rise following US President Donald Trump's Monday announcement that the US is preparing to crank up tariffs on \$200bn (£153.7bn) of Chinese goods from 10 per cent to 25 per cent at midnight tonight.

Trump claimed in a tweet yesterday that China was stalling talks in the hope that it could renegotiate with a

Democratic president following the election in 2020.

China's commerce ministry later said it would retaliate with levies of its own if the US proceeded with its plan to ratchet up tariffs tonight.

In better news for China, its imports improved in April, rising four per cent year-on-year after a fall of 7.6 per cent in March, in the latest evidence that domestic demand is stabilising.

"If [the US] are arguing that China seems to be backing away from their commitments, maybe China has been emboldened a little bit to do that by the bounce-back in their domestic data," said Will Hobbs, chief investment officer at Barclays Investment Solutions.

The tensions appeared to be hurting China's enormous tech sector, with exports of wireless telephone handsets and parts falling 19 per cent in April compared to a year earlier.

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ITV revenue declines ahead of Britbox launch on strained advertising

JAMES WARRINGTON

@j_a_warrington

SHARES in ITV fell more than six per cent after it posted a slip in revenue for the first quarter of 2019, as economic uncertainty and lower demand for advertising continue to take their toll.

Total external revenue fell four per cent to £743m in the three months to the end of March.

Broadcast and online revenue dropped seven per cent to £489m, while ITV Studios revenue increased one per cent to £385m.

The results came as little surprise to investors, as the broadcaster continued in its strategy to counteract declining income from traditional advertising.



McCall joined ITV last year

6.08%

Total advertising slipped seven per cent over the three-month period, roughly in line with previous forecasts. ITV said the fall was due to continued economic and political uncertainty, which have compounded a wider shift away from TV advertising.

The figures were also impacted by the lack of the football World Cup, which boosted comparable revenue last year, and investment in streaming unit Britbox.

Russ Mould, investment director at AJ Bell, described ITV boss Carolyn McCall's first year at the broadcaster as a "baptism of fire".



Karakuri's robots can prepare personalised on-the-go meals to minimise food waste

Ocado chips in to £7m round for robotics startup Karakuri

EMILY NICOLLE

@emilynicolle

OCADO has led a £7m seed round for UK robotics firm Karakuri, its first investment in a tech startup.

The online supermarket chain will use the tech to expand its grocery

offering after a fire devastated one of its automated warehouses.

Other backers included Hoxton Ventures, Firstminute Capital and Taylor Brothers.

Karakuri will use the funding to further develop its technology and expand its team for global growth.

Imperial slips on e-cigarette forecast miss

JAMES BOOTH

@Jamesdbooth1

SHARES in Imperial Brands fell more than six per cent yesterday after it announced weaker-than-expected e-cigarette sales.

The company boosted its half-year net revenue by 3.8 per cent to £3.6bn while earnings per share increased 1.1 per cent to 115.6p, ahead of analysts' forecasts.

However it reported revenue of only £148m from its next-generation products (NGP) range, falling short of the £176m predicted by analysts.

Shares fell 6.3 per cent to 2,180p.

Imperial blamed a slowdown in sales in the US of its Blu brand for missing NGP forecasts.

The company reiterated its full-year targets, with revenue growth forecast at or above the upper end of a one to four per cent range and earnings per share growth towards the lower end of a four to eight per cent range.

6.32%

Law firm Keystone tops predictions for full-year

JAMES BOOTH

@Jamesdbooth1

KEYSTONE Law yesterday posted a 35 per cent increase in revenue in its first full-year results since it became the third English law firm to float in November 2017.

The firm beat market expectations with revenue of £42.7m and adjusted profit before tax of £5.1m.

Keystone, which launched in 2002, operates a platform model, recruiting lawyers with their own books of business while the firm provides an overarching brand and centralised functions such as IT and finance.

Keystone said principal lawyers

2.17%

at 31 January 2019 stood at 277, up 33 on a year previously.

Total fee earners grew to 321, up from 55 in January 2018.

Chief executive James Knight said "being on the public markets has served us extremely well... We were motivated in the first place by being an ambitious organisation and a desire to use public company status to interface and engage with a more sophisticated client base – although it's quite anecdotal – it has been fairly effective."

Keystone has been followed onto

the stock exchange by law firms Rosenblatt, Knights and DWF.

Knight said the further law firm floats had "helped generate a great deal of interest in the concept of the law firm IPO. It has helped in the commercial world

More law firms are choosing to float

and the legal profession have woken up to this."

Russ Mould, investment director at AJ Bell, said Keystone "is cutting a swathe through the legal industry".

Shares fell 2.17 per cent to 496p.



SSE to axe 444 jobs in its retail sector covering smart meters

ALEX DANIEL

@alexmdaniel

ENERGY giant SSE has confirmed it will cut 444 jobs for people working in its retail sector, including those who fit smart meters to homes in the UK.

SSE yesterday blamed the cuts on "competition increasing, the introduction of the energy price cap and higher operating costs".

Tony Keeling, chief operating officer at its energy services division, said: "To run a sustainable business, we need to become more efficient and ensure we have the right number of

employees in the right locations to best serve our customers."

Unite, Britain's largest trade union, said the cuts were due to a "lack of take-up by consumers of smart meters which could assist in reducing energy emissions".

Unite national officer for energy and utilities Peter McIntosh said: "Today's announcement by SSE Retail is disappointing, but not unexpected."

"Demand for smart meters to be fitted in households has not reached the levels expected by the company – hence the job losses announced by the SSE retail sector."

Monzo plans to save money for customers on their energy bills

AUGUST GRAHAM

@AugustGraham

MONZO customers will be able to use their apps to get a better deal on electricity and gas bills.

The challenger bank has teamed up with challenger energy suppliers Ovo and Octopus in a bid to lure more customers away from standard tariffs and the Big Six suppliers.

Octopus Energy boss Greg Jackson said: "We love working with innovators in other sectors to bring fair pricing to customers who've been ripped off for too long. Banking and energy have both failed to deliver value and service."

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Travis Perkins up as improvements to service pay off

ALEX DANIEL

@alexmdaniel

HOME improvement giant Travis Perkins' shares rose yesterday after it reported 5.4 per cent total first quarter sales growth.

The FTSE 250 firm, which also owns Wickes and Toolstation, said the rise reflected a more "customer focused" approach after setting out a plan in December to provide better service for trade customers and simplify the business. Shares rose 3.4 per cent yesterday.

Despite the growth, the firm could not upgrade its sales forecasts for 2019 given the "uncertain market conditions".

Travis Perkins said its like-for-like sales in the first quarter were up 10.6 per cent

year-on-year in its core merchants division. Last month, the firm announced that boss John Carter would step down in August to be succeeded by Nick Roberts, the current chief of engineering firm Atkins.



Wetherspoons shares fall as sales growth slows and debt increases

JOE CURTIS

@joe_r_curtis

WETHERSPOONS insisted it is on track to hit full-year targets yesterday despite net debt creeping up and sales growth slowing.

The pub chain revealed that like-for-like sales have risen 7.6 per cent for the three months to the end of April, slower than the previous period's 9.6 per cent rate.

The update followed its half-year results in March, in which profit slumped nearly 20 per cent.

Chair Tim Martin said: "We continue to anticipate a trading outcome for this financial year in line with our previous expectations."

Wetherspoons revealed it had

spent £71m on buying pub freeholds where it was previously a tenant and opening three new pubs. It has plans to open two more this year, after closing seven in the last three months.

Net debt rose three per cent to £746m, up from £724m at the end of its half-year, which the firm only expects to trim by £6m come the end of its financial year.

John Moore, senior investment manager at Brewin Dolphin, said: "There is some good sales progress in here against a tough economic backdrop; but, in the company's previous statement, there was a significant drop in profitability, as investment in price and a wider offering was prioritised."

"While these sales go some way towards validating that decision, it remains to be seen if this will translate into comparable growth," he said.

Shares fell 4.4 per cent yesterday.



Direct Line hit by competition in car insurance

AUGUST GRAHAM

@AugustGraham

SHARES fell at Direct Line yesterday as the insurer faced lower gross written premiums in the first quarter of the year.

The measure dropped 2.1 per cent to £753.9m, driven by a 4.2 per cent contraction in its motor insurance unit to £386.9m.

"The motor market remained highly competitive, with market

premiums failing to keep pace with claims inflation," said chief financial officer and chief executive designate Penny James.

"Our response, as usual, was to focus on achieving our target loss ratios and continuing to improve pricing effectiveness."

Shares closed down 1.7 per cent yesterday to 312p, as the company said it was still on track to meet its combined operating ratio target in the range of

between 93 and 95 per cent, normalised for weather, for the full financial year.

"Insurance is an industry where scale matters and Direct Line remains the largest motor and home insurer in the UK," said Shore Capital analyst Paul De'Ath. "The business is focused on the core market and has advantages over its peers through its network of repair centres and comprehensive offer."



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

Tuesday 14th May

6.30pm - 8pm

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CITYA.M.

THE ROYAL EXCHANGE

Transport for London Public Notice

ROAD TRAFFIC REGULATION ACT 1984

THE A501 AND A5201 GLA ROADS (OLD STREET, CITY ROAD, LONDON BOROUGH OF ISLINGTON AND CITY OF LONDON) (TEMPORARY PROHIBITION OF TRAFFIC AND 20 MPH SPEED LIMIT) ORDER 2019

- Transport for London in consultation with the London Boroughs of Islington and Hackney and City of London hereby gives notice that it intends to make the above named Traffic Order under section 14(1) of the Road Traffic Regulation Act 1984 for the purpose specified in paragraph 2. The effect of the Order is summarised in paragraph 3.
- The purpose of the Order is to allow gyratory switchover works to take place on Old Street Roundabout.
- The effect of the Order will be to prohibit any vehicle from:
 - Proceeding in a northerly direction on A501 Moorgate/ Finsbury Pavement/ Finsbury Square/ City Road between its junctions with London Wall and Featherstone Street, local access will be maintained;
 - Entering, exiting or proceeding on City Road between its junctions with Featherstone Street and Old Street;
 - Proceeding in an easterly direction on A5201 Old Street between its junctions with Goswell Road and Mallow Street, local access will be maintained.
 - Entering, exiting or proceeding on Old Street between its junctions with Mallow Street and City Road;
 - Exceeding a speed limit of 20 MPH on Old Street Roundabout for its entirety.
- The Order will also:
 - close the south-eastern footway of City Road/Old Street Roundabout and Old Street between the junction of Leonard Street and the extended western building line of Nos. 250 to 254 Old Street;
 - allow two way operation on Old Street Roundabout.
- The Order will be effective between 9:30 PM on 24th May 2019 and 8:00 AM on 26th August 2019, every Friday at 9:30 PM until Monday at 8:00 AM or until the works has been completed. The prohibitions will apply only during such times and to such extent as shall from time to time be indicated by traffic signs.
- The prohibitions will not apply in respect of:
 - any vehicle being used for the purposes of those works or for fire brigade, ambulance or police purposes;
 - anything done with the permission or at the direction of a police constable in uniform or a person authorised by Transport for London;
- At such times as the prohibitions are in force an alternative route will be indicated by traffic signs. For eastbound closure of Old Street to Moorgate via Goswell Road, Aldersgate Street, Rotunda and London Wall or reverse to normal route of travel. For closure of City Road between Old Street Roundabout and Featherstone Street via Old Street eastbound, Great Eastern Street, Holywell Lane, Shoreditch High Street, Norton Folgate, Bishopsgate, Wormwood Street and London Wall to normal route of travel, or via London Wall, Wormwood Street, Bishopsgate, Norton Folgate, Shoreditch High Street, Great Eastern Street and Old Street to normal route of travel; For closure of Old Street between Old Street Roundabout and Mallow Street via City Road northbound, Wakley Street and Goswell Road to normal route of travel, or via Goswell Road, Hall Street and City Road to normal route of travel.

