WOODFORD'S WOES KNOCK HARGREAVES

JESS CLARK
@jclarkjourno

SHARES in Neil Woodford’s investment trust plunged yesterday while related funds and retail platforms also sustained a heavy hit.

The former star trader was forced to suspend trading in his flagship fund on Monday evening as investors fled. Shares in Woodford Patient Capital Trust – which have not been frozen – fell more than 19 per cent yesterday to a low of 61.3p before recovering some ground to close at 71p.

The saga surrounding one of the UK’s top stock-pickers rocked leading investment platform Hargreaves Lansdown.

Hargreaves is considered a “related party”, due to its large stake in Woodford’s main fund.

Hargreaves only removed the fund and the Woodford Income Focus Fund from its recommended Wealth 50 list following Monday’s announcement despite a long spell of underperformance and investor withdrawals.

Woodford Patient Capital Trust 19%*
Woodford Income Equity Fund £6.4bn**
Hargreaves Lansdown 4.6%*

* yesterday  ** over two years

The suspension is understandably frustrating, but it’s important to remember that the value of your investment will be dependent on the share prices of the portfolio’s underlying holdings, which are not directly impacted by the suspension,” Hargreaves analyst Emma Wall said.

Woodford Income Equity Fund was suspended on Monday evening, in an embarrassing moment for the City veteran – who has seen his reputation as a star fund manager crumble over the past few years. The flagship investment vehicle’s assets under management have dwindled from £10.2bn two years ago to £3.77bn last week.

A spike in investor redemption requests on Monday, including a £250m redemption request by Kent County Council, sparked the decision to freeze the fund. Kent yesterday said it was disappointed not to receive prior notification of the suspension.

A Financial Conduct Authority (FCA) spokesperson said the watchdog was “in contact with the firms involved to ensure that actions undertaken are in the best interests of all the fund’s investors.”

Woodford is the second largest investor in Burford Capital and New River Real Estate Investment Trust, the shares of which fell six per cent and 3.3 per cent respectively yesterday.

WHAT WENT WRONG? P17

WHAT WENT WRONG? P17

OWEN BENNETT
@owenjbennett

US PRESIDENT Donald Trump continued his canter through the British political landscape yesterday – taking aim at Jeremy Corbyn, doubling down on his criticism of Sadiq Khan and opening a can of worms over the potential inclusion of the NHS in any future trade deal.

Speaking in the foreign office, just yards away from thousands of anti-Trump protestors, the President revealed Labour leader Corbyn had asked for a meeting during his three-day visit, but he had turned it down.

The revelation came minutes after Corbyn told protestors Trump had “created hate” in the world thanks to his “racist and misogynist rhetoric”.

Trump blasted Corbyn as “a negative force”, a description he also used for London mayor Khan as the pair’s long-running feud showed little sign of cooling.

CONTINUES ON P3
This pensions row is still stalking Green

These are not good times for Sir Philip Green. The scandal-hit tycoon has been spending more days than usual at his Monaco base in recent months, laying low in the sunny tax haven while both his reputation and high street empire take a beating back in the UK.

But even Green will struggle to avoid focusing on his home city today, when a crunch vote in central London will decide the fate of the Arcadia fashion group.

Green is hoping his proposals for a company voluntary arrangement (CVA) will be squeezed through after months of fierce negotiations with regulators, suppliers and landlords.

“We’re just trying to drag this thing over the finishing line,” one fatigued Arcadia source huffed earlier this week.

Unlike a number of previous CVA votes, the results of this one have always remained firmly in doubt, but last night it emerged the Pensions Regulator has agreed to do a deal with Green, suggesting Arcadia will likely reach the 75 per cent voting threshold it requires to avoid going into administration.

The fashion mogul has nonetheless left it to the very last moment, risking a major pensions row despite the collapse of BHS in 2016 still remaining fresh in the public memory.

It seems that three years on, Green has not been able to move away from controversy: in fact, he is now fighting on more fronts than ever before, both in his personal life and his business one.

With close to 18,000 jobs and hundreds of high street stores on the line, today’s showdown is likely to be full of sparks.

Follow us on Twitter @cityam

IN MEMORIAM

Second World War planes prepare to head to France as Europe commemorates 75 years since D-Day landings

Continued from front page

However, it was Trump’s comments on a future UK-US trade deal that provoked the most reaction.

When asked if he envisaged access to the UK’s health service for US firms as part of any agreement, Trump replied: “Look, I think everything with a trade deal is on the table.

“When you’re dealing with trade, everything is on the table. So NHS or anything else – a lot more than that. Everything will be on the table, absolutely.”

Theresa May moved quickly to point out that just because the US wants to see the health sector included in future talks, it does not mean the UK will make such a move.

“The point about making trade deals is that both sides negotiate and come to an agreement about what should or should not be in that trade deal for the future,” she said.

Several Conservative leadership candidates were swift to rule out including the NHS in any trade deal, with current health secretary Matt Hancock tweeting: “Dear Mr President. The NHS isn’t on the table in trade talks – and never will be. Not on my watch.”

As well as meeting May, Trump also had audiences with Brexit Party leader Nigel Farage and environment secretary Michael Gove.

Ahead of the meeting, Trump claimed he didn’t know Gove, despite the Conservative leadership contender having interviewed him for the Times in January 2017.

The President also asked for a meeting with Boris Johnson, but the former foreign secretary turned down the request so he could focus on preparing for a leadership hustings event that took place last night.

Tories skirt NHS in US trade deal

FIAT Chrysler (FCA) has resolved key differences with France over its proposed merger with Renault, three sources told Reuters, as talks on the $35bn (£28bn) tie-up plan progressed towards a possible agreement today.

An emerging compromise over French influence on a combined FCA-Renault could clear the way for Renault’s board to approve a framework deal and begin the long process of a full merger.

FCA, Renault and its 15 per cent shareholder, the French state, have been locked in talks over the Italian-American manufacturer’s bid to create the world’s third-biggest carmaker.

France has broadly welcomed the deal, on condition it guarantees Renault’s domestic blue-collar jobs and plants.

Talks will continue today.

Follow us on Twitter @cityam

FINANCIAL TIMES

UK SPENDING REVIEW DELAYED BY TORY CONTEST

Liz Truss, chief secretary to the Treasury, admitted yesterday that the government was almost certain to postpone this autumn’s three-year review of public spending, designed to end austerity. Truss said the review was “unlikely to happen” on schedule and departments would instead be given a year-long extension to their day-to-day spending plans.

KPMG PARTNER AT CENTRE OF BULLYING CLAIMS QUITS

One of KPMG’s most senior partners at the centre of a bullying dispute has quit his role and taken a leave of absence after fresh allegations about his conduct surfaced last week.

KPMG said in a letter sent to all UK staff that Sanjay Thakkar, head of the firm’s advisory unit, decided to step down from his role this week “in the wider interest of the firm”.

WHAT THE OTHER PAPERS SAY THIS MORNING

RISING SALES ARE JUST THE TICKET FOR LOTTERY

National Lottery sales rose by 3.7 per cent last year on the back of record sales of scratch cards and instant win games, but the amount returned to good causes fell slightly.

FARAGE GIVEN 24HRS TO EXPLAIN ARAON BANKS GIFT

Nigel Farage has been given 24 hours to explain undeclared gifts to the EU parliament. He could face a suspension, including a speaking ban, if he fails to comply. The Brexit Party leader must attend a session of the EU assembly’s code of conduct committee today or face penalties, including fines and bans from parliamentary sessions.

SANTANDER TO CUT 200 JOBS IN THE UK

Spain’s Banco Santander will slash around 200 UK jobs in an attempt to focus on cost savings in Europe and pursue higher profitability in Latin America. It said the restructure would affect its corporate and commercial banking division and that it was consulting 330 staff about redundancy while creating 130 new roles.

SAINSBURY’S BOSS PAY RISE DESPITE ASDA DEAL FAILURE

Sainsbury’s boss Mike Coupe has been given a seven per cent pay rise to almost £4m despite the collapse of his planned mega-merger with Asda and its share price falling to historic lows.

THE TIMES

THE DAILY TELEGRAPH

THE WALL STREET JOURNAL

DEMOCRATIC CONTENDERS OUTLINE CLIMATE PLANS

Joe Biden and Elizabeth Warren released competing proposals yesterday to pump billions of dollars into the US economy to fight climate change, seeking to connect with Democratic presidential primary voters animated by global warming.

CHINA WARNS ITS CITIZENS ABOUT VISITING THE US

China advised its citizens to reconsider visiting or studying in the US, a sign that Beijing might be targeting the lucrative tourism and education sectors as it tries to pressure Washington in their trade dispute.

Fiat-Renault talks nearing a compromise

LAURENCE FROST

CONTINUED FROM FRONT PAGE

With 18,000 jobs and hundreds of high street stores on the line, today’s showdown is likely to be full of sparks.

Follow us on Twitter @cityam

IN MEMORIAM

Second World War planes prepare to head to France as Europe commemorates 75 years since D-Day landings

Continued from front page

However, it was Trump’s comments on a future UK-US trade deal that provoked the most reaction.

When asked if he envisaged access to the UK’s health service for US firms as part of any agreement, Trump replied: “Look, I think everything with a trade deal is on the table.

“When you’re dealing with trade, everything is on the table. So NHS or anything else – a lot more than that. Everything will be on the table, absolutely.”

Theresa May moved quickly to point out that just because the US wants to see the health sector included in future talks, it does not mean the UK will make such a move.

“The point about making trade deals is that both sides negotiate and come to an agreement about what should or should not be in that trade deal for the future,” she said.

Several Conservative leadership candidates were swift to rule out including the NHS in any trade deal, with current health secretary Matt Hancock tweeting: “Dear Mr President. The NHS isn’t on the table in trade talks – and never will be. Not on my watch.”

As well as meeting May, Trump also had audiences with Brexit Party leader Nigel Farage and environment secretary Michael Gove.

Ahead of the meeting, Trump claimed he didn’t know Gove, despite the Conservative leadership contender having interviewed him for the Times in January 2017.

The President also asked for a meeting with Boris Johnson, but the former foreign secretary turned down the request so he could focus on preparing for a leadership hustings event that took place last night.