Dated this 9th day of May 2019

Lucy Ryan
Performance and Planning Manager - Central
Transport for London
Palestra, 197 Blackfriars Road, London, SE1 8NJ

MAYOR OF LONDON

Transport for London



Siemens delivers industrial profit above predictions

ALEX DANIEL

@alexmdaniel

SIEMENS posted better-than-expected adjusted profit for the second quarter yesterday, after unveiling its plan to separate and spin off its ailing power and gas business.

The firm, which makes everything from trains to industrial turbines, said its industrial profit rose seven per cent to €2.4bn (£2.1bn) in the three months ending 31 March, beating analyst estimates of €2.2bn.

Revenue rose four per cent to €20.9bn, while orders rose six per cent to €23.6bn. The company confirmed its forecast for the 2019 financial year, saying it expected a profit margin of between 11 and 12 per cent for its industrials business.

Shares rose almost five per cent yesterday on the news.

"We delivered on our promises again this quarter, and even exceeded expectations in many areas," said chief executive Joe Kaeser.

"Now we enter into a new era to become an even stronger and more focused Siemens."

The results followed an announcement to spin off its gas and power arm, which has weighed on the engineering company's performance as the rising

4.57%

importance of renewable power hit demand for its gas turbines.

Siemens is abandoning the business, where revenue and profit have collapsed, amid falling demand and fierce competition from rivals such as Mitsubishi Heavy Industries and General Electric.

In the first quarter the division fell four per cent, though operating profit recovered due to a strong contribution from its services wing.

Siemens will instead turn its attention to developing its digital industries business, which focuses on automation in factories via drives and software.

Siemens' digital factory unit – half of its new digital industries focus – struggled in the quarter, as demand for automation products stagnated and investment sentiment in the key Chinese market weakened.

Revenue rose four per cent but operating profit fell. Building technologies – the other half – saw orders and revenue rise during the quarter.

Last month, Siemens was among the winners as Network Rail awarded contracts collectively worth £750m to companies to deliver signalling and telecoms across the UK.

The contracts are for projects such as stand-alone level crossings and stand-alone major telecoms.

SAVINGS DRIVE Toyota to fight US and China headwinds with cost-cutting plan

TOYOTA yesterday forecast its operating profit would rise 3.3 per cent to 2.55 trillion yen (£17.8bn) for the year ending March 2020 as a result of a savings plan. It said the drive was part of a bid to beat disappointing sales in the US and Chinese markets in recent years.



Co-founder spats spark splits

JESS CLARK

@jclarkjourn

ALMOST half of company co-founders have been forced to buy their business partner out, with most leaders citing disagreements and power struggles as the reason for the split.

New research by Fuel Ventures

showed that 43 per cent of business owners were required to buy their co-founder's share, with a "difference in opinions for the company's direction" the most common driving factor.

Founder breakups were usually sparked by a "single specific disagreement" after a period of unrest or disputes.

Daimler chief's bleak warning for successor

EDWARD TAYLOR

DAIMLER's next chief executive will have a tough job to restore margins at Mercedes-Benz, current boss Dieter Zetsche told Reuters yesterday, as Mercedes-Benz launched a new luxury electric car to rival Tesla.

Zetsche, who bows out as chief on 22 May, said the German luxury car maker needed to find a way to rebuild margins after research and development (R&D) costs at Mercedes-Benz ballooned.

"There are many challenges ahead. We are in a situation of an economic slowdown. It is not going to be easier going forward," he said.

Pressure to develop electric and autonomous cars has led R&D costs at Mercedes-Benz passenger cars to rise to €14bn (£12bn) from around €8bn four years ago, Zetsche said.

At the same time, China has seen sales momentum slowing for nine months in a row.

Reuters



TECH

The new P30 Pro has the most advanced camera found on any phone

HUAWEI'S LATEST SMARTPHONE REVIEWED PAGE 19



CITYAM.

City of London update



New location selected for wholesale markets

BARKING Reach has been agreed as the preferred site to consolidate and relocate the City of London Corporation's three historic wholesale food markets, subject to public consultation.

A number of proposals relating to the future of Smithfield Market, Billingsgate Market and New Spitalfields Market – all of which are owned and managed by the City Corporation – were examined.

But it was felt that the Barking Reach site offered good potential to support the wider vision for the markets in a location broadly acceptable to traders.



Later this summer, the City Corporation will launch a public consultation on the consolidation of the markets and preferred Barking Reach site, with the aim of understanding the views of a broader group of stakeholders.

Supporting a change of culture

THE City Corporation is to support London's businesses with a project to help create corporate cultures that discourage drug use within their firms.

A specialist consultant will review national and international models, studying the most successful and sustainable approaches to dealing with corporate substance misuse.

The consultant will also look at the most effective ways of supporting the capital's young employees and educating drug users on their personal



and social responsibilities. The programme will then be developed, aiming to identify some of the reasons behind Class A drug usage and consider what behaviour changes might be employed to reverse this.

LORD MAYOR'S CITY GIVING DAY 24 SEPT 2019

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Supporting City Giving Day



Why are you supporting CGD?

We are long-time supporters of City Giving Day and this year, as usual, we'll be celebrating across all our main locations around the world. We like to use the occasion of City Giving Day to recognise all our volunteers and fundraisers and to welcome our charity partners.

Which charities do you support?

We support many charities across all our locations. Last year, on the occasion of our 50th anniversary, we selected 20 new projects

to support and invited our partners to our celebration event in Brussels. As part of our 50th anniversary donations, we are supporting St Mungo's Recovery college in London and a Barnardo's youth centre in Scotland.

How will you celebrate CGD?

Every year, we try to do something different. As well as the usual fundraising challenges, we like to take this opportunity to make a special announcement related to our CSR programme. Last year, we announced that we were donating a large sum of money to various community projects to celebrate our 50th anniversary. This year, we will focus on volunteering.

CHARITY IN ACTION

In London, we are supporting St Mungo's and specifically their Recovery College, a pioneering learning programme which helps people rebuild their lives after experiencing homelessness by gaining new skills and qualifications. The Recovery College provides a supportive environment where people can spend time in a meaningful way, improve their confidence and build new relationships.



Thanks to Euroclear's support, the Recovery College has had great success running courses specifically tailored to finding work, as well as signposting to work related services including St Mungo's employment team.

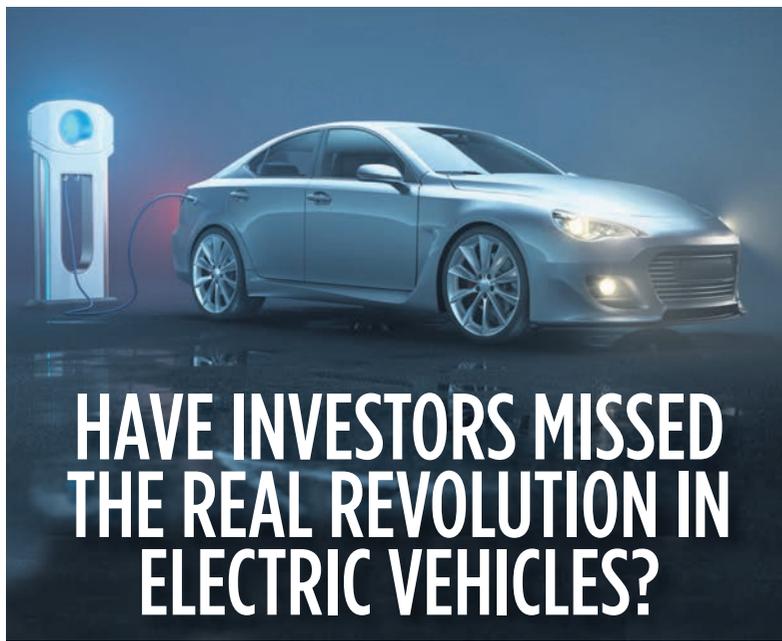
Jay Hunt, Head of Partnerships, St Mungo's

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PARTNER CONTENT



HAVE INVESTORS MISSED THE REAL REVOLUTION IN ELECTRIC VEHICLES?

SCHRODERS TALK



Simon Webber reveals the trend investors should consider when investing in the electric vehicle revolution

Schroders

Electric vehicles (EVs) have reached a clear inflection point. Product quality has improved, consumer availability is expanding and cost of ownership is approaching parity with traditional combustion engine cars.

However, shifting to a fully EV future will require more time and investment than most investors expect.

While the market remains focused on the use of electric cars, it is electric van and lorry use that is accelerating ahead of the curve.

THE HEADWINDS FOR ELECTRIC VEHICLES

Even if we take very aggressive forecasts for the transition of new car sales to EVs, the overall composition of the car fleet will take many decades - arguably too long - to shift. There are two key reasons for this.

The first is that not even a fraction of the battery factories required to power all of the world's automobiles exist. Very large new markets will be created and destroyed in the transition. Investors may want to take note of the major markets that are developing in battery components such as electrodes, power electronics, and electric motors.