Tories skirt NHS in US trade deal

FIAT Chrysler (FCA) has resolved key differences with France over its proposed merger with Renault, three sources told Reuters, as talks on the $35bn (£28bn) tie-up plan progressed towards a possible agreement today.

An emerging compromise over French influence on a combined FCA-Renault could clear the way for Renault’s board to approve a framework deal and begin the long process of a full merger.

FCA, Renault and its 15 per cent shareholder, the French state, have been locked in talks over the Italian-American manufacturer’s bid to create the world’s third-biggest carmaker.

France has broadly welcomed the deal, on condition it guarantees Renault’s domestic blue-collar jobs and plants.

Talks will continue today.

Follow us on Twitter @cityam

FINANCIAL TIMES

UK SPENDING REVIEW DELAYED BY TORY CONTEST

Liz Truss, chief secretary to the Treasury, admitted yesterday that the government was almost certain to postpone this autumn’s three-year review of public spending, designed to end austerity. Truss said the review was “unlikely to happen” on schedule and departments would instead be given a year-long extension to their day-to-day spending plans.

KPMG PARTNER AT CENTRE OF BULLYING CLAIMS QUITS

One of KPMG’s most senior partners at the centre of a bullying dispute has quit his role and taken a leave of absence after fresh allegations about his conduct surfaced last week.

KPMG said in a letter sent to all UK staff that Sanjay Thakkar, head of the firm’s advisory unit, decided to step down from his role this week “in the wider interest of the firm”.

WHAT THE OTHER PAPERS SAY THIS MORNING

RISING SALES ARE JUST THE TICKET FOR LOTTERY

National Lottery sales rose by 3.7 per cent last year on the back of record sales of scratch cards and instant win games, but the amount returned to good causes fell slightly.

FARAGE GIVEN 24HRS TO EXPLAIN ARAON BANKS GIFT

Nigel Farage has been given 24 hours to explain undeclared gifts to the EU parliament. He could face a suspension, including a speaking ban, if he fails to comply. The Brexit Party leader must attend a session of the EU assembly’s code of conduct committee today or face penalties, including fines and bans from parliamentary sessions.

SANTANDER TO CUT 200 JOBS IN THE UK

Spain’s Banco Santander will slash around 200 UK jobs in an attempt to focus on cost savings in Europe and pursue higher profitability in Latin America. It said the restructure would affect its corporate and commercial banking division and that it was consulting 330 staff about redundancy while creating 130 new roles.

SAINSBURY’S BOSS PAY RISE DESPITE ASDA DEAL FAILURE

Sainsbury’s boss Mike Coupe has been given a seven per cent pay rise to almost £4m despite the collapse of his planned mega-merger with Asda and its share price falling to historic lows.

THE TIMES

THE DAILY TELEGRAPH

THE WALL STREET JOURNAL

DEMOCRATIC CONTENDERS OUTLINE CLIMATE PLANS

Joe Biden and Elizabeth Warren released competing proposals yesterday to pump billions of dollars into the US economy to fight climate change, seeking to connect with Democratic presidential primary voters animated by global warming.

CHINA WARNS ITS CITIZENS ABOUT VISITING THE US

China advised its citizens to reconsider visiting or studying in the US, a sign that Beijing might be targeting the lucrative tourism and education sectors as it tries to pressure Washington in their trade dispute.
Green pledges fresh £25m to plug Arcadia pension fund ahead of vote

SEBASTIAN MCCARTHY
@SebMcCarthy

SIR PHILIP Green’s hopes of securing the go-ahead for a major overhaul of his retail empire were boosted last night after the tycoon agreed a deal with the Pensions Regulator.

The embattled tycoon has pledged a further £25m to plug a hole in Arcadia Group’s pension fund, in exchange for the regulator’s support at a crucial vote today. Arcadia’s creditors are set to choose whether or not to approve a company voluntary arrangement (CVA), a type of cost-cutting insolvency process used to reduce rents and close stores.

If approved, a CVA would allow the group to close at least 20 stores and cut jobs. The deal falls below the regulator’s request of £50m, as first reported by Sky News.

Ian Grabiner, chief executive of the troubled fashion group, which includes brands such as Topshop and Dorothy Perkins, said the last few weeks had been a “challenging time” for Arcadia and its staff.

One source told City A.M. the fate of the vote now lies “entirely in the hands of the landlords”.

The extra £25m in the pension fund comes on top of a promise by the Topshop tycoon to inject £160m over the next three years.

We’re the UK’s No.1 travel money provider*

It’s quick and easy to sort your travel money, with more than 70 currencies available online and at over 11,500 branches.

Search ‘Post Office travel money’

Regulator puts final nail in NSF Provident offer

AUGUST GRAHAM
@AugustGraham

NON-STANDARD Finance (NSF) will abandon its hostile takeover of Provident Financial, it said yesterday, after regulators stamped out any hope of the deal going through.

The Prudential Regulation Authority (PRA) told doorstep lender NSF the enlarged group would not have enough capitalisation unless more shareholders accepted the deal.

“Accordingly, NSF has decided, with the consent of the takeover panel, to lapse the offer,” the company said in a statement.

If more shareholders had backed the deal, NSF said it believed it could have won PRA approval.

However, that looked increasingly unlikely in recent weeks, as several prominent Provident shareholders expressed concerns over the hostile offer.

Last week Aberdeen Standard, a 3.1 per cent shareholder in the sub-prime lender, announced it would not accept the bid.

It joined Coltrane Asset Management, Schroders and others in rejecting the bid.

NSF had hoped approval from the Competition and Markets Authority (CMA) would convince more shareholders to get behind the offer.

It filed paperwork with the CMA last week.

But such hopes were not enough for the PRA, which questioned the level of capitalisation ahead of a deadline on its bid today.

NSF chief executive John van Kuffer said the deal had fallen through “despite our best efforts”.

“Those were not enough for the PRA which questioned the level of capitalisation ahead of a deadline on our bid today,” he added.

Each of our businesses has a top-three position in its respective market segment and we believe each is capable of delivering attractive long-term returns for NSF shareholders through a combination of capital and dividend growth,” he said.

The announcement came after markets closed yesterday.

SHORT CHANGED Anti-Brexit MP splinter group disintegrates after election disaster

CHANGE UK, the party formed by ex-Tory and Labour MPs, has split after just four months, with six of its MPs resigning. The group, which opposed Brexit and favoured another EU referendum, polled just 3.3 per cent in last month’s EU elections.

DONALD Trump’s claim that the NHS would be “on the table” in any UK/U.S trade negotiation provoked howls of outrage from both Tory and Labour MPs.

However, including the health service in any talks does not mean the NHS would suddenly stop becoming free at the point of use or introduce extra charges for patients.

Alison Renison, head of Europe and trade policy at the Institute of Directors, said it is hard to ascertain precisely what having the NHS ‘on the table’ means.

She said: “US companies are already able to act as suppliers to the NHS and several have won some big contracts to date.”

Kristian Niemietz, head of political economy at the Institute of Economic Affairs said: “A US-UK [deal] just means that if the government decides that some healthcare services can be contracted out to the private sector, then a US company can bid for those contracts, on the same terms that a British or a continental European company can do now.”

One area where the US might be interested in negotiating is the rules around medicines the NHS purchases.

“Committing to regulatory co-operation on drug testing and drug pricing or recognising each other’s licensing rules bridges the divide between the NHS and industry, so is that technically having it on the table?”

Perhaps that’s a matter of perspective,” the IoD’s Renison said.

OWEN BENNETT

DIAGNOSING TRUMP’S NHS CLAIM

We refer to our article this week on the US’s possible interest in changing the NHS.

The embattled tycoon has pledged a further £25m to plug a hole in Arcadia Group’s pension fund, in exchange for the regulator’s support at a crucial vote today. Arcadia’s creditors are set to choose whether or not to approve a company voluntary arrangement (CVA), a type of cost-cutting insolvency process used to reduce rents and close stores.

If approved, a CVA would allow the group to close at least 20 stores and cut jobs. The deal falls below the regulator’s request of £50m, as first reported by Sky News.

Ian Grabiner, chief executive of the troubled fashion group, which includes brands such as Topshop and Dorothy Perkins, said the last few weeks had been a “challenging time” for Arcadia and its staff.

One source told City A.M. the fate of the vote now lies “entirely in the hands of the landlords”.

The extra £25m in the pension fund comes on top of a promise by the Topshop tycoon to inject £160m over the next three years.

We’re the UK’s No.1 travel money provider*

It’s quick and easy to sort your travel money, with more than 70 currencies available online and at over 11,500 branches.

Search ‘Post Office travel money’

POST OFFICE

One source told City A.M. the fate of the vote now lies “entirely in the hands of the landlords”.

The extra £25m in the pension fund comes on top of a promise by the Topshop tycoon to inject £160m over the next three years.
UK M&A value plunged before Brexit deadline

JESS CLARK
@jclarkjourno

UK MERGER and acquisition (M&amp;A) value fell from £38.8bn to £6.3bn in the first three months of 2019 due to a lack of high-valued transactions completed in the quarter, according to data published today said.

“Many of the UK’s SMEs are looking at Brexit as an opportunity to grow and acquire market share rather than a reason to sit tight,” said Mark Collings, chief commercial officer at Code Investing.

Notable transactions that took place during the quarter include Coca-Cola’s £2.2bn deal for UK-based water company Britvic, Norwegian firm DNO’s takeover of Faroe Petroleum.

The value of deals where UK companies bought foreign businesses also fell, dropping by £5.1bn to £5.4bn. However, many small- and medium-sized firms (SMEs) saw Brexit uncertainty as an opportunity for growth and M&amp;A in the sector fared better than larger corporate firms.

“Many of the UK’s SMEs are looking at Brexit as an opportunity to grow and acquire market share rather than a reason to sit tight,” Collings said.

Daniel Domberger, partner at Livingstone, added: “M&amp;A volumes are holding up quite nicely in this area as investors look to fulfill long-term strategic goals, and business leaders demonstrate clear growth trajectories.”