The second factor slowing electric car uptake is replacement speed: the average life of a car is over 15 years. It is even longer in emerging economies. Data suggests that most consumer car journeys would still be generating substantial greenhouse gas (GHG) emissions in 2040, and the only way to overcome that would be a forced early retirement of combustion engine vehicles.

COMMERCIAL DELIVERY VEHICLES WILL ELECTRIFY MUCH FASTER

Commercial delivery and logistics vehicles, on the other hand, generally have a shorter life as they work much harder than consumer vehicles.

Electric vehicles are also ideally suited to commercial use on short-haul delivery networks, as the vehicles return to the local depot once a day to be recharged.

The logistics industry is rapidly catching

on to this. Companies that rely on large delivery fleets are aggressively converting their vans and trucks to electric. This is partly a result of city authorities rapidly tightening emission regulations.

But it's also simply because electric is cheaper. Deutsche Post DHL have gone as far as committing to operating 70% of their own "first and last mile" services with clean delivery solutions by 2025.

Delivery firms are under pressure from their clients. For example, Amazon has recently announced plans to make 50% of all shipments carbon neutral by 2030 (when only around 10% of the existing consumer car fleet will have shifted to electric).

It is clear that this pace of conversion away from combustion engine vehicles can and will happen fastest in the professional delivery and ecommerce industry.

Investors should also consider the wider backdrop - companies that adapt to global challenges such as climate change, put themselves on a far better footing. Amazon is just one potential example.

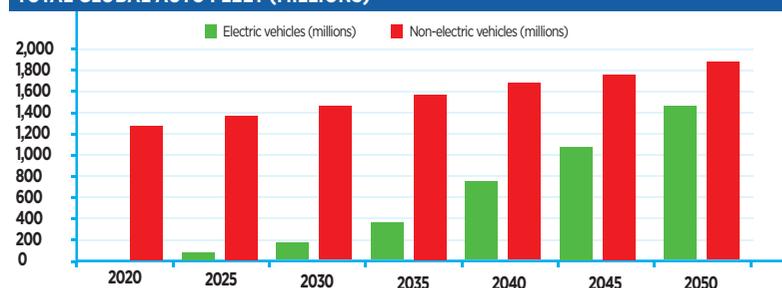
Consumers and regulators may wake up to the significant contribution to greenhouse gas emissions made by consumer car journeys to and from their favourite shops. Perhaps then, traditional retailers and out-of-town shopping malls will face further regulatory costs and headwinds as they are asked to incorporate the true cost of their associated emissions against a cleaner, online, alternative. As climate change investors, we intend to remain one-step ahead.

The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. This information is not an recommendation to buy or sell any security or to adopt any investment strategy.

READ MORE ONLINE

Read more at:
cityam.com/schroders

TOTAL GLOBAL AUTO FLEET (MILLIONS)



Source: Schroders Forecast, April 2019

Bosses now top target of corporate cyber attacks

JAMES WARRINGTON

@j_a_warrington

SENIOR executives with access to the most sensitive corporate information are now the biggest targets of corporate cyber crime, a new report has revealed.

Research by telecoms giant Verizon showed top bosses are 12 times more likely to be targeted by so-called social engineering attacks, which trick users into giving away data or access to a hacker, than in previous years.

C-level executives are also nine times more likely to fall victim to cyber breaches, with financial gain still the key motivation behind attacks.

The research showed time-starved bosses often rapidly review and click on emails, meaning suspicious messages and phishing attacks are more likely to get through.

Successful scammers are then able

to gain approval authority and privileged access to the company's critical systems.

In addition, the report warned the increased use of cost-effective cloud-based storage is exposing firms to additional security risks.

"Enterprises are increasingly using edge-based applications to deliver credible insights and experience," said George Fischer, president of Verizon Global Enterprise.

"Supply chain data, video, and other critical - often personal - data will be assembled and analysed at eye-blink speed, changing how applications utilise secure network capabilities."

The report warned businesses should reassess who might be behind the cyber attacks amid a rise in nation state spying.

Espionage was the key motivation behind a quarter of all breaches, according to the report, while a fifth of

these attacks could be traced back to individual states or state-sponsored actors.

"Although the click rates for phishing attempts has reduced, the rise of social engineering and cyber-espionage continue to be extremely lucrative for the adversary," said Corin Imai, senior security advisor at cyber-security firm Domaintools.

"The report is a great reminder of where organisations should focus their preventative efforts."

"Cyber criminals are using and inventing every possible technique to make a grab for personal information," said Ryan Wilk, vice president at Nudata Security.

"Unfortunately, from the moment a breach occurs until it is discovered - sometimes up to months, cyber criminals have ample time to broker the stolen data, leaving customers open to the impacts of identity theft."

THE RED CARD Watchdog bans Tottenham Twitter promotion and Paddy Power 'anti-loyalty' ad starring Ryan Giggs' brother



THE ADVERTISING watchdog has banned a Paddy Power advert starring the brother of former Manchester United footballer Ryan Giggs over complaints it glamoured gambling. The TV campaign, which promoted the betting firm's rewards scheme, featured Rhodri Giggs in a pub and later driving a sports car. Separately, the regulator issued a ban on an advert posted to Tottenham Hotspur's Twitter page as it featured two people under the age of 25, Harry Winks and Davinson Sanchez, in breach of new rules.

Social media firms to be judged on safety levels ahead of new laws in fight against online harms

JAMES WARRINGTON

@j_a_warrington

SOCIAL media firms will be judged on their ability to protect their users before tough new legislation is introduced, the culture secretary warned yesterday.

Jeremy Wright told MPs firms need to take greater action to crack down on harmful material posted to their platforms now or risk a clampdown from a future regulator.

"I think it would be reasonable for the regulator to assess the performance of a social media companies not just on the day that

they start work, but looking at performance over time," he told a meeting of the Digital, Culture, Media and Sport Select Committee.

Wright said the government will roll out new legislation, enforced by a new online regulator, during the next parliamentary session.

It is not yet clear whether media regulator Ofcom will take on the new responsibilities, or whether a new watchdog will be set up.

The culture secretary said the body will have the power to hand down fines of up to four per cent of a firm's revenue, as well as the ability to block websites if they do not conform.

Last month, the government published a white paper into online harms, which set out a code of conduct for social media firms and established a duty of care over their users.

While the government does not yet have the power to enforce the new rules, Wright said firms will be judged on their actions from now, not just from when the laws come into force.

"A sensible online company will make provision for the way they can see the wind is blowing and start to prepare for the advent of the regulator before it actually arrives," he said.

CITY DASHBOARD

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LONDON REPORT

Hopes of trade spat resolution underpins FTSE

THE FTSE 100 ended higher yesterday as investors welcomed indications from Washington that it and Beijing could be closer to a trade deal, though the mood remained wary and dull earnings updates kept a lid on gains.

The main index inched 0.2 per cent higher, also boosted by oil stocks after data showed a surprise draw in US crude inventories.

The FTSE 250 was up 0.3 per cent, helped by gains in industrial and oil stocks.

World markets saw an uptick after the US said it had received an indication that Beijing wanted to make a trade deal. The White House had earlier announced it would raise tariffs on \$200bn (£153.8bn) worth of Chinese imports. Investors had remained wary all session as trade concerns dominated.

China's commerce ministry said late yesterday it would retaliate if the tariff hikes went ahead.

The day's earnings updates kept any optimism in check.

Imperial Brands affirmed its full-year forecast but the tobacco company's shares fell 6.3 per cent to a more than

five-year low on weaker-than-expected sales of e-cigarettes. "Imperial's valuation is one that continues to reflect little market conviction in hitting its target," Jefferies analysts said.

Broadcaster **ITV** fell 6.1 per cent to its worst day in more than a year as it said the late timing of Easter and political and economic uncertainty led to weaker advertising demand in the first quarter.

Easyjet gave up three per cent while mid-cap peer **Wizz Air** fell 2.6 per cent after Davy Research said

Wetherspoons had its worst day in six months after a trading update

low-cost carriers would be cautious on their second-half outlooks due to uncertainty over Brexit, higher fuel prices and Max issues for those using **Boeing's** fleet.

Travis Perkins, Britain's largest distributor of building materials, gained 3.3 per cent on the mid-cap index on higher quarterly underlying sales.

Pub group **Wetherspoon** tumbled 4.4 per cent on its worst day in six months after its trading update triggered concerns over mounting costs and margin pressure.

TOP RISERS

1. **Micro Focus** Up 3.86 per cent
2. **Informa** Up 3.42 per cent
3. **Hargreaves Lansdown** Up 2.16 per cent

TOP FALLERS

1. **Imperial Brands** Down 6.32 per cent
2. **ITV** Down 6.08 per cent
3. **TUI** Down 3.80 per cent



BEST OF THE BROKERS

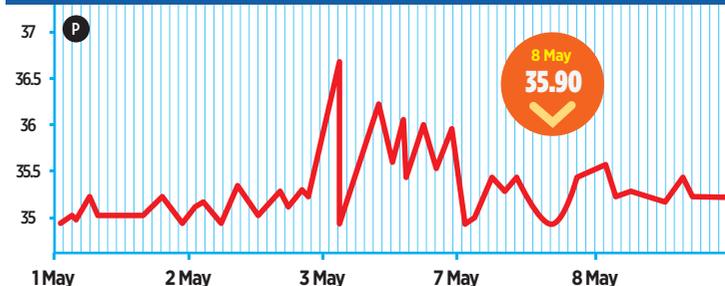
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MORGAN SINDALL



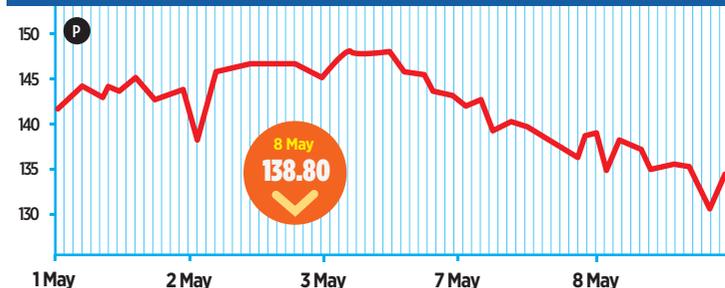
Construction group Morgan Sindall built on a strong 2018 with an eight per cent hike in its order book in the first quarter of 2019, making it a "key pick" according to analysts at Peel Hunt. They say the firm has continued with its positive momentum as its construction and infrastructure business looks set to improve on its two per cent margin in 2018. Its transformation plan "remains well positioned in tightening markets, but we would highlight the favourable mix shift and progress elsewhere. Analysts retain their "buy" rating on the firm and upped its target price to 1,600p.