Finance firms should treat operational resilience as ‘commercial imperative’

JAMES BOOTH
@jamesbooth1

FINANCIAL services firms need to treat operational resilience as a ‘commercial imperative’, a report published today said.

The industry must face threats ranging from climate change, cyber crime and complex supply chains to technological innovation and ageing legacy systems.

The report from lobby group The City UK and audit firm PwC said financial services companies and regulators are well-placed to boost operational resilience.

They said the positive impacts of doing so include more sustainable performance, leadership in the global context and boosting the reputation of the UK as an investment destination.

The City UK chief executive Miles Celic said: “Operational resilience is not a choice, it is a commercial imperative... Firms that maintain safety and efficiency through a crisis will have a clear commercial advantage and be more sustainable over the long term. Those who don’t, might not last very long.”

Simon Chard, financial services partner at PwC, said: “Technological advances are a double-edged sword for the industry as consumers and businesses demand more tailored, more efficient and more secure technology.”

HS2 chair carries out review to ensure project is ‘deliverable’

ALEXANDRA ROGERS
@city_annogers

THE CHAIR of under-fire high-speed rail project HS2 is undertaking a review to “make sure the costs and budget are right and that it is deliverable,” transport secretary Chris Grayling has said.

“Many of these deals were signed during the quarter and others vowing to scrap it,” said Grayling, adding: “What we’ve got with HS2 is a new chairman in Allan Cook who is rightly taking his first period of the project to make sure it is in good shape to make sure the budget is right, the costs are right and that it’s deliverable.”

Fox warns of ‘upheaval’ if global economy stalls

AUGUST GRAHAM
@AugustGraham

INTERNATIONAL trade secretary Liam Fox last night warned the world is facing a period of upheaval and economic slowdown.

Speaking at the 100th anniversary of UK Export Finance (UKEF), he launched new initiatives to back UK exporters which will “help us tap a fresh vein of potential.”

Speaking at the anniversary of UK Export Finance (UKEF), he launched new initiatives to back UK exporters which will “help us tap a fresh vein of potential.”

The Financial Conduct Authority (FCA) confirmed yesterday that it would introduce a 10 per cent investment cap.

Investors must pass a test to prove they understand the risks involved, the regulator said.

The announcement came just weeks after property finance firm Lendy collapsed into administration following an investigation by the FCA.

However, many small- and medium-sized firms (SMEs) saw Brexit uncertainty as an opportunity for growth and M&amp;A in the sector fared better than larger corporate firms.

“Many of the UK’s SMEs are looking at Brexit as an opportunity to grow and acquire market share rather than a reason to sit tight,” Collings said.

“The cowboys are being driven out and the regulation is now on a par with mainstream savings and investment choices.”

Investment cap for P2P lenders to be launched

JESS CLARK
@jclarkjourno

THE CITY watchdog will implement a cap for first-time peer-to-peer (P2P) investors as it clamps down on the sector.

“Proof were needed that Brexit has caused major corporates to put big decisions on hold, then the bleak uncertainty as an opportunity for growth...”

Theresa May as Prime Minister, with some pledging to continue with the project and others vowing to scrap it. “What we’ve got with HS2 is a new chairman in Allan Cook who is rightly taking his first period of the project to make sure it’s in good shape to make sure the budget is right, the costs are right and that it’s deliverable,” Grayling told the New Civil Engineer on Monday.

“Many of these deals were signed during the quarter and others vowing to scrap it,” said Grayling, adding: “What we’ve got with HS2 is a new chairman in Allan Cook who is rightly taking his first period of the project to make sure it is in good shape to make sure the budget is right, the costs are right and that it’s deliverable.”

No longer can our sector be dismissed as the Wild West of investing,” Lewis said.

“The cowboys are being driven out and the regulation is now on a par with mainstream savings and investment choices.”

“Many of these deals were signed during the quarter and others vowing to scrap it,” said Grayling, adding: “What we’ve got with HS2 is a new chairman in Allan Cook who is rightly taking his first period of the project to make sure it is in good shape to make sure the budget is right, the costs are right and that it’s deliverable.”

No longer can our sector be dismissed as the Wild West of investing,” Lewis said.

“The cowboys are being driven out and the regulation is now on a par with mainstream savings and investment choices.”

No longer can our sector be dismissed as the Wild West of investing,” Lewis said.

“The cowboys are being driven out and the regulation is now on a par with mainstream savings and investment choices.”
AO World extended its losses in the 2018 financial year, its results showed yesterday, as the firm’s earnings fell in Europe. The Bolton-based company’s loss before tax rose 40 per cent to £18.9m for the year ended 31 March 2019, compared to £13.5m the previous year.

Revenue rose 13 per cent to £902.5m for the year, compared to £796.8m a year earlier, its results showed. Chief executive John Roberts, who in January took back charge of the company he founded, said: “We can do better.”

AO World delivered double-digit revenue growth in the UK, while its losses in adjusted Ebitda (earnings before interest, tax, depreciation and amortisation) terms fell to £0.4m for the year to 31 March compared to £3.4m a year earlier.

However losses in Europe increased, which Roberts put down in part to problems with drivers in Germany and weak margins.

Shares in the company fell 9.1 per cent yesterday. Roberts said: “The UK result was achieved against an ongoing tough trading environment.”

“We can do better, and I’m pleased with the progress that we are now making in the first few months of this financial year,” he added.

Hampden & Co posted double-digit growth in both lending and deposits last year as income rose 63 per cent to £6.4m.

The Edinburgh-based bank, which has an office in London, reported 40 per cent lending growth to £132.5m, while deposits grew 38 per cent to £276.5m.

The bank, founded in June 2015, added a digital banking platform and mobile app to its offering earlier this year and was also successful in joining the £350m RBS incentivised switching scheme, which encourages businesses to move banks.

Chief executive Graeme Hartop said: “This growth demonstrates the demand for our truly personalised private banking service.

“And we added to it in February 2019 our digital banking service and mobile app.”

Hampden & Co also announced that former First Direct Bank chief executive Alan Hughes would take over as chairman, replacing co-founder Ray Entwistle, who retired last year.
CONSTRUCTION WOES Workers shed as activity dips across British building sites

Owner of Russian bank Tinkoff seeks to raise $300m in London

THE FUTURE OF AVIATION

Thursday 20 June 2019 6.30pm – 9.30pm

ROYAL ALBERT DOCK

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

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

This event is designed for professionals working in the aviation industry along with business leaders based within the vicinity of London City Airport.

The Future of Aviation will be held at the RAD Altitude building which is already attracting interest from aviation businesses looking to locate close to the UK’s leading business airport and the ExCel International Exhibition Centre.

Limited parking. Closest public transport: Beckton Park DLR station (less than 1 minute walk away).

Altitude, 14 Lascars Avenue, London, E16 2YP

European Central Bank's (ECB) original target.

Inflation in the euro area fell to 1.2 per cent in May, a first estimate from the European Union’s data body Eurostat showed, down from 1.7 per cent in April.

The figure is below the ECB’s two per cent target, and will increase pressure on the bank to delay its plan to raise rates after the end of this year. It meets for its latest policy decision tomorrow.

ECB policymakers will contend with weak economic data – it forecasts GDP growth for the area of 1.1 per cent – and low inflation, increasing the chances interest rates will stay at their current record lows longer than expected.

Inflation in services dropped to 1.1 per cent last month from April’s reading of 1.9 per cent.

Core inflation, which takes out energy, food, alcohol and tobacco, fell to 0.8 per cent in May from 1.3 per cent in April.

UK assets from its US assets, with-

draws from Britain’s rail industry and

portunistic, self-interested plater that
made by First Group that it is a “op-

“Coast strongly disagrees with the
claims made by the board of First
Group and will respond to these over
the coming days.”

First yesterday launched an attack
on Coast for its alleged “scattergun,
inconsistent and unusual proposals”
as it warned that its latest plans
were not in the interests of share-
holders.

The firm criticised the choice of
former transport minister Steve
Norris as one of the board nominees,
citing his lack of experience in run-
ning a company on a similar scale to
First and his track record as chair-
man of Jarvis, which fell into admin-
istration in 2010.

The FTSE-250 firm has approved the
meeting, which will take place later
this month on 25 June.

A spokesperson for Coast said:
“Coast Capital is delighted that First
Group has finally confirmed the
date of the EGM which Coast has
requisitioned.

Coast strongly disagrees with the
claims made by the board of First
Group and will respond to these over
the coming days.”

First yesterday launched an attack
on Coast for its alleged “scattergun,
inconsistent and unusual proposals”
as it warned that its latest plans
were not in the interests of share-
holders.

The firm criticised the choice of
former transport minister Steve
Norris as one of the board nominees,
citing his lack of experience in run-
ning a company on a similar scale to
First and his track record as chair-
man of Jarvis, which fell into admin-
istration in 2010.
Sports betting drives growth in revenue at 888

SEBASTIAN MCCARTHY
@SebMcCarthy

GAMBLING giant 888 enjoyed a bump in revenue during the first half of this year, as a rise in sport and casino bets compensated for a poker slump.

Group revenue climbed six per cent on a like-for-like basis in the six months to 18 May, according to a trading update released by the firm yesterday.

The gambling operator’s share price closed up nearly eight per cent.

Revenue was bolstered by both an increased marketing investment and the launch of 888’s new Orbit Casino platform, the group said, which together resulted in a 20 per cent year-on-year rise in addition to new customer acquisitions.

Sport and casino revenues jumped 29 per cent and 13 per cent respectively, while Bingo growth came in flat and poker suffered a 28 per cent decline.

Last year, 888 bought out the remaining half of All American Poker Network (AAPN) for $28m (£22m), in a sign of its ambitions to expand across the Atlantic. It also acquired 53 per cent of the US gaming site from its joint venture partner Avenue OLG Entertainment and other minority shareholders.

“888 has enjoyed a solid start to the year with strong momentum in Casino and Sport across a number of the group’s major regulated markets,” said Itai Pazner, 888 chief executive.

Pazner added: “While poker has remained challenging, we were pleased to see an improving revenue trend in [the first quarter of] 2019 against [the fourth quarter of] 2018.”

Uber braced for hefty charges as it faces multiple global tax probes

JAMES WARRINGTON
@ja_warrington

UBER has revealed it is under investigation by a string of tax authorities in the US and abroad.