PREMIER FOODS



Investors in Premier Foods will be hungry for some good news ahead of the manufacturer's full-year results due on 14 May, after a year in which activist investors ousted its former chief executive, forcing its finance head into the role. "We are looking for £126m of trading profit & £492m of net debt," analysts at Jefferies say, adding they expect "a soft finish to the year on the top line." "However we expect PFD's ongoing strategic review, not trading, to dominate the conversation," they add. Analysts give Premier Foods a "buy" rating and a 41p target price.

RESTAURANT GROUP



The Restaurant Group's directors will be hoping the wheels don't fall off Wagamama, the firm's recent acquisition. The Asian dining chain's inclusion in TRG's last results in March drove like-for-like sales up 2.8 per cent for the period, but doubts remain as to how long Wagamama will flatter its parent company. Peel Hunt analysts say sales should rise by 2.5 per cent this year, but this leaves "no room for Wagamama to slow". A recent rights issue should also "enable earnings to start growing," they add. Analysts give it a "hold" rating and a 135p target price.

NEW YORK REPORT

Wary investors cause Wall St to fall on China

THE BENCHMARK S&P 500 fell yesterday for the third day in a row as investors remained cautious about the latest developments on US-China trade talks even after hopeful comments from the White House regarding an eventual agreement.

A late slide in shares of **Intel** contributed to losses in the last half-hour of trading. Shares of the chip maker fell 2.5 per cent after the company's outlook during its investor day presentation disappointed.

Wall Street had edged higher for much of the session after White House spokeswoman Sarah Sanders said that the United States had received an indication from Beijing that China wants to make a trade deal. China's lead negotiator, vice premier Liu He, is due to visit Washington today and tomorrow.

The mixed tone of trade developments made it difficult for US stocks to sustain their rally, investors said.

Even as the S&P 500 rose in the afternoon, defensive sectors such as real estate and healthcare were among the index's top gainers. The trade-sensitive industrial sector ended little changed, while Intel's decline dragged down technology shares.

The Dow Jones Industrial Average rose 2.24 points, or 0.01 per cent, to 25,967.33, the S&P 500 lost 4.63 points, or 0.16 per cent, to 2,879.42 and the Nasdaq Composite dropped 20.44 points, or 0.26 per cent, to 7,943.32.

Shares of **Walt Disney** rose 1.2 per cent ahead of its quarterly results. Disney was the top boost to the S&P 500. Disney shares were last up 0.8 per cent in aftermarket trading.

McKesson shares climbed 4.8 per cent after the drug distributor's quarterly results eased concerns about pricing pressures and costs related to opioid-related litigation.

Conversely, **TripAdvisor** shares tumbled 11.4 per cent, the most among S&P 500 companies, after the online travel company's quarterly revenue missed analysts' estimates.

CITY MOVES WHO'S SWITCHING JOBS

HYPEROPTIC

Hyperoptic, the UK's largest gigabit broadband provider, has appointed two new members to its executive team as it embarks on its ambitious growth plan. Peter White has been appointed as chief financial officer (CFO) and Naleena Gururani (pictured) has been recruited into the role of chief people officer.

Both report to Dana Tobak, Hyperoptic's co-founder and chief executive. Peter joins Hyperoptic from Workshare, where he was also CFO. Earlier in his career



Peter was corporate finance director at mobile network operator Three, having joined when it was a startup. Naleena joins Hyperoptic from telecoms provider Lebara where she worked for ten years in a range of senior HR roles, most recently as global HR director. Prior to that she was head of international recruitment at Infosys. At Hyperoptic, Naleena will lead a 30+ HR team across Hyperoptic's UK and Belgrade offices. She will be taking a strategic lead in developing and implementing transformational programmes to build a strong culture, centred around a people-focused operating model and positive experience.

CLEAR CHANNEL

Outdoor advertising company Clear Channel

International (CCI) has announced a series of restructures to the business, including the creation of a new Europe chief executive, Justin Cochrane, to take the business forward across the region and build on the company's strong growth in 2018. Previously chief of the UK and Ireland business, Justin brings with him almost 20 years' experience working at Clear Channel, as well as insight as the chairman of outdoor advertising trade association Outsmart. Justin will have overall responsibility for Europe's overarching vision, mission and strategy, and will continue to directly oversee the UK & Ireland businesses.

CUDONI

Premium fashion resale service Cudoni has appointed

Matt Cooper as chairman of the board. The former principal managing director of Capital One bank formally joins the team to support brand growth at a time when the secondary fashion market is booming fuelled by consumer concerns for sustainability. Matt first became involved with Cudoni in line with his initial five-figure investment made following the business' relaunch in May 2017. The new formalised partnership has since seen a total six-figure investment and will involve Matt working closely alongside Cudoni chief executive and founder James Harford-Tyrer offering guidance and expertise to steer the business into the next phase. Matt's other roles involve work as a non-executive chairman and director for Octopus Investments, IGF Group and Tandem Bank.

Market summary table with columns for FTSE 100, FTSE 250, FTSE ALL SHARE, DOW JONES, NASDAQ, S&P 500, and currency exchange rates for GBP, EUR, and USD.

FTSE 100 and FTSE 250 stock lists with columns for Price, Chg, High, and Low. Includes sub-sections for GILTS, ELECTRICITY, and ELECTRONIC & ELECTRICAL EQ.

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EU SHARES table listing various European stocks with columns for Price, Chg, High, and Low.

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US SHARES table listing various US stocks with columns for Price, Chg, High, and Low.

COMMODITIES table listing various commodities like Gold, Silver, and Brent Crude with columns for Price, Chg, and %chg.

CREDIT & RATES table listing various interest rates and bond yields with columns for Price, Chg, and %chg.

WORLD INDICES table listing various global stock indices like FTSE 100, S&P 500, and Dow Jones with columns for Price, Chg, and %chg.

FORUM

EDITED BY RACHEL CUNLIFFE



We must not attempt to bring the failed Iran Deal back to life

THE JOINT Comprehensive Plan of Action (JCPOA), signed in a fanfare of publicity in 2015 between Iran and six countries, was hailed at the time as the way to curtail Iran's nuclear ambitions.

In exchange for suspending its nuclear programme, Iran would secure massive sanctions relief.

The world would be free from the menace of a nuclear Iran, while the country's economy – brought to its knees by a highly effective US-led sanctions programme that was slowly choking the Iranian regime's economic arteries on account of its illicit development of nuclear capacity – would have breathing space to recover.

Barack Obama would win plaudits as the US President who had brought Iran back in from the cold, and with domestic pressure from economic protesters defused, the regime would live to see another day. It was supposedly the ultimate win-win situation.

What could possibly go wrong?

Four short years later, the JCPOA lies in tatters. A different US President, Donald Trump, withdrew the US from its stipulations last year, having claimed that it was "the worst deal in history". US sanctions have been reimposed, together with the threat of secondary sanctions on any non-US company trying to flout the American provisions.

Iran and the other five signatories – including our own government – tried to keep the deal alive. But all to no avail.

For yesterday, Iran announced that it would be "suspending" parts

of the JCPOA, keeping the enriched uranium stocks it was allowed to produce under the deal in the country, rather than selling them abroad as required under its terms.

Threats followed about the resumption of production of uranium enriched to a higher level than allowed by the deal, and the development of Iran's Arak heavy water reactor.

Despite Iran claiming that it has not abandoned the JCPOA, it very much has: these developments are essential to the functioning of a nuclear weapons programme.

The only remaining question is whether the Europeans accept this, and react accordingly with sanctions of their own, or pretend that there is a way to somehow stick the JCPOA back together.

If it is to be the latter, they will not succeed. The JCPOA was doomed from the beginning owing to Obama's hubris. He had determined that his historic role was to be to extend the hand of friendship to a theocratic Iranian regime that abused human rights at home and sponsored terrorism abroad.

US and international pressure had brought Iran's economy to a point in 2015 where the regime was looking at economic collapse if sanctions continued.

Iran's clerics were likely to sign up to any deal offered in order to avoid being toppled through economic unrest. Yet rather than press home the advantage, Obama decided that making a bad deal with Iran was better than running the risk of walking away with no deal, which the Iranians had successfully per-

suaded him might happen.

Alan Mendoza



It is not often that Trump is lauded for his accuracy, but he was not wrong about the JCPOA

“

sueded him might happen.

The JCPOA that emerged was not a cure to the Iranian nuclear programme, but merely a sticking plaster over it. Iran's uranium enrichment process had been controlled, but its capabilities to perform enrichment not removed.

The JCPOA frontloaded the release of Iranian funds impounded over sanctions, with no staggered release over time to ensure ongoing compliance. It included a sunset clause on the deal, meaning that Iran would be free to resume its nuclear programme at its conclusion, thereby kicking the can down the road.

And it did not include restrictions on the delivery system for nuclear weapons – ballistic missiles – meaning that Iran could continue with a separate programme unhindered.

The Obama administration staked its reputation on the belief that

keeping the deal focused on narrow nuclear issues would yield a halo effect on Iran's overseas behaviour and towards its own population.

But rather than becoming a responsible member of the international community and directing the sanctions bounty it received to improving the economic lot of its people, Iran has spent the past years supporting Bashar al-Assad's vicious forces in Syria and funnelling arms and money to terrorist groups like Hezbollah and Hamas.

It is not often that President Trump is lauded for his accuracy, but he was not wrong about the JCPOA. The British government knows only too well the flaws in the deal, but has thus far chosen to spurn the transatlantic alliance in order to preserve the fiction spun by our Franco-German partners that this is somehow the only way to prevent a nuclear Iran.

It isn't. Only a comprehensive dismantling of Iran's nuclear facilities and a commitment by the regime to abandon ancillary activities like missile development can give us the safeguards that we require.

Through its repudiation of the JCPOA, Iran has finally forced us to choose between supporting a doomed deal that cannot deliver, or siding with our US ally in replacing it with something better that can.

We should jump at this chance: a better demonstration of the power of British diplomacy and sanctions to make a real difference in the world will prove hard to find.

Alan Mendoza is executive director of the Henry Jackson Society.

Time for South Africa to heed Mandela's call and finally embrace the free market

WHEN Nelson Mandela was released from prison in 1990, the then President of South Africa, F. W. De Klerk, estimated that at least half of the upper echelons of the African National Congress party were either Communist or Soviet-bloc trained.

Consequently, when Apartheid was ended, economic expectations for the country were poor. Just as the world was abandoning socialism, it seemed to onlookers that South Africa was about to embrace it, to the detriment of its economy.

Fast-forward three decades, and the impact of that political starting point is evident. While South Africa did not fully adopt a socialist system, its past leaders' aversion to free markets has held back the economy, with devastating results.

To take just one metric as a snapshot, look at the unemployment rate, which the latest figures put at a dizzying 27 per cent. If you include people who are able to work

but not looking for a job because they have left the labour market, it increases to 37 per cent. The unemployment rate is the highest in the world outside Venezuela.

There are a number of complex reasons for such stratospheric unemployment. South Africa's economy is failing some very basic tests.

First, there are concerns over property rights, with corruption and "state capture" rife at every level of government, exacerbated by excessive bureaucracy and a subsequent loss of public trust.

Growth in the regulatory state has also undermined competitiveness, and seen South Africa slide down the rankings of global indices of economic freedom. Red tape and corruption make private sector employers more risk-averse, reducing both investment and employment.

Even within the private sector there is insufficient competition, with high market concentration reducing innovation, thanks in part to the historic cosy relationship be-

Graeme Leach



tween the big players and government officials.

Finally, there is a huge mismatch between the skills distribution of the society and the skills needs of the economy. Bluntly, there is just way too much unskilled labour in the market, which presents a massive challenge to the education system.

This is not something that can be fixed quickly or easily, but it's crucial for South Africa's long-term success.

Getting out of this hole means restructuring state enterprises, lowering taxes, and opening up markets to create more economic freedom, while fundamentally reforming the education system.

That's a daunting political task in a country where inequality is so wide and it is estimated that half the population lives in poverty – but it has to happen.

Nelson Mandela himself recognised that.

Back in 2003, he said: "It is not a question any longer about whether the world embraces a free market economy. The globalised world in which we live has made it imperative that we open our markets both internally and to the outside world."

"The free market is not merely an American export; it is the acknowledged route for economies all over the world. Closed markets and command economies are self-evidently inappropriate for our times."

Nearly 30 years since his release from prison, maybe it's time to start listening to him.

Graeme Leach is chief executive and chief economist of Macroeconomics, a macroeconomic, geopolitical and future megatrends research consultancy.

LETTERS

TO THE EDITOR

Peak Keynes

[Re: A new book about austerity has Keynesian economists reeling]

I enjoyed the article by Professor Tim Congdon on government spending, but I felt it was too simplistic. The argument has to be more complicated than whether or not government investment boosts public demand and output. Spending on what? And how much?

When Keynes was writing, the kind of investment he was talking about was basic healthcare, an efficient road network, state support to get you through hard times, education to your mid-teens, and so on.

There logically must come a point where more investment does not translate into more multiples of economic growth. Motorways everywhere? Education until your 30s? A safety net so comfy that people fall asleep in it? A graph could be drawn that would show a flattening curve, I am sure: government spending will have more effect in less advanced economies than in richer, more advanced ones.

That is why our current "austerity" does not reduce demand a great deal: much of what is cut was not achieving a lot in the first place. Indeed, the graphical curve probably turns back down on itself. In other words, it will peak.

Where that peak is and what can be cut that will actually boost output is not easy to answer, however.

Dr M. G. Reed



BEST OF TWITTER

Uber cannot be allowed to get away with huge payouts for their CEOs while refusing to pay drivers a decent wage and respect their rights at work. Stand with these workers on strike today, across the UK and the world, asking you not to use Uber between 7am and 4pm. #UberShutDown @jeremycorbyn

Median Uber driver in London makes approx £11/h after expenses, above current London Living Wage (£10.55/h) and above Labour's pledged National Living Wage (£10/h) @J_Zeher

Here's the "timetable" set out by spokesman today: "She is here to deliver Brexit in phase one and then she will make way for phase two." Translation: May will leave Number 10 at some point between today and the end of time. @PickardJE

Hearing Change UK, Lib Dems and Greens considering all backing the same independent Remain candidate in Peterborough @bbclairak

In 2017 the Lib Dems got 1,597 votes. The Greens didn't even keep their deposit. 60 per cent of Peterborough voted Leave. This conversation is POINTLESS. @lottelydia

NEW: Due to damage to a bridge between Oxford and Banbury, all lines between these stations are blocked. @CrossCountryUK

We can confirm the bride is fine, but the problem with the bridge is ongoing. @CrossCountryUK

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

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The Debenhams administration process has gone horribly wrong

MAGPIES are among the world's cleverest animals. Prone to cunning theft from other nests, they enjoy a surprising degree of protection.

Foiled Debenhams suitor Mike Ashley won't miss the irony that while his Newcastle United Football Club is nicknamed after these swooping robbers, a marauding band of debtholders have led a planned effort to steal the stricken retailer from under his nose, wiping out his near 30 per cent stake and those of other shareholders.

The situation is far from black and white. Controversial Sports Direct owner Ashley might be "Marmite", but the pre-pack administration of Debenhams raises important questions of directors' obligations to shareholders.

No cheers for the non-executive directors here. Former chairman Sir Ian Cheshire was off the board comfortably before the pre-pack, ousted in January's AGM. Debenhams had lost 90 per cent of its market value on his watch over less than three years.

The wisdom (and freedom) of remaining directors in appointing administrators is questionable.

Ashley's long-running battle with Cheshire about underperformance is well-documented. During this period, Sports Direct grew its shareholding to just below the mandatory takeover level. But at some point, the board cemented its determination to keep Ashley's tanks as far from their lawn as possible, whatever the cost.

In December 2018, Sports Direct's offer of a £40m interest-free loan, in return for security over some of Debenhams' assets, was rejected as against the interests of other stakeholders – although the move was seen off by direc-

David Buchler



tors in a manner that suggested they were preserving their own positions, as opposed to those of the company.

In football speak, Ashley said it was like being offered Messi on loan and turning him down.

Two months later, the board agreed a loan of £40m from existing lenders, on stringent terms, notably that any fresh debt would require the lenders' consent. The directors effectively shut Ashley out from that point.

While directors were planning in March to raise £200m from these lenders, Ashley offered £150m interest-free, on the condition that he became chief executive and the new debt plan was dropped. Later in the month, he considered a £61m cash offer for Debenhams' equity – double the market value. Finally, in the 24 hours ahead of the group falling into administration, he offered to underwrite a rescue rights issue for £200m.

The company had effectively been working against a timetable imposed by an Emergency General Meeting process. Debenhams had to respond within 21 days and hold the meeting within a further 28 days, meaning a late-April deadline.

The pre-pack deal agreed by directors immediately sold the shares in the trading entity to a new vehicle controlled by US debt investors.

Offers are now being sought for the operations, but on tough terms that stop a buyer contacting landlords or concessionaires for 18 months – a ridiculous restriction, not least since Debenhams is now in a Company Voluntary Arrangement with creditors to reorganise its debt stack.

Does this restriction apply to the lenders and current owners? No wonder Sports Direct has complained to the FCA that this potential sale is not genuine. The Americans have ridden roughshod over UK insolvency law while regulators sit and watch.

Directors would insist that they have acted in good faith, putting the interests of the company – and therefore its shareholders – first. However, the Companies Act 2006 is clear on fiduciary duties to shareholders as a whole, as well as on exercising powers to reduce the influence of dissenting ones.

Something is up with the Debenhams process, with the scale of possible wrongs ranging from simple lack of judgement by directors, to what Ashley has described as a "long planned theft".

Swooping magpies are a protected species unless they are shown to be a threat to conservation. What Debenhams' directors have conserved is debatable – certainly not Ashley's 29.7 per cent stake, at an estimated loss of £150m, nor the chance, through his rights issue, for other shareholders to participate in a turnaround.

Regulators have a duty to take a much closer look at what appears an appalling use of the pre-pack process.

David Buchler is chairman of restructuring and turnaround advisers Buchler Phillips.

DEBATE

With Uber drivers striking over pay and conditions, is the gig economy bad news for workers?

The gig economy is currently rigged against workers. Platforms like Uber hide behind their status as tech firms, rather than employers, to create a worst-of-both-worlds labour model.

Drivers are considered "self-employed" when being denied basic rights like sick pay and a minimum wage, yet treated like employees when it comes to discipline, dismissal, and bosses setting rates and conditions. Workers can also be "deactivated" (fired) without any due process.

The (mis)classification of workers is central to the digital economy. It saves companies up to 30 per cent by shifting operational costs onto workers, allowing them to treat workers like a disposable resource – relying on their

YES

DALIA GEBRIAL



labour for astronomical growth and profit, while bearing no responsibility for their welfare and stability. This creates a new, intensified form of precarity and unethical work practices.

Digitisation is changing work – we should be harnessing technology to make work fairer, not more exploitative.

Dalia Gebrial is a researcher on the gig economy and workers' rights at the London School of Economics.

This week's strikes show that all is not well in the gig economy. Yet gigging has brought myriad benefits to workers: making it far easier to find jobs, providing flexibility (to students or working mothers, for example), and ironing out rough patches in the traditional labour market, making up for dips in conventional earnings.

A recent Oxford University survey found that most Uber drivers had moved to the platform from a permanent role, attracted by the flexibility it offered. Half increased their earnings in doing so.

In the long-run, employers that underpay or overwork will face retention problems, and will adapt. In fact, Deliveroo and Uber have both

NO

ANNABEL DENHAM



started to offer drivers more benefits, but legal uncertainty surrounding employment status is holding them back from doing more.

Current legislation needs updating, but the government must beware of shoehorning in regulation that risks stifling innovative platforms and the many workers who benefit from them.

Annabel Denham is communications director at The Entrepreneurs Network.