The ride-hailing firm said in a filing yesterday that the US Internal Revenue Service (IRS) had launched a probe into its taxes for 2013 and 2014. Uber said it was also under scrutiny from “various state and foreign tax authorities”.

The tech giant, which floated on the New York Stock Exchange last month, said it was “highly uncertain” when the audits would be resolved.

But it said it expected a reduction in unrecognised tax benefits of at least $141m (£111m) within the next twelve months.

Uber said it has put “adequate” reserves aside to cover any additional tax bills, but warned it could face tax adjustments in major jurisdictions including the UK, Australia, Brazil and Singapore.

HMRC last month opened an investigation into Uber over allegations it owes roughly £1bn in unpaid VAT relating to the self-employed status of its drivers.

Analysts stood by the firm, however, with many giving Uber a “buy” rating yesterday despite the probes and about $1bn in losses.

Tiffany loses shine as Chinese tourist luxury spending plunges

MELISSA FAres

LUXURY jeweller Tiffany cut its profit outlook for the year yesterday and blamed dramatically lower spending by tourists at its stores around the world for missing quarterly same-store sales estimates, but reassured Wall Street the second half of the year could show improvement.

The New York-based company said tourist-related sales in the Americas were down about 25 per cent from year ago, with sharper declines among Chinese tourists.

Tiffany said it expected stronger second-half results as year-over-year comparisons get easier, foreign exchange pressures ease and more new products and associated marketing reach the market.

Chinese tourists, who account for more than a third of global sales of luxury products, are spending more at home, encouraged in part by government efforts in cutting VAT or import duties. At the same time, the number of visitors from China to the United States fell in 2018 for the first time since 2003.
Metro Bank shares bounce back as investors approve £375m fundraise

CALLUM KEOWN
@CallumKeown1

Metros shares recovered yesterday after investors approved the challenger banks £375m capital raise. Shares rose more than six per cent to 665p, having dropped more than 8.5 per cent the previous day as pressure mounted on the bank over legal claims and regulatory probes.

On Monday, more than 92 per cent of shareholders voted to approve the £375m cash raise - prompted by a major loans blunder in January. Investors snapped up the new shares, which will begin trading tomorrow, at a discounted price of 500p last month.

Earlier this year the lender admitted that a swathe of commercial loans had been wrongly classified and should have been among its risk-weighted assets. Further problems mounted when it emerged that the Bank of England, not Metro, had discovered the issue. Shares have fallen 70 per cent since the error, which has also sparked two regulatory probes.

Last week, two US law firms - Pomerantz and Levi & Korinsky - announced they are investigating whether securities fraud took place at the challenger bank.

EXCLUSIVE READER OFFER
Join Lawrence Dallaglio at the world-famous Goodwood Motor Circuit for a sensational weekend in aid of Dallaglio RugbyWorks.
Saturday 8th & Sunday 9th June 2019
The Goodwood Estate

- Exclusive Super Car track day where you can drive cars including Ferrari, McLaren and Lamborghini plus take a ride around the legendary circuit in a Noble and the Koenigsegg Agera RS
- Lunch by Michelin-starred chef, Tom Kerridge
- Private dinner hosted by Lawrence Dallaglio at Goodwood House
- Overnight accommodation at the luxury Goodwood Hotel
- Optional free entry into the Sunday Cycling Sportive

Exclusive offer for City A.M. readers: £2,250 for one person / £4,000 for two people

Contact trackfest@dallagliorugbyworks.com quoting City A.M. Offer

Shell prepares to hike dividend after long pause

JOE CURTIS
@joe_r_curtis

ROYAL Dutch Shell told investors yesterday it expects to hike dividends after completing a $25bn (£19.7bn) share buyback by the end of 2020.

The oil giant routinely pays around $16bn back to shareholders every year but has not upped its dividend since 2014, when it rose to $0.47 per share.

Shell said it is on track to meet 2020 targets and has grown organic free cashflow outlook to around $30bn for 2025 with oil at $60 per barrel.

That is higher than the $28bn to $30bn of free cashflow it plans to deliver this year.

It should allow the company to return $12bn to investors via dividends and share buybacks between 2021 and 2025.

“With Shell having reshaped our company with a focus on value and have demonstrated a clear track record of delivering on our ambitious promises made at our management day in November 2017,” said chief executive Ben van Beurden.

“It is the success of our strategy and strength of our delivery today that gives us confidence for the future.”

Deep water, shale and conventional oil and gas will form Shell’s core upstream focus while refining and chemicals will be key downstream themes.

“All this adds up to a forward-looking strategy that ensures Shell is well-placed to continue to deliver a world-class investment case and thrive in the energy transition,” van Beurden said.

Shares in Shell dropped 0.6 per cent to 2.459p as global oil prices have suffered since the beginning of the week. Brent crude, the international standard, rose just over one per cent yesterday to reach $62 per barrel, but it lags behind its mid-May price high of $71 per barrel.

Prices dropped over worries about US-China trade tensions.

“Ordinarily, you would expect the stock to rally on the back of such an announcement, but the share price is in the red as the underlying oil market is under pressure over concerns about demand,” said David Madden, an analyst at CMC Markets.

‘Miserable’ month for drivers as petrol prices near five-year high

AUGUST GRAHAM
@AugustGraham

BRITAIN’s drivers faced a “miserable” May as petrol prices came within touching distance of a five-year high. Forecourt petrol reached nearly £1.31 per litre last month, more than 2p more than in April. The price is 1p more than at the beginning of February, data from insurance company RAC showed.

The price is just a penny away from a five-year high set in October last year.

Meanwhile, drivers coughed up more than £1.35 a litre to fill their cars with diesel, a rise of 1.7p.

“May was another miserable month for drivers with the fourth straight average price rise of both petrol and diesel taking us near to a five-year high,” said RAC fuel spokesperson Simon Williams.

The rises came as international oil prices have soared since Opec started restricting exports in January.

However petrol prices look set to fall soon, as oil has lost some of its height globally in the last fortnight.
Government has made ‘insufficient’ progress on cybersecurity risks

JAMES WARRINGTON

MPS HAVE warned the government that it has not done enough to protect the UK from the growing risk of cyber attacks.

The influential Public Accounts Committee (PAC) today published a report criticising the government for not making sufficient progress in its cybersecurity strategy.

The PAC said the UK’s plan for fending off cyber attacks had been hampered by the lack of a robust evidence base to make informed decisions.

The report criticised the Cabinet Office for failing to develop a business case for its programme, adding it could not justify the £1.9bn funding.

In addition, the MPs said it was not clear what the strategy will actually deliver by 2021, and urged the government to clarify its aims when it publishes a costed plan later this year.

“We welcome the National Cyber Security Strategy but are concerned that the programme designed to deliver it is insufficient,” said PAC chair Meg Hillier.

Future plans should be based on strong evidence, business cases should be rigorously-costed to ensure value for money, and strategic outcomes and objectives should be clearly defined.”

Warning that the UK is more vulnerable than ever to cyber attacks, the PAC also called on the government to develop a dashboard for information to calculate a person’s pension forecasts.

“Omission or errors "will be rectified" before people retire, he added. "I have asked officials to explore options to further enhance the accuracy of the information held with National Insurance records and how we use that information to calculate a person’s state pension forecast.”

It’s hit Love Island podcast will be available on the Global Player app

JAMES WARRINGTON

ITV’s hit Love Island podcast will be available on the Global Player app after, which coincides with the return of ITV’s wildly-popular reality dating show.

The Global Player app will also host ITV’s Six Nations podcast and the upcoming Rugby World Cup podcast.

The deal includes the promotion of the Love Island podcast on Capital, including Love Island: The Morning Show, After, which coincides with the return of ITV’s wildly-popular reality dating show.

Global signs deal with ITV to host hit Love Island podcast

JAMES WARRINGTON

MEDIA giant Global has signed a two-year deal to host ITV podcasts on its Global Player app and promote them across its radio stations.

Global, which is the UK’s largest commercial radio company, will acquire a string of hit podcasts including Love Island: The Morning Show.

The deal is part of its wider strategy to build a leading multi-platform media company, and follows the successful launch of its Global Player app, which includes the hit Love Island podcast.

Global has also signed deals with ITV’s Six Nations podcast and the upcoming Rugby World Cup podcast, which will be available on the Global Player app.

Intu names ex-Crest Nicholson exec Allen as finance supremo

JESS CLARK

SHOPPING centre operator Intu has appointed ex-Crest Nicholson finance chief Robert Octa, as its new chief financial officer.

Allen, who left the FTSE 250 housebuilder in 2018, will join Intu on Monday. Interim finance chief Barbara Gibbs will remain her director of finance role.

Previously Allen held roles at British American Tobacco, Charterhouse Bank and Coopers & Lybrand.

360,000 people receive wrong pension forecast

ALEX DANIEL

THE GOVERNMENT has admitted “significant” problems with state pension forecasts, after revealing hundreds of thousands of people have received erroneous information.

Three per cent of pensioners may have made financial decisions based on false information sent by the government since 2016, it emerged yesterday. This amounts to about 360,000 people who have received incorrect state pension forecasts.

Members of the public have received online statements which are inconsistent with earlier written statements. The more recent online statements have been incorrect.

In some cases, new forecasts were more than £1,500 a year higher than people expected. The Department for Work and Pensions (DWP) initially called the forecasts isolated errors, and said it had corrected them.

But pensions minister Guy Opperman has admitted the problem is more widespread. He said “there is a significant problem here” in a letter to former pensions minister Steve Webb.

Omission or errors “will be rectified” before people retire, he added. “I have asked officials to explore options to further enhance the accuracy of the information held with National Insurance records and how we use that information to calculate a person’s state pension forecast.”

Webb, now director of policy at pensions firm Royal London, wrote to Opperman asking him to identify if there was a systematic problem with state pension forecasts.

The DWP is pushing for savers to rectify Omission or errors “will be rectified” before people retire, he added. “I have asked officials to explore options to further enhance the accuracy of the information held with National Insurance records and how we use that information to calculate a person’s state pension forecast.”

Webb, now director of policy at pensions firm Royal London, wrote to Opperman asking him to identify if there was a systematic problem with state pension forecasts.

The DWP is pushing for savers to rectify Omission or errors “will be rectified” before people retire, he added. “I have asked officials to explore options to further enhance the accuracy of the information held with National Insurance records and how we use that information to calculate a person’s state pension forecast.”

Former John Lewis boss tells MPs to rethink business rates

SEBASTIAN MCCARTHY

THE FORMER boss of John Lewis has called for a radical overhaul of the government’s business rates system amid mounting challenges for many of Britain’s retailers.

Andy Street, the mayor of the West Midlands, yesterday urged the government to review its tax system in a bid to save embattled retailers.

In an appearance before the Treasury Select Committee, Street called for reduced rates for new and expanding businesses, as well as a 100 per cent relief for public-sector organisations that bring their services into high street units.

The suggestions from Street, who left his role as managing director of John Lewis in 2016, come as many high street firms struggle to maintain a profit amid higher costs and increased competition from online rivals.

Street said: “Our town centres and in particular our high streets are the heart of where we live, and they are having a tough time.

We need to think originally to come up with practical solutions to help them thrive again.”

Lima London

Ceviche Masterclass

Wednesday 12th June

7.00pm - 9.30pm

Lima London, 31 Rathbone Pl, Fitzrovia, London W1T 1JH

Join us on the 12th June for an exclusive Ceviche Masterclass hosted by Lima London. Enjoy an interactive masterclass held by executive chef Robert Octa, where you will get the chance to learn the cooking skills and techniques behind traditional Peruvian Ceviche dishes. Tickets are priced at £38 per person.

To book your place, please call 44 20 3002 2640 or email enquiry@limalondon.com

Airtel Africa to raise $750m in London listing

JAMES BOOTH

AFRICA’s second-largest mobile operator Airtel Africa intends to raise $750m (£591m) in a float on the London Stock Exchange.

The telecoms group said yesterday that it will pursue a premium listing on the main market, meaning it will float at least 25 per cent of its shares.

The group, owned by Indian telecoms giant Bharti Airtel, said it intends to use the proceeds of the float to reduce net debt.

Following admission the company will cut its net debt to earnings before interest, tax, depreciation and amortisation ratio to 2.5.

The company, which is also considering listing on the Nigerian Stock Exchange, has appointed JP Morgan, BoA Merrill Lynch, Citigroup, Absa, Barclays, BNP Paribas, Goldman Sachs, HSBC and the Standard Bank of Africa as advisers.
PwC promises £30m to boost quality in audit

JAMES WARRINGTON
@_a_warrington
SHARES in Haynes Publishing Group jumped more than 12 per cent yesterday after it forecast a sharp rise in profit for the full year.

Haynes, which is famous for its car repair manuals, said it expected pretax profit to rise roughly five per cent in the year to the end of May.

The firm said the figure was 10 per cent ahead of current market expectations, due to strong trading in the first half of the year.

I am delighted to report another strong year for Haynes with both revenue and underlying profit tracking ahead of market expectations and the prior year,” said Haynes chairman Eddie Bell.

“Our continued investment in people and new technologies, that enhances our specialist content and data sets, is a key driver behind this strong performance.”

Haynes, which also publishes lifestyle manuals covering topics including sport, pets and scifi, has proved resilient to challenges in the sector as it shifts its focus to digital.

Earlier this year, the Somerset-based firm announced that 53 per cent of its half-year revenue came from digital sales, the first time it has pulled in more than half its revenue from digital products.

Haynes, which caters for the automotive aftermarket as well as drivers, is set to publish its full-year results on 12 September.

WH Smith suffers after being named ‘worst high street shop’

BRITISH high street retailer WH Smith has struggled with its reputation in recent years, after scandals where it was found to be selling e-books about abuse, and failing to pass on duty-free discounts to customers at airports.

WH Smith’s latest headache comes in the form of Which’s annual high street shop survey, in which the stationer ranks last for the second year running, with an overall customer score of just 50 per cent.

The rankings are based on customer satisfaction and how likely they are to recommend it to a friend. Which asked the opinions of over 7,000 of its members in January, based on their in-store purchases over the last 12 months.

YouGov’s own data shows that WH Smith’s Satisfaction scores (whether someone is a satisfied or dissatisfied customer) and Recommend scores (whether someone would recommend a brand to a friend or not) for the past 12 months are roughly half that of the highest scorer, M&S.

WH Smith has a Satisfaction score of +24.8 and a Recommend score of +53.3. Among current customers (who have made purchases in the past three months) these scores improve slightly. Satisfaction scores move by 24.5 points to +49.3 among this group, while Recommend scores improved by 16.4 points to +30.2. Comparatively, by the same measure, M&S had a Satisfaction score of +66.2 and a Recommend score of +53.3.

It’s clear that WH Smith has work to do in order to bring shoppers back on board, and the impact of the Which survey will not help.

NEW CSF FOR WHSMITH IS LOW

“Are you a satisfied /unsatisfied customer of WHSmith?”

“Would you recommend /advise to avoid WHSmith to a friend or colleague?”

CUSTOMER SATISFACTION FOR WHSMITH IS LOW

<table>
<thead>
<tr>
<th>UK</th>
<th>Current customers</th>
<th>Satisfaction scores</th>
<th>Recommend scores</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.8</td>
<td>13.8</td>
<td>49.3</td>
<td>30.2</td>
</tr>
</tbody>
</table>

Source: YouGov Profiles
These cities feature a critical combination of an international capital and make it available in the world: the City of London. What about the premier global financial centre with economic dynamism to meet the ever-increasing commerce. Liberty and freedom are a prerequisite for prosperity. It remains true in contemporary Europe, the future of which depends on economic dynamism to meet the ever-rising expectations of its people. This will be near-impossible without a premier global financial centre with ties to Europe: Right now, the EU has an ‘Offshore London’ as the best global financial centre in the world: the City of London. Whatever the Brexit outcome, the EU needs the City, and the City needs the EU. The world has only a handful of global financial hubs. These centres aggregate international capital that is available to sovereign and corporate institutions alike to fuel economic growth. These cities feature a critical combination of large-scale financial, accounting and legal services supported by an infrastructure of telecoms, transport, housing and world-class educational institutions. Critically, each of these centres operates in English under common law, with independent and practical regulation and consistent and sympathetic attitudes to wholesale finance and free-market capitalism. Each of these cities also benefit from strong ties to surrounding economic regions.

THE FACT that the City of London still awards the eight-century-old ‘Freedom of the City’ is a reminder that human rights, liberty and the rule of law had their origins in Europe’s medieval trading centres and self-governing cities. Medieval cities granted various freedoms, such as the right to heal and to chop Londoners out of the goodness of their hearts but to increase commerce. Liberty and freedom are a prerequisite for prosperity.

It remains true in contemporary Europe, the future of which depends on economic dynamism to meet the ever-rising expectations of its people. This will be near-impossible without a premier global financial centre with ties to Europe: Right now, the EU has an ‘Offshore London’ as the best global financial centre in the world: the City of London. Whatever the Brexit outcome, the EU needs the City, and the City needs the EU. The world has only a handful of global financial hubs. These centres aggregate international capital that is available to sovereign and corporate institutions alike to fuel economic growth. These cities feature a critical combination of large-scale financial, accounting and legal services supported by an infrastructure of telecoms, transport, housing and world-class educational institutions. Critically, each of these centres operate in English under common law, with independent and practical regulation and consistent and sympathetic attitudes to wholesale finance and free-market capitalism. Each of these cities also benefit from strong ties to surrounding economic regions.

London’s financial prominence in Europe is unusually pronounced. Of other EU cities, only 100th-placed Frankfurt is in the top 20 of the Global Financial Centres Index, with Paris, Luxembourg, Madrid, Dublin and Amsterdam further behind. The concentration of EU financial services in London is inextricable. Of the five most economically developed global regions only Europe is so populated. North America’s six largest financial centres are all in the top 20. Six Asian cities are in the top 12.

Clearly, some rebalancing is appropriate. Asset management and private equity firms are coalescing in Dublin, while commercial and investment banks are locating to Frankfurt. Trading platforms, exchanges and brokering operations are setting up in Amsterdam, and Paris attracts fintech, regtech and insurance startups.

Yet, London is set to remain one of the world’s major financial centres and Europe’s largest. That is because of London’s incomparable strengths, but also because it is ultimately not in the EU’s interest to restrict financial activities to the Eurozone. The EU needs access to markets for global capital and expertise that no single EU city is capable of assembling at any time soon. The EU’s capital markets are only a quarter of its commercial enterprises compared to three quarters in North America.

Encouraging EU entities to trade only with other EU entities would limit their access to global capital and thwart their development.

Without Euro-dominated instruments traded in London’s premier wholesale markets alongside the US dollar, the euro would fail to become a true global currency.

At the same time, the City needs the EU. A reduction in the City’s servicing of EU firms would cause the City to evolve into an ‘offshore’ centre diminishing its expertise and innate qualities. Moreover, London needs access to the EU’s talent and creativity to operate its financial services infrastructure. It is not in Europe’s economic interest to separate “Fortress Europe” from ‘Offshore London’. Both sides must reach a suitable arrangement for the conduct of financial services between the EU and London. European economic growth and the aspirations of its people depend on it.

J Christopher Giancarlo is chairman of the US Consumer Financial Protection Commission; he yesterday received the freedom of the City of London.

S hareholders of Vodafone are among the most recent casualties of dividend cuts in the FTSE 100, after a monthly inflation beating 20 years of annual dividend increases.

Contrastingly, the majority of dividends are flourishing as payments hit a record high for the first three months of 2019. The amount paid by UK companies rose to £19.7 billion which represents a year-on-year increase of 15.7%, according to a Dividend Monitor report from Link Asset Services. Yet with yields rising high, the need to do your homework is arguably greater than ever.

Interactive investor: shed some light on warning signs investors should look out for to help spot problems in advance.