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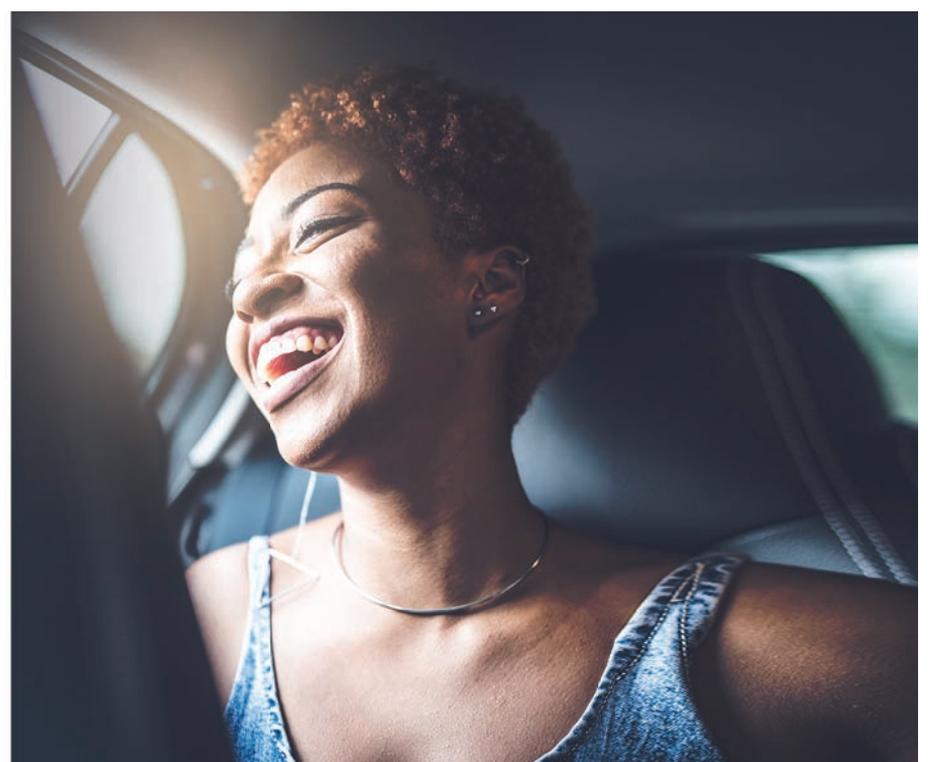
Uber IPO

Is Uber really worth the price tag?

Take a position on 2019's hottest investing event. Investors are waiting for Uber's initial public offering. But you can trade the stock before it lists with our exclusive grey market.

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PERSONAL FINANCE

COUNTING ON YOU

With everyone going potty about the royal baby, **Katherine Denham** finds out how you can prepare for your first child



IT HAS arrived. And I'm not just talking about the royal baby, but the mania – the 23-page newspaper spreads, the bets on baby names (Archie was definitely not the bookies' favourite), the frenzy over the first glimpse of the little sprog.

I don't want to put a downer on all the celebrations, but babies aren't cheap. According to the Child Poverty Action Group, the average cost of your first child is a tantrum-inducing £8,418 per year. Over the course of 18 years, costs amount to £151,529.

Most of us don't have the kind of gold-plated, diamond-encrusted finances that come with being seventh in line to the throne.

"Planning for a new baby is wonderful and exciting, but the hard truth is having babies costs money," says Becky O'Connor, personal finance specialist for Royal London.

"The financial strain for many couples who start a family comes from the 'concertina effect' of a rise in outgoings, as well as a drop in income, as one or both partners takes leave on reduced pay, and then – as is often the case – chooses to go part-time."

So if you're about to have your first baby, how should you prepare your finances?

PREGNANT PAUSE

Assuming that you've already told your employer that you're expecting, find out what support and benefits your company offers new parents.

Jeanette Makings, head of financial education at Close Brothers, says you should speak to your HR team to understand your employer's maternity and paternity policies – this is a good

starting point to gauge how you will be affected financially once your baby is born.

Makings suggests that you find out whether you can share some of your leave with your partner, and if there would be any circumstances in which you would need to repay any of your parental rewards (such as if you decide not to return to work).

Another question worth raising is what happens to your pension during parental leave. Some employers will continue to contribute into your workplace pension while you're on leave, but if they don't, Makings advises that you should consider if you can make up contributions when you go back to work.

Also, make sure that you claim child benefits (even if you're a high-rate taxpayer), because stay-at-home parents who don't register can end up losing the National Insurance credits needed to qualify for state pension, and this can be costly later in life.

Some workplaces offer other support, such as childcare vouchers or creche facilities for when you return to work, so find out whether any schemes are available.

BABY STEPS

You may well want to share baby care with your partner, but first you'll need to work out whether it is cost-effective based on the paternity or maternity pay on offer, says O'Connor, pointing out that pay varies dramatically from employer to employer.

Based on this, she sensibly advises that you should work out what your income will be for the whole of the first year of your child's life.

"Add up your total joint net annual pay and divide it by 12 to give a rough monthly budget for the first year. This will prevent you overspending when your baby is little and running out of cash later in the year."

It will also reduce the likelihood of you having to go back to work earlier than you want to because you need the money towards the end of the first year, missing out on valuable time at the start of your child's life.

LABOUR PAINS

Depending on what your employer is offering in terms of maternity or paternity pay, it's likely that you will have to plan ahead for a period of lower income.

"Go back to the drawing board on your family finances," says Makings.

In order to figure out what is realistic and affordable, look at how you fare financially on a reduced household income after essential spending has been taken into account.

Of course, increased costs with a new baby are inevitable, and as Mak-

ings points out, they are unlikely to come in nice even monthly chunks.

"Remember that some costs are one-offs, such as nursery equipment, a pram, and a car seat. Other costs will be regular and ongoing, such as nappies, clothes, and food."

She also warns that some costs are less obvious, but should still be factored into your budget, such as visits to soft play areas, the zoo, or parent and baby activity classes.

PREGNANCY PILLOW

Around half of parents don't have a plan in place in case the main breadwinner loses their income due to illness, with just 12 per cent covered by an income protection policy, according to a study of 1,000 people by insurer LV.

A sudden loss of income can have a massive impact on family finances, so consider getting income protection insurance, which would provide you with a financial safety net if anything unfortunate happens to you or your partner.

There are also other ways to give yourself a financial buffer in case anything unexpected were to happen. The most obvious way is to build up your savings before you start thinking about expanding your family.

As O'Connor says: "If you are managing well on two full-time incomes before your baby comes along, and you think that there's room to save a bit more, do it. Having a cushion to dip into will be a blessing later on."

She also suggests trying to avoid over-spending on things you might not need before your little one arrives.

"It's surprising how little you really

need in the early days. And babies grow quickly, so don't waste money by spending on new clothes – and accept hand-me-downs."

Also remember that some things are free for pregnant women, such as dental care and prescriptions.

SWEET CHILDCARE OF MINE

When you near the end of your parental leave, you might consider going back to work. But of course, that means you have to take into account the cost of childcare, which is notoriously expensive in the UK.

The average cost of sending a child under two years old to nursery in the UK is £127 per week part-time (25 hours), and £242 per week full-time (50 hours), according to the Money Advice Service.

With this in mind, it's not surprising that many parents decide that it doesn't make financial sense for them to go back to work immediately.

"When considering returning to work, revisit your budget," says Makings, pointing out that this calculation is particularly relevant for anyone considering returning to work part-time. "Talk to your payroll colleagues to assess any impact on your tax code where you have had a period of no pay. Also understand your employer's position on emergency care leave and parental leave."

Your newborn might not be a privileged member of the royal family, but you don't need that kind of cash to give your child a happy future.

Even a small amount of financial preparation can go a long way. And by avoiding money worries, it means you can focus on your baby's first years.



The financial strain for many couples who start a family comes from the 'concertina effect'

TECHNOLOGY

EDITED BY STEVE HOGARTY



Google's dirt cheap Pixel

The streamlined **Pixel 3a** is the best value for money phone you can buy

PHONE

PIXEL 3A / PIXEL 3A XL
FROM £399, [STORE.GOOGLE.COM](https://store.google.com)

★★★★☆ | BY STEVE HOGARTY

Google has this week announced two new additions to its lineup of Pixel phones, at its annual Google I/O event in California.

The Pixel 3a and the Pixel 3a XL will start at the relatively piddling sum of £399 (compared to £739 for the Pixel 3) and are positioned as a pair of wallet-friendly, value-for-money alternatives to the company's two premium flagship Pixel devices. With the launch of two mid-range Android phones, Google is taking aim at the widening chasm in the market created as the most expensive handsets from Apple and Samsung sail past the £1,000 mark.

Hands-on impressions are of a phone that looks and feels remarkably similar to the high-end Pixel 3, with the same unibody design and glassy two-tone finish round the back. In fact, it's tricky to spot which corners Google has cut to drive down the price this much. Luxuries like wireless charging have been stripped out, and the front-facing dual speakers have been replaced with a single speaker, but much of what makes the Pixel 3 such a great phone is tied up in Google's software rather than in the phone's physical hardware. And here on the Pixel 3a, the software has been optimised to within an inch of its life to run smoothly on bargain basement specs.

That means the single-lens camera of the Pixel 3a can rely on the same array of image processing algorithms and machine learning wizardry to produce the

kind of photography you'd expect of a phone costing twice as much. It retains features like Night Sight, which produces impressively clear and colourful photographs in low light environments, as well as Portrait mode, which uses software to differentiate between the foreground and background, and so doesn't require a second lens. As with the Pixel 3 before it, you're given unlimited online storage for pictures and video with Google Photos.

Other software features passed down to this sub-£400 phone include Adaptive Battery, which tracks and predicts app usage to divert power to where it's needed most, and dials down battery usage when your phone is idle. Google Assistant, the virtual helper now ubiquitous in every Google product, is along for the ride as expected.

And Google has finally found a practical use for augmented reality tech beyond making it look like Iron Man is standing in your kitchen. Walking directions in Google Maps can now be overlaid on to the camera, placing giant hovering arrows over the real world to show you which way down the street you should be going, and where your next turn is. It's a genuinely helpful feature for those moments of brief disorientation when leaving an unfamiliar tube station, and will also be eventually rolled out to existing Pixel phones.

There's also a headphone jack, which feels about as retro as a vinyl deck in 2019, and enterprise-grade data encryption with the same dedicated Titan M security chip found in the top-end Pixel 3.

Taken as a whole, the Pixel 3a and Pixel 3a XL represent the best budget phones you can buy. Against a backdrop of spiralling handset costs, Google makes a compelling case for not dropping a grand when it comes to upgrade time.



PHONE

HUAWEI P30 PRO
FROM £899, [HUAWEI.COM/UK](https://huawei.com/uk)

★★★★★ | BY STEVE HOGARTY

The Huawei P30 Pro is a powerhouse of a phone, a real beefcake tuned for photography and performance. The phone's standout feature, the thing setting it apart from Samsung and Apple's best offerings, is its sophisticated and game-changing camera, the guts of which have been totally redesigned since the launch of the previous P20 Pro.

So round the back you've got a menagerie of no fewer than four lenses: a 40MP main camera, a 20MP wide angle lens, an 8MP telephoto lens and a time of flight camera to measure depth and enable more realistic focal effects

in portrait photography.