BEWARE A HIGH DIVIDEND YIELD

Rebecca O’Keeffe, Head of Investment at interactive investor, says: “A high dividend paying stock may be a good investment, but it could also be a warning sign that all is not well with the business. In many cases, the market may be expecting the dividend to fall. This could be because cash generated by the business is insufficient to pay the dividend in full, or there may be other significant challenges that the business faces in maintaining such a generous dividend.”

Richard Hunter, Head of Markets at interactive investor, says: “If something looks too good to be true, it probably is. Whilst the FTSE 100 is an attractive hunting ground for dividend seekers, it’s worth bearing this in mind. Share prices and yields often have an inverse relationship, so a high yield can actually be a sign that a stock is out of favour. So, take a look at the dividend track record – whilst it’s no guide to the future, tread cautiously if a company has a high headline yield but a patchy dividend track record.”

DIVIDEND DILEMMAS: DOING YOUR HOMEWORK IS MORE IMPORTANT THAN EVER

Jemma Jackson looks at the warning signs investors should look out for and how to prevent possible problems.

DIVIDEND COVER

Rebecca O’Keeffe says: “When it comes to yield, it’s important to assess whether a company can deliver what it says on the tin and is not overstretched itself – which can not only compromise shareholder dividends, but compromise long-term growth prospects, too – double trouble for investors. Dividend cover is the ratio of a company’s net profits to the amount of dividend it pays to shareholders. A dividend cover of 2 times or more is positive for investors and means the company has plenty of leeway to pay dividends. When the dividend cover falls to close to 1, this is a warning sign and investors may not get what they’re expecting.”

INVESTORS NEED TO BE VERY CAREFUL IN SELECTING STOCKS THAT ARE BASED ON DIVIDENDS ALONE

Rebecca O’Keeffe, Head of Investment, interactive investor says: “Investors need to be very careful in selecting stocks based on dividends alone. Don’t lose sight of the fact that you want to maximize your total return, and not simply the dividend yield. Most of the big tech companies pay little or no dividends while they are growing rapidly, preferring instead to reinvest their cash directly into the business at very attractive internal rates of return.”

This article is provided for informational purposes only and is not intended to be a personal recommendation to buy or sell any investments, recommend a transaction, or to adopt any investment strategy.

Read more online
Keep up to date on our news at: www.ii.co.uk

Lynd say: “Investors need to be very careful in selecting stocks that are based on dividends alone. Don’t lose sight of the fact that you want to maximize your total return, and not simply the dividend yield. Most of the big tech companies pay little or no dividends while they are growing rapidly, preferring instead to reinvest their cash directly into the business at very attractive internal rates of return.”

This article is provided for informational purposes only and is not intended to be a personal recommendation to buy or sell any investments, recommend a transaction, or to adopt any investment strategy.

Read more online
Keep up to date on our news at: www.ii.co.uk
FTSE 100 ends higher as banks feel trade relief

The FTSE 100 rebounded yesterday as China’s request for dialogue with the United States to resolve trade differences offered respite, while money manager Hargreaves Lansdown tumbled after the suspension of one of the Woodford investment funds.

The FTSE 100, which started the day in negative territory, reversed course to end 0.4 per cent higher, although it lagged its European counterparts due to weakness in oil majors Shell and BP.

The domestically-focused midcap index rose 0.7 per cent, helped by strength in the pound, the gains of which were prompted by the US Federal Reserve opening the door to the possibility of a rate cut.

After a slew of back and forth trade threats between the US and China, investors welcomed comments from China’s commerce ministry urging dialogue and negotiation to solve the differences. That supported shares in Asia-focused financial firms including Standard Chartered and Standard Chartered, while miners also climbed higher.

Oil heavyweights, however, weakened as crude prices fell to their lowest since January as Russia’s top oil producer said it opposed extending joint cuts with Opec until the end of the year.

Hargreaves Lansdown tumbled 4.6 per cent, among top losers on the main index, after well-known money manager Neil Woodford suspended trading in one of his funds, which is included in six of Hargreaves Lansdown’s Multi-Manager funds.

On the midcap index, shares in Woodford Patient Capital Trust, a listed fund run by Woodford, slumped to the lowest in nearly a month.

Ocado shares slumped on lacklustre retail data from the BRC, but Ocado shares slumped on lacklustre retail data from the BRC, but an all-time low as investors were spooked by the suspension.

Some dealers are calling for more clarity on lacklustre retail data from the BRC, but an all-time low as investors were spooked by the suspension. Stock ended down 7.2 per cent.

Another stark reminder of the toll that the delayed Brexit process is taking on consumers came from the British Retail Consortium, as data showed shoppers cut back spending in May by the most in more than two decades.

Shares of retailers and consumer goods companies declined in response, with online grocer Ocado down five per cent on the FTSE 100.

### TOP RISERS

1. Ocado Down 5.04 per cent
2. Hargreaves Lans. Down 4.58 per cent
3. Pearson Down 2.76 per cent

### TOP FALLERS

1. Ocado Down 5.04 per cent
2. Hargreaves Lans. Down 4.58 per cent
3. Pearson Down 2.76 per cent

---

**Barclays**

Barclays has appointed Karen Johnson as the national head of retail, wholesale and healthcare for its Corporate Banking business. Karen has more than 25 years banking experience, working with a wide range of businesses from owner-managed through to multinational. She joined Barclays in 2015 to lead the large corporate team in the north west, managing key clients in the region and with additional responsibility for Retail & Wholesale across the whole of the north of England. Before Barclays, Karen was at RBS where she worked in a variety of senior roles spanning business, development, turnaround, portfolio management and real estate. In addition to her Retail, Wholesale and Healthcare responsibilities, Karen is co-chair of Barclays’ Corporate Banking Diversity and Inclusion Council.

Barclays also announced the appointment of Fater Belbache as global head of equities. He will lead the equities business across Cash, Derivatives, Prime and Syndicate. Based in London, he will report to head of markets Stephen Dainton. Fater has close to 20 years of experience in the global equities markets. Prior to Barclays, he spent 12 years at JP Morgan, most recently as global head of volatility trading and structuring, and previously as head of volatility trading and execution of the Fintech and market making businesses.

Karen is also co-chair of Barclays’ Corporate Banking Diversity and Inclusion Council. Barclays also announced the appointment of Fater Belbache as global head of equities. He will lead the equities business across Cash, Derivatives, Prime and Syndicate. Based in London, he will report to head of markets Stephen Dainton. Fater has close to 20 years of experience in the global equities markets. Prior to Barclays, he spent 12 years at JP Morgan, most recently as global head of volatility trading and structuring, and previously as head of volatility trading and execution of the Fintech and market making businesses.
**The Tory party will annihilate itself if it tries to mimic Farage**

**Forum**

**Edited by Rachel Cunliffe**

The Tory party will annihilate itself if it tries to mimic Farage

**Ben Kelly**

**Affluent, liberal middle-class voters don’t want nostalgic politics or culturally insular values**

Ben Kelly

because of the Brexit stalemate. Do this, and the Brexit Party will lose momentum just as Ukip did. Sure, there will be grumbles about Brexit not being “hard” enough and some unhappiness about the backstop, but is that really enough to keep the Brexit Party together and fuel it to win a General Election?

Farage’s new venture has no national infrastructure. Brexit is all that holds it together. If the party attempts to further define itself and develop a manifesto, it will crumble under the weight of its own contradictions and descend into infighting. How can a party led by a Thatcherite that has a Communist as one of its most prominent figureheads remain coherent beyond Brexit?

The writing is on the wall for the Brexit Party for anyone who wants to succeed.

---

**Even Keynes understood that Labour’s calls for more spending will end in chaos**

**Paul Ormerod**

**The Shadow chancellor John McDonnell and other voices on the left have been strident for years in their calls for an end to “austerity”. Remarkably, they were joined by the Government to “turn on all the taps” in 2015.**

A report by the MP Neil O’Brien recommended an increase in public spending of some £20bn over the next four years. He argued that the Government “should do all it can to support business, especially small ones – especially small ones – in the Department of Business, Energy and Industrial Strategy.”

Keynes understood that Labour’s calls for more spending will end in chaos.

---

**Letters to the Editor**

Modern threats

**[Re: Only one in five businesses has insurance to protect against terrorism]**

As terrorism evolves, so too must the mechanisms which support victims, with the potential for a large-scale terrorist incident or whether it is that right that victims covered by private insurance are compensated and rehabilitated differently to those covered by the government criminal injuries scheme. The first time that the time is right for the industry, the government, and other stakeholders to work together to devise a more holistic approach to modern terrorism threats.

David Nichols, UK chief claims officer, Zurich

---

**BEST OF TWITTER**

Most important from Trump/May presser:

- Trump wants “phenomenal” trade deal
- Says NHS would be on table
- Predicts agreement on Huawei
- Says NHS would be on table
- Predicts agreement on Huawei
- Predicts agreement on Huawei
- Predicts agreement on Huawei
- Predicts agreement on Huawei
- Predicts agreement on Huawei
- Predicts agreement on Huawei

By my count that Trump presser embarrassed 1. Any Brexit missing NHS isn’t part of any US trade deal 2. Corbyn 3. Michael “I don’t know” Gove 4. Trump himself, as usual 5. a watching nation, because the buttck-clenching of it. @pabylinslitf

We are disappointed to learn of the departure of some of our MPs but Change UK remains totally committed to our fundamental aim of Britain’s broken politics and stopping a disastrous no-deal Brexit. @FareChange_Now

I vote Tory for the first time. They fall apart. I vote Change UK for the first time. They fall apart. Maybe I should vote for Corbyn too. @DajBodle

---

**CHANGE UK + Love Island couples**

Breaking up after four months because, despite lots of initial coverage, you’re not getting much attention anymore and it turns you out you fundamentally dislike each other. @hovegotnews

---

**OPINION**

WEDNESDAY 5 JUNE 2019

CITYAM.COM
Britain doesn’t need a special deal to boost trade with the US

A MID all the pomp and circumstance of President Trump’s state visit, one issue is clearly dominating the agenda: a free trade agreement (FTA) with the UK.

The US national security adviser, John Bolton, recently repeated that the UK would be at the ‘top of the queue’ for a trade deal with the US after Brexit, and urged the UK to pull away from EU alignment as soon as possible. UK business supports closer ties with the US – of course – but also wants to maintain access to our largest and closest trading partner, the EU. Politicians may pitch this as an either-or scenario, distancing ourselves from the EU in order to build closer links with America.