Just behind this merry quartet of lenses is a newly redesigned sensor that detects light differently to regular camera sensors. Rather than measure light in degrees of red, green and blue (a standard RGB setup), the P30 Pro is instead absorbing red, yellow, yellow *again*, and blue (an RYYB sensor unique to this device).

Huawei's camera nerds claim that double counting yellow like this is a more efficient way to measure green light, and that it's uniquely positioned among smartphone firms to make this change to its hardware, as it owns all the necessary stages of the manufacturing process.

In practice you'd be hard-pressed to spot the precise contribution of an RYYB sensor to the resulting photographs. Its benefits are folded into the glut of image processing, HDR and machine learning driven



The Huawei P30 Pro's 32MP selfie camera also supports HDR

doodads that spit out impeccably sharp, tonally balanced and colourful images in a range of challenging lighting conditions.

The real benefit of the new sensor is a more streamlined and efficient camera experience, with faster shutter speeds and better low light performance. Huawei's P30 Pro also boasts the best telephoto lens currently available in any smartphone. This type of long-distance lens has typically been limited by the physical thickness of a handset, but by refracting light at a 90-degree angle down the body of the phone, like a miniature periscope, it's enabled a 5x optical zoom mode and a hugely impressive, software-assisted 10x digital zoom. You could point it across the street and read the fine print on your neighbour's bank statements.

Well, not *quite*, but it does have an almost needlessly

powerful zoom, combining software processing and physical lenses to produce incredibly impressive shots of far away scenes. Taken with the improved ultra-wide angle lens – which enables effortless landscape photography – it makes Huawei's P30 Pro the obvious choice for photography enthusiasts. Or at least for anyone who'd like their Instagram pics of their dog to look a whole lot nicer.

The P30 Pro is more than just a decent snapper. It boasts a speedy in-screen fingerprint scanner, a barely visible nipple-notch at the top of the screen, and a long-lasting and fast-charging battery. It's a premium Android device in every aspect, with a high quality fit and finish that's solid in the hand.

You rarely see leaps forward on this kind of scale. Huawei's thrown everything they've got behind the P30 Pro, and the result is easily the best phone of the last 12 months.

THE PUNTER

Bill Esdaile previews the Homeserve Dee Stakes

RACING TRADER

WHEN Vichai Srivadhanaprabha, the billionaire Leicester City chairman and racehorse owner, was tragically killed in a helicopter crash last October, his son Aiyawatt pledged to continue with his father's visions.

Away from football, one of those dreams was to expand his passionate horseracing ownership interests under the King Power umbrella and to nurture an exciting crop of racehorses.

The signing of champion jockey Silvestre de Sousa as retained rider for the season was an early show of intent and the partnership has begun the season in red-hot form.

A Group-race double with Beat The Bank and Bangkok at Sandown last month has been the highlight so far, but another high profile success could come their way in this afternoon's Homeserve Dee Stakes (2.25pm) at Chester.

The aptly-named **FOX CHAIRMAN** made his belated racecourse debut at Newbury last month and rewarded the patience of connections with a breath-taking performance.

The son of Kingman swept into the lead at the two-furlong pole, powering away to record a facile four-length victory.

It wasn't what he beat, it was the manner in which he travelled and then put the race to bed that really caught the eye.

The form of that race is beginning to measure up well too, with the runner-up only just being touched off in the Esher Cup, while the fourth has been out and turned-over a Godolphin-owned hotpot.

Any softening of the ground shouldn't inconvenience while the step up in trip is also likely to play to his strengths.

The 3/1 available looks worth taking, although it would be no surprise to see him drift a little considering the quality of the opposition.

Speaking of which, he obviously has most to fear from the Ballydoyle team who saddle red-hot favourite **CIRCUS MAXIMUS**.

Aidan O'Brien is looking to land this Listed contest for an eighth time and register a remarkable fifth Dee Stakes in seven years.

Circus Maximus hasn't been seen on a racecourse since being beaten a length when fourth in last season's Group One Vertem Futurity Trophy Stakes at Doncaster.

That form looks pretty strong now with the winner Magna Grecia landing last Saturday's 2000 Guineas and he will certainly be a tough nut to crack.

Ryan Moore has partnered both of the stable's last two winners of the race and will fancy his chances of landing the



BILL ESDAILE'S DEE STAKES 1-2-3

- 1 FOX CHAIRMAN
- 2 CIRCUS MAXIMUS
- 3 MOHAWK

Fox looks fantastic bet against O'Brien pair in the Dee Stakes

TODAY'S BIG RACE AT CHESTER **RACING POST**

2.25 HOMESERVE DEE STAKES (LISTED RACE) (COLTS & GELDINGS) (1) £42,532 1m2¹/₂f

	1	13417- MOHAWK (208) (GF)		4	1226-7 DARK JEDI (20) (GS)
	(6)	A P O'Brien (IRE) 3-9-5.....		(7)	C Hills 3-9-0.....
		D O'Brien -			R Kingscote -
	Runs: 6	Wins: 2 Places: 0		Runs: 5	Wins: 1 Places: 2
		£36,144			£13,066
	2	6231- ALLMANKIND (217) (D) (A)		5	1 FOX CHAIRMAN (26) (GS)
	(4)	Michael Bell 3-9-0.....		(3)	A Balding 3-9-0.....
		D Tudhope -			S De Sousa -
	Runs: 4	Wins: 1 Places: 2		Runs: 1	Wins: 1 Places: 0
		£10,440			£5,530
	3	5134- CIRCUS MAXIMUS (194) (HY)		6	51-11 LIVING LEGEND (20) (D) (A,GF)
	(5)	A P O'Brien (IRE) 3-9-0.....		(1)	M Johnston 3-9-0.....
		R L Moore ★			F Norton -
	Runs: 4	Wins: 1 Places: 1		Runs: 4	Wins: 3 Places: 0
		£10,444			£39,793

ITV4		7	41 MOHTARRIF (47) (A)
		(2)	M Tregoning 3-9-0.....
			J Crowley -
		Runs: 2	Wins: 1 Places: 0
			£4,163

2018: Rostropovich 3 9 0, R L Moore 5/2F (A P O'Brien), 7 ran.
 ★ **BETTING:** 6/5 Circus Maximus, 11/4 Fox Chairman, 9/2 Mohawk, 10 Living Legend, 16 Allmankind, 20 Others

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hat-trick with the step up in trip also likely to suit his mount.

It is also worth noting that he broke his maiden on heavy ground at Gowran Park last September, so he won't be inconvenienced if the ground deteriorates any further.

The same cannot be said for last season's Royal Lodge winner **MOHAWK** who looks another leading contender if the ground dries out.

He is the most experienced of these with six runs as a juvenile and this son of Galileo looks to be crying out for the step up in trip.

However, he has done all of his racing on a decent surface and his ability to handle the ground would have to be taken on trust.

Looking at the other four runners, if

there is to be a turn-up, it is likely to be the Mark Johnston-trained Living Legend.

He has won his last two and is definitely respected despite the fact he takes a big step up in class here.

Franny Norton will make a bold bid from the front from stall one, but he may just be found wanting in this grade.

Allmankind got better with every start last season, but is another who may be in a little too deep here.

This son of Sea The Stars finished second to Line Of Duty at Goodwood last September before bolting up in his maiden at Chelmsford last October.

There has to be a doubt over whether Dark Jedi will actually stay, while this is a monster step up in class for Mohtarrif.

Ladbrokes / WHERE THE NATION PLAYS

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Bill Esdaile previews the rest of today's Chester card

Kew Gardens set to bloom in Ormonde

CLASS is class and those oozing it tend to come to the fore in Chester's Group Three Boodles Diamond Ormonde Stakes (3.35pm).

That was certainly the case 12 months ago when Idaho comfortably saw off inferior opposition to give Aidan O'Brien his fourth win in the race.

He had been running in international Group Ones and although he hadn't managed to win one, he had run respectably a number of times in that company.

This year the undoubted class act is **KEW GARDENS** for the same yard on the back of his win in the St Leger last September.

This son of Galileo used his stamina that day, but he also landed the Group One Grand Prix de Paris at Longchamp over 1m4f last summer, showing he also has the necessary speed in his locker.

Beaten just four lengths by Enable in the Prix de l'Arc de Triomphe marked him down as a genuine Group One middle-to-long distance horse for this season and he looks the standout here.

The only real worry is that he has to carry a Group One penalty for his St Leger victory, while he would also probably prefer a slightly sounder surface.

Regardless of those two slight concerns, I think he will have too much for them and is worth backing at Evens with Coral.

Jan Williams has declared Magic Circle for this race and tomorrow's Chester Cup and has said he and owner Marwan Koukash will make a final decision this morning.

He is only rated 4lbs inferior to Kew Gardens and will receive 7lbs, so you can certainly make a case for him from a handicapping perspective at 7/2.



Kew Gardens (right) won the St Leger in fine style in September

However, the best of his recent form has come at two miles plus and I worry if he has enough speed to cope with the favourite.

He is a very good stayer, but he burst blood vessels in the Melbourne Cup last time when sent off just 6/1 so we also need to see if that has left a mark.

Morando is next in the betting at 7/2 for the in-form Andrew Balding-Silvestre de Sousa combination.

This gelded son of Kendargent has some fair form in the book, notably when dead-heating Young Rascal in a Group Three at Newbury back in October.

That was over 1m4f, the furthest he had ever gone, so it has to be

taken on trust that he will see out this 1m5½f given his breeding.

Cypress Creek is the Ballydoyle second string and he had some solid if not spectacular form last season.

The highlight was a two-mile Group Three win at Naas in September and you get the feeling his future is going to lie over staying distances.

Both Warnaq and Dalgarno look out of their depth here and are surely just trying to pick up a little bit of prize money.

Chester handicaps are notably tricky and I personally tend to tread very carefully with them.

That said, I can see **LINCOLN PARK** going well for Mick Appleby in the

Deepbridge Capital Handicap (3.00pm) at 6/1 with Ladbrokes.

He has a lovely draw in stall three – eight of the past 10 winners have come from stall five or lower – and he didn't run badly at Musselburgh last time.

The ground will be fine for him and he has a fair chance in a wide open race.

[@BillEsdaile](#)

POINTERS

Lincoln Park e/w	Chester
3.00pm	
Kew Gardens	Chester
3.35pm	

Don't be a Fool and stick with Fahey's in the opener

THERE really is nothing quite like Chester, although the track most similar to it is probably Happy Valley in Hong Kong.