But the reality is much simpler: breaking down trade barriers with the US is possible without an FTA.

America and the UK already have the largest bilateral trade relationship on Earth. Over a trillion dollars of combined foreign direct investment from one country into the other has created more than a million jobs in each – good jobs that are high-paying and spread across every region and every sector of business.

The US is the UK’s single largest export destination, and we are America’s fourth largest trading partner behind Mexico, Canada, and China. All this has happened without a specific bilateral trade agreement, showing that FTAs are simply one of many tools available for both countries to improve their trading relationship. “Under the bonnet” trade policy is far more important.

So what should be prioritised now?

First, leave aside the big-ticket concerns like chlorinated chicken and the NHS for a moment. We should instead start our trade negotiations at the Home Office, and work to eliminate restrictions on intra-company transfers and business visas, to allow a more seamless flow of talent across the Atlantic.

This would recognise that, in economies with mutual strengths in services and investment, people are at the heart of trade.

Second, British negotiators should aim to reduce discriminatory government procurement provisions in favour of a more unified “Buy Transatlantic” approach. This will be much harder to achieve as it requires action at national and local government level, but if we’re looking to set ambitions high, it should at least make the UK’s negotiating mandate.

Third, there is scope for extending mutual recognition agreements in a variety of sectors, some of which we already have agreed to “roll over” after Brexit. Some have suggested that agreements like this in labelling and safety standards in high-traffic industries (like chemicals, cosmetics, and pharmaceuticals) would go a long way to cutting red tape and barriers to trade. They are worth considering, but we should also look at new industries where the UK and US are at the cutting edge and could set the tone for future global regulation, such as electric vehicles and artificial intelligence.

Seeking a regulatory dialogue on financial services should also be a top priority for the UK, although this would likely come up against resistance from the Treasury Department in Washington.

The UK needs to protect what it’s got and stay competitive, rather than attempting a brand new FTA from scratch. Prioritising these existing arrangements that already exist will be much harder to achieve as it requires action at national and local government level, but if we’re looking to set ambitious high, it should at least make the UK’s negotiating mandate.

The US and UK already have the largest bilateral relationship on Earth. Over a trillion dollars of combined foreign direct investment from one country into the other has created more than a million jobs in each – good jobs that are high-paying and spread across every region and every sector of business.

This would recognise that, in economies with mutual strengths in services and investment, people are at the heart of trade.

Second, British negotiators should aim to reduce discriminatory government procurement provisions in favour of a more unified “Buy Transatlantic” approach. This will be much harder to achieve as it requires action at national and local government level, but if we’re looking to set ambitious high, it should at least make the UK’s negotiating mandate.

Third, there is scope for extending mutual recognition agreements in a variety of sectors, some of which we already have agreed to “roll over” after Brexit. Some have suggested that agreements like this in labelling and safety standards in high-traffic industries (like chemicals, cosmetics, and pharmaceuticals) would go a long way to cutting red tape and barriers to trade. They are worth considering, but we should also look at new industries where the UK and US are at the cutting edge and could set the tone for future global regulation, such as electric vehicles and artificial intelligence.

Seeking a regulatory dialogue on financial services should also be a top priority for the UK, although this would likely come up against resistance from the Treasury Department in Washington.

The UK needs to protect what it’s got and stay competitive, rather than attempting a brand new FTA from scratch. Prioritising these existing arrangements that already exist will be much harder to achieve as it requires action at national and local government level, but if we’re looking to set ambitious high, it should at least make the UK’s negotiating mandate.

Ben Digby is the CBI’s international director.
Think, neurodiversity isn’t a weakness

Hiring people on the autistic spectrum or who have dyslexia can boost your business

Being on the neurodivergent spectrum is often perceived as a weakness. But given that those with neurodiverse brains are some of the world’s most creative, productive, and forward-thinking people, this is something that should instead be embraced as a real opportunity.

An Acas study estimates that one in seven people is neurodivergent, which simply means that their brain functions, learns, and processes information differently to the way that society expects. However, the real number is unknown, because this isn’t as visible in the same way as gender or race, and disclosure rates are often low – with many masking their characteristics for fear of limiting career opportunities.

Employment rates vary between different forms of neurodiversity, such as attention deficit disorders, autism, dyslexia, dyspraxia, dyscalculia, dysgraphia, and Tourette’s syndrome – just 16 per cent of autistic adults are in full-time employment.

But diversity of all kinds is good for business. When organisations keep recruiting the same type of people, they continually get the same output. When they hire a vibrant mix of talent, they build strong teams with a variety of perspectives and experiences that deliver far more impactful results.

Diversity of mind is particularly beneficial as it inspires creativity, allowing great ideas to surface. A different perspective can be hugely advantageous, and true innovation often starts with those who think differently to the majority.

Unfortunately, there are lots of negative cliches around neurodiversity that don’t necessarily stand up to closer scrutiny, such as that dyslexic people can’t spell.

On the other hand, there are some proven, positive characteristics that make a neurodiverse workforce highly desirable. For instance, people with attention deficit hyperactivity disorder are often excellent at hyper-focusing and pushing through setbacks. Those on the autistic spectrum tend to be very methodical, with strong attention to detail, while dyslexic people are often creative thinkers, good at story-telling and complex problem solving.

When combined within the right teams, these are all exceptionally valuable traits that industries need.

Despite this, a CIPD poll reveals that only 10 per cent of UK organisations include neurodiversity in their people management practices – largely due to a lack of understanding.

In reality, the adjustments needed to support neurodiversity are easily manageable. There can be simple, practical steps, such as implementing clearer communications with less jargon, or providing a better sensory environment where light and sound can be tailored to individual needs.

Small changes to the recruitment process can make a big difference too, such as sending interview questions in advance, or shifting emphasis from interviews to hands-on tasks more relevant to the job role.

But there also needs to be a cultural change, where businesses focus less on the method of delivering work and more on the output. By giving employees the freedom to work where and when they perform best, great results can be achieved.

Creating a neurodiverse workforce shouldn’t be about being altruistic, or ticking a box on a policy. It should be about genuinely valuing diversity of thought, and combining different cognitive abilities and experiences to tackle workplace challenges.

The world needs minds of all kinds – neurodiversity shouldn’t be seen as a weakness, but as a vital contributing factor to business success.

Akama Davies is director of global solutions and innovation at Xaxis.
PERSONAL FINANCE

N THE not-so-distant past, Neil Woodford was a bit of hero, beam- ing among the failed fund man- agers who had blindly bought into the tech boom of 2000. But sometimes stars fall. Or in Wood- ford’s case, they implode.

News that Britain’s most famous fund manager has blocked with- drawals from his flagship fund may have left us stunned, but it’s not en- tirely surprising.

The Equity Income fund has been haemorrhaging money for a while, shrinking from £10bn two years ago to £7bn now. This is in no small part down to the fund’s performance, which – to put it mildly – has been awful. The fund is down more than 18 per cent over the past three years, against the IA UK All Companies 23 per cent return, according to FE Trustnet.

While Woodford had made his for- tune by buying those stocks that every- one else hates, more recently, some of his unloved holdings – like Provident Financial and Kier Group – have sent his fund’s performance south.

But it’s not just the performance that has scared off even Woodford’s most loyal supporters. The fund has been grappling with other, arguably more worrying, structural problems.

Take, for example, the fund’s high ex-posure to unquoted companies. It’s thought that its exposure was closer to 18 per cent, surpassing the regulator’s 10 per cent ceiling, and making the fund far riskier than many retail in- vestors had bargained for.

Back in 2014, the Financial Conduct Authority slapped a £18.6m fine on Woodford’s former employer Invesco Perpetual for exposing investors to greater risk than they expected.

The watchdog is also currently consulting on new rules to further protect in- vestors who hold illiquid stocks, partic- ularly in stressed market conditions.

In a bid to reduce the illiquid assets, Woodford embarked on a controversial move in March, swapping his un- quoted stocks for shares in his own £964m Patient Capital trust.

In a portfolio update, published last month, he pledged to cut the un- quoted holdings to less than 10 per cent of the portfolio by the end of the year, but this failed to calm concerns. In truth, the panic had already set in, spreading like wildfire. And once the run starts, it’s difficult to make it stop.

The deluge of redemptions from the fund has forced Woodford to lock ex- isting investors in. Admittedly, it’s a mechanism that protects investors’ cash, helping the fund manager hide his time as he sells off some assets, but given that we’ve known about these is- sues for some time, you’d think that action would have been taken earlier to try to protect investors.

“The Woodford Equity Income fund has been a slow-motion car crash since June 2017,” says Damien Fahey from Money to the Masses. “It needs to be made more clear that investors using these platforms are really on their own.”

The issue has certainly thrown into question the responsibility of these best buy lists. “People take these as the basis for making their own investment decisions without any protection or re- course when they go wrong,” says An- thony Morrow, chief executive of OpenMoney. “It needs to be made much clearer that investors using these platforms are really on their own.”

What does this mean for investors of Woodford’s funds?

The suspension will be reviewed after 28 days, and it’s likely that it could be extended. “Some of the positions that the fund holds in unquoted stocks are very large and they are not going to be easy to sell quickly,” says Ryan Hughes from AJ Bell. “Investors will have to be pa- tient. While this will be frustrating, the actions are being taken with their best interests in mind.”

Of course, if the suspension is lifted, this could lead to a further run on the fund – although Morrow says that Woodford’s team are likely to be work- ing to manage large client relation- ships to limit this as much as possible.

We might expect outflows from the Income Focus fund, though Hughes says that it doesn’t have a high propor- tion of illiquid assets, focusing instead on large cap dividend-paying compa- nies. And while the Patient Capital Trust’s share price was down 10 per cent yesterday, he warns that investors should avoid knee-jerk reactions.

Woodford’s fall from grace serves as a reminder that investors should buy a fund because they strongly believe in the strategy, rather than being blinded by the manager’s star status.