Like with Happy Valley, it is the races over five and six furlongs where the draw is the most important.

In today's opening Gateley PLC Handicap (1.50pm), the last seven winners have all burst out of stall four or lower, with the last two coming

from trap one.

Copper Knight has got the plum draw this year and it is no surprise that this two-time course and distance winner is a warm order.

He had some excellent form at the back end of last season and reappeared with a decent fourth in Musselburgh's Scottish Sprint Cup last month.

There is lots to like about his chances apart from his 3/1 price and the fact he

has never won from a mark this high before.

A better value option is Richard Fahey's **FOOL FOR YOU** at 6/1, who has a nice draw in stall three and was mightily consistent last year.

She was a good second over course and distance in June before going on to win at Ayr and Wolverhampton.

Promising apprentice Sean Davis takes off 5lbs and I think Copper

Knight will have a tough task conceding 15lbs to her.

For those looking for a bigger price each-way, I wouldn't put anyone off throwing a few quid at Tom Dascombe's **REFLEKTOR** at 9/1 with Ladbrokes.

Although he doesn't have the best draw in stall eight, he will relish the cut in the ground and has some good form round here.

He wasn't beaten far when fourth in this race 12 months ago and he is 3lbs lower this afternoon.

POINTERS

Fool For You	Chester
1.50pm	
Reflektor e/w	Chester
1.50pm	



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SPORT

Lucas hat-trick caps drama-filled night to put Spurs into the final, writes **Felix Keith**

JUST when you thought it couldn't happen again, it did. Tottenham were dead and buried, 3-0 down on aggregate in a Champions League semi-final, away from home against an Ajax side who had already disposed of European heavyweights Real Madrid and Juventus.

But they refused to be beaten, and through Lucas Moura's hat-trick, completed in the 96th minute, they fought back to produce the proudest moment in their European history and a second stunning comeback from an English team in the competition in as many nights.

"We saw Liverpool last night and it just goes to show it's not over until it's over," said fullback Danny Rose after the whistle, while his manager, Mauricio Pochettino, overflowed with emotion behind him.

Tottenham's prize is an all-Premier League final against Liverpool in Madrid on 1 June.

FURTHER BEHIND

This match was Spurs's season boiled down into one game and within five minutes it looked for all the world to be slipping away from them.

Matthijs de Ligt rose highest to head in a corner, send the Amsterdam Arena into raptures and seemingly send Ajax on their way to the final.

Tottenham had their chances in the first half, with Son Heung-min twice going close and Christian Eriksen firing at goalkeeper Andre Onana, but in truth there were outclassed.

Ajax, with the classy Barcelona-bound Frenkie de Jong pulling the strings, were just too slick, too fluent and, simply, too good.

Hakim Ziyech expertly whipped a second into the far corner from Dusan Tadic's cut-back to make it 2-0 on the night and give Spurs a mountain to climb at half-time.

MOMENTUM SWING

To his credit Pochettino recognised the problems and addressed them. Victor Wanyama, who had looked like a fish out of water in a midfield battle which could hardly have suited him less, was withdrawn to make way for Fernando Llorente.

Faced with a youthful, technical and revolving midfield, Spurs chose



MOURA MIRACLE



to bypass it and change the angle of attack. The results were fruitful and immediate.

Rose nutmegged De Jong, launched a counter-attack through Dele Alli, who, for the first time in the match, fed the irrepressible Moura to tuck into the bottom corner.

Taking a leaf out of Liverpool's playbook, they struck with the second punch almost immediately, with Moura picking up the pieces from some Llorente-inspired chaos to dance around some challenges and find the net.

ROLLING WITH THE PUNCHES

Just like Liverpool, though, they needed their goalkeeper and some luck. Hugo Lloris saved from De Ligt's drive and from Ziyech in stop-

page time, while the Moroccan also struck the post and fired narrowly wide with his normally trusty left foot.

But all the things that had been going wrong in the first half – Kieran Trippier's distribution, Moussa Sissoko's surging runs, Eriksen's vision, Alli's touches around the box – were now reversed.

When Jan Vertonghen struck the crossbar with an 87th-minute header and saw his rebound hacked away that could have been it. When Llorente cleared the same bar in the 94th minute from a corner that could have been it.

But the game continued and Spurs

refused to give in. Alli flicked the ball around the corner, looking for Moura one last time. Moura anticipated his team-mate's pass one last time and fired into the bottom corner for the third time.

It was a scarcely believable ending to a rollercoaster night, summed up by a tear-soaked Pochettino.

"The emotion is amazing, thank you to football. My players are heroes – in the last year I was telling everyone this group are heroes," he said.

"We were talking before the game that when you work and when you feel the love it's not stress it's passion of the team. We showed we love the sport and football."

SPORT DIGEST

ARCHER LIGHTS UP RAIN SOAKED ODI AT THE OVAL

England's opening One-Day International against Pakistan was abandoned yesterday after persistent rain at the Oval. Pakistan reached 80-2 from 19 overs after the hosts won the toss and elected to bowl, but following frequent showers the match was called off at 7.10pm. Despite the conditions, Jofra Archer had time to show his class, taking figures of 1-6 from four overs while touching speeds of 93mph. Liam Plunkett took the other wicket, of Babar Azam, with Imam-ul-Haq reaching 42. The sides meet again at the Ageas Bowl on Saturday.

CHELSEA WILL STRUGGLE WITH TRANSFER BAN, ADMITS SARRI

Chelsea manager Maurizio Sarri says it will be difficult for his side to compete with Manchester City and Liverpool next season after their appeal against a transfer ban was turned down yesterday. The Blues are banned from signing players until January 2020 following an investigation into transfers of foreign under-18 players. Sarri said they were "very disappointed" by the decision and will now appeal against it at the Court of Arbitration for Sport. "It's very difficult to cover the gap at the moment. We need to work, probably we need to do something from the market," said Sarri. "So it's not easy, because the level of the top two is very, very high."

HARRINGTON OPTS FOR FEWER RYDER CUP WILDCARDS

Europe captain Padraig Harrington has decided to reduce the number of wildcard picks from three to four when selecting his team to defend the Ryder Cup next year. The change means nine players will qualify automatically to compete at Whistling Straights through points earned in tournaments from the PGA Championship in September and the same event in 2020. Harrington said: "I have spoken to a number of people regarding the ninth player automatically qualifying for the team and in my experience, a player is more comfortable when he has qualified, hence my reasoning behind this change." Europe thrashed the United States 17½-10½ to regain the Ryder Cup in 2018.

EMERY PROMISES ATTACKING DISPLAY AGAINST VALENCIA

Arsenal manager Unai Emery says his side will play to win against Valencia in their Europa League semi-final this evening, rather than trying to hold onto their lead. Two goals from Alexandre Lacazette and one from Pierre-Emerick Aubameyang saw the Gunners come from behind to win 3-1 at the Emirates Stadium last week. Sunday's 1-1 draw with Brighton means they need to win the competition to qualify for the Champions League next season, but Emery says they will play on the front foot. "For us is the same message when we play at the first leg in London," he said. "We are 50-50. The result has not changed my idea. Our idea is to play the match to win."

LONDON IRISH SIGNAL INTENT WITH NAHOLO SIGNING

London Irish have continued their recruitment drive following their promotion to the Premiership with the signing of New Zealand international Waisake Naholo. The 28-year-old winger has scored 16 tries in 26 Tests for the All Blacks and was a part of the side who won the 2015 World Cup. "We are delighted that a player of his ability and age profile has bought into our vision for where we as a club are working hard to get to," said Exiles director of rugby Declan Kidney. Naholo, who is expected to arrive later this year, joins Australia prop Sekope Kepu and Perpignan's former Ireland fly-half Paddy Jackson in signing for the newly-promoted side this week.



Denly needs to perform well against Pakistan to strengthen his place in the squad

England should not overthink Denly's position

MOEEN Ali's absence from the first One-Day International against Pakistan yesterday threw up another small selection dilemma for England ahead of the World Cup.

While Moeen's rib injury isn't serious, it meant Joe Denly was thrust into the spotlight to audition as the third spin option.

Unfortunately for him, the rain denied him a chance to show what he can do with his leg-spin and means the selectors are no closer to making their judgement on him.

Denly is obviously more of a batsman than a spin bowler, but having another skill has proven his way into England's settled squad.

Like Moeen when he first came into the England set-up, his bowling is inconsistent and far from frontline.

As we saw in his one expensive over in Sunday's Twenty20 against Pakistan at Cardiff, there are frequent drag-downs.

Moeen has improved hugely over the years to become a genuine all-rounder, but I don't feel Denly is at that level and we shouldn't expect too much from his bowling.

The Kent man has found his way into the side at a perfect time and was

CRICKET COMMENT

Chris Tremlett



picked in the preliminary 15-man squad as a spare batsman. If that's the balance they want then he is deserving of his spot.

KNOW WHAT YOU WANT

Having the World Cup on home soil means the third spin option is not as important as it would be on the sub-continent.

But if England really want a better spinner, then Hampshire's Liam Dawson is unquestionably a better choice.

The left-artermer has already played in all three formats for England so they know him, plus he's in great form, having taken 17 wickets at an average of 18.65 and scored 246 runs at 49.20 in the One-Day Cup recently.

But at this late stage I really feel England should know exactly what they want from their squad and form shouldn't weigh too heavily in their

considerations.

It's not the time to be making left-field decisions.

Chief selector Ed Smith shouldn't be overthinking it.

Besides, as we saw yesterday – and with two wickets in the T20 World Cup final in 2016 – Joe Root is very capable of making up the extra overs with his off-spin, especially when there are two left-handers at the crease.

With four ODIs still to play against Pakistan, I hope for his sake Denly can score some runs with the bat and take a few wickets to secure his place.

But if there are any injuries, then having players in form like Dawson makes naming a replacement that much easier. It looks like a problem, but really it's a bonus.

“

It's not the time to be making left-field decisions. Ed Smith shouldn't be overthinking it

AWESOME ARCHER

What yesterday's shortened match at the Oval did show us, without any doubt, is that Jofra Archer is a world-class fast bowler in the making.

I mean no disrespect to England's other bowlers when I say that he's on a different level. He bowls stump-to-stump, consistently pushes over 90mph and troubles the best batsmen.

England simply have to pick him, so for me it's about working out who is going to miss out.

Everyone will be feeling the pressure and ultimately that's not a bad position to be in.

Chris Tremlett is a former England and Surrey fast bowler. Follow him @ChrisTremlett33

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