While outflows from the fund have forced Woodford to lock ex- isting investors in, it’s a mechanism that protects investors’ cash, helping the fund manager hide his time as he sells off some assets, but given that we’ve known about these is- sues for some time, you’d think that action would have been taken earlier to try to protect investors.

“The Woodford Equity Income fund has been a slow-motion car crash since June 2017,” says Damien Fahey from Money to the Masses. “In fact, institu- tional investors started cashing in a while ago, with Jupiter Merlin pulling £300m from the fund in 2017. And given the glaring problems, you would expect the fund to have been dropped from recommended lists. Ex- cept one of the UK’s largest wealth managers, Hargreaves Lansdown, kept the fund on its Wealth 50 list up until Monday, when news emerged that it had been suspended (of course, you can’t recommend a fund which is unavailable to buy), while around seven per cent of Hargreaves’s multi-man- ager funds are invested in Woodford Equity Income.

The problem for armchair investors is that platforms continued to promote a fund manager who stubbornly stuck to his views,” says Fahy. “Hargreaves Lansdown only removed Woodford’s fund from their best buy list yesterday after the horse had bolted.”

When City A.M. put this to Harg- reaves, head of investment analysis Emma Wall said that Woodford is still a compelling fund manager: “Neil is very exposed to domestic stocks, and with ongoing political uncertainty in the UK, it’s created the perfect storm.

“He’s no stranger to investing in unquoted stocks, but this time around there is too much going on for people to be forgiving. And unfortunately that’s led to his hand being forced, and the fund being gated.”

The deluge of redemptions from the fund has forced Woodford to lock ex- isting investors in. Admittedly, it’s a mechanism that protects investors’ cash, helping the fund manager hide his time as he sells off some assets, but given that we’ve known about these is- sues for some time, you’d think that action would have been taken earlier to try to protect investors.

“The Woodford Equity Income fund has been a slow-motion car crash since June 2017,” says Damien Fahey from Money to the Masses. “In fact, institu- tional investors started cashing in a

Graham, hard at it ensuring his investments are working harder.

InvestEngine is the online investment service that does the hard work for you. It’s easy to set up — you tell us your aims then we deliver an investment portfolio or ISA that meets your needs. Our proven technology tracks entire markets, keeping costs to a minimum, and it’s quick and simple to check how your investments are performing whenever you want. So relax and start your InvestEngine today.

Low Fees Easy Set-up Smart Management

InvestEngine.com
FOOD&DRINK

CITY AM CLUB PARTNER SPOTLIGHT

HIX

Restaurateur Mark Hix talks about his City A.M. Club partnership

Celebrated chef, and food writer Mark Hix is frequently lauded as one of London’s most eminent restaurateurs, with an unrivalled knowledge of ingredients and provenance. He has four London restaurants – Tramshed, Hixter, HIX Soho and HIX Oyster & Chop House – where you can enjoy your exclusive 20 per cent discount available to all Club members. Here talks to us about his life in food.

TELL US ABOUT YOUR EVENTS

We host a lot of events, from curating masterclasses to chef collaborations in the Kitchen Library. They are great fun, one of the reasons I was lured into the industry in the first place. I’m always there to meet the punters – it’s not just something I put my name to.

HOW IMPORTANT IS IT TO SUPPORT BRITISH PRODUCERS?

I’ve always supported British producers, and why wouldn’t you? We have world-renowned cheeses, are surrounded by the ocean and have great seafood on our doorsteps. Our farmers and growers are on top of their game, so for years I’ve seen no need to import produce. Obviously, it’s tricky to have a purely British wine list but our sparkling wine is up there with the best Champagne. Down in Dorset we have some great spirits and wine producers within a few miles of my HIX Oyster & Fish House.

HOW MUCH SLEEP DO WE NEED?

The ‘eight hours a night’ rule, like the ‘eight glasses of water a day’ rule, isn’t exactly scientific, but it’s a decent enough rule of thumb. And in my experience, people in the City get far less than eight. Even with the weight of evidence, there’s still a ‘you can sleep when you’re dead’ attitude, with people priding themselves on grabbing a few hours here and there with the best Champagne. Down in Dorset we have some great spirits and wine producers within a few miles of my HIX Oyster & Fish House.

HOW TO JOIN THE CLUB

The City A.M. Club is your passport to the City, giving you access to networking opportunities, events and exclusive offers. City A.M. has collected more than 50 partners, each providing a totally unique, curated experience for City A.M. Club Members. They range from leading lifestyle brands, to your favourite restaurants.

An annual membership costs £240 – an amount that could easily be recouped in a matter of weeks. To apply, log on to our Club website at club.cityam.com. We look forward to seeing you on the inside.

For more information, visit: CLUB.CITYAM.COM

HOW TO SLEEP LIKE A PROFESSIONAL

Personal trainer and life coach Harry Thomas tackles life’s big questions. This week: how to get a better night’s sleep

You don’t get enough sleep. I don’t get enough sleep. There’s a meme doing the rounds that nails it: “You adulthood is just being tired and explaining to other people that you’re tired and listening to other people talk about how they’re tired. But not getting enough sleep is much worse than simply being tired (as if that weren’t bad enough).

Sleep is so much more important than we give it credit for. People don’t understand the power it has on our day-to-day health. You can effectively link sleep deprivation to almost every aspect of our biology – it has an impact on every organ in the body; it exacerbates diseases including cancer and dementia; it impedes skill development, memory, growth, mental health, you name it. Matthew Walker, author of Why We Sleep, has studied the field for more than two decades and argues that we have never fully grasped the power of sleep or why we need it. More and more research is emerging that argues we have sleep-walked into a catastrophic sleep-loss epidemic.

How can we improve our sleep? Creating a routine is a key factor in getting better sleep. Aim to go to bed and wake up at similar times each day to keep your body clock consistent. Remove all unnecessary light from the bedroom – LED lighting from your devices will affect melatonin levels, which will impact your sleep. Avoid using smartphones and iPads after a certain time. This will also help you unwind before bed, decreasing your anxiety levels.

The thought of a cozy room might be alluring, but be aware of an adverse affect, so you’re better off in a relatively cool room. Everybody knows they should avoid caffeine after 2pm and this goes for nicotine, too. These stimulants stay in your system and have been shown to impact your sleep quality. It’s easy to get into a cycle of drinking caffeine because you’re tired, which causes a disturbed night’s sleep, in turn making you crankier and more irritable the next day. Also cut back on alcohol, which can keep you in a lighter stage of sleep and make you feel groggy the next day. One or two of you might have experienced this for yourselves...

Finally, increase your activity and exercise. Exercise will help your sleep and will help your exercise. It’s a win win.

If you’re struggling to get your eight hours, I highly recommend picking up a copy of Why We Sleep – it’s a great read and has been a game-changer for me.

© Harry is a personal trainer with No1 Fitness. Go to no1fitness.co.uk to book a consultation and for more information.
Melissa York on the best set lunch menus around London

**IMPERIAL TREASURE**
9 WATERLOO PLACE, SW1Y

**What and where?** Restaurateur Alfred Leung’s first foray outside of Asia is in a sophisticated spot among the embassies a hop, skip and jump away from St James’ Park. You’ll find it in an unassuming old wooden building that could have been – and probably was – an old bank. This restaurant group has two Michelin stars in Shanghai, one in Hong Kong and another in Singapore and there’s no question it’s angling itself at London’s wealthy Chinese tourists and international business types.

**What’s the deal?** The eight-course set menus at the front of the book come highly recommended if you’re after a taste of everything on offer. They’re not cheap – starting at £68 for the vegetarian one, then two signature sets at £88 and £128 - but they are generous and include a comprehensive tour of the kitchen. Drinks aren’t included, nor is dim sum. The luxury menu is similar in composition to the mid-priced one, but throws in some fancy ingredients such as caviar, silver cod and wagyu beef.

**Order this:** We went for the mid-priced signature set with a side of dim sum. Extravagant, maybe, but no visit here is complete without trying at last one of these delectable parcels, served in traditional bamboo steamers. The ubiquitous siu mai were some of the best we’ve ever had, piping hot and stuffed with pork and prawns, as were the oily but satisfying crispy prawn cheung fun. Don’t fill up on the starter platter – it’s enormous – and instead save yourself for comforting, creamy cabbage soup in chicken broth, and delicate, handmade noodles with meaty mushrooms and truffle oil. Chili prawns and sliced tenderloin with charred garlic were as expected, but precision-cut oblongs of chicken coated in toasted almonds were unpalatable. The texture was unpleasantly chewy, but may please more seasoned Chinese cuisine enthusiasts, who will find plenty of authentic delicacies on the main menu like black pepper chicken feet, abalone and dried sea whelks.

**Order this (if you’re loaded):** The house speciality is an entire Peking duck, matured for 40 days and carved at the table, and costing £100 per person. It’s a dining room showstopper, glistening like a copper kettle, but seemed to only be ordered by gaggles of Chinese youths primarily concerned with bumingishing their Instagram stories.

**Tipple tips?** The wine menu is vast, but seems to only be ordered by gaggles of Chinese youths primarily concerned with bumingishing their Instagram stories. Some smaller grower producers. There’s also a selection of over 30 Japanese whiskies and 22 wines to try by the glass, including Chinese varietals. For an aperitif, we recommend a zingy cucumber and yuzu martini made with gin, sake and elderflower.

**One more thing:** For a more intimate dining experience uninterrupted by a procession of shiny ducks, there are three private dining rooms on the first floor, a wine tasting room, and a flattering uplit bar. Visit imperialtreasure.com or call 020 3011 1528 for reservations.

---

**THE DRINKS CABINET**

Four staple Japanese spirits you should be serving to guests at your next dinner party, from whisky to shochu

When it comes to Japanese drinks, sake still dominates the market, along with the public’s imagination. But venture beneath the surface and you will discover a rich, verdant world of spirits, from Haku Vodka to the wildly popular Roku Gin.

The Japanese whisky market is particularly hot right now, with the Suntory distillery responsible for some truly outstanding produce, including Hibiki Harmony, which recently went on sale in the UK. While Japan only began to export whisky in any significant volume in 2000, its influence is now such that the head of the Scotch Whisky Association issued a public warning about the dire threat it poses. Japanese spirits can, however be expensive, especially given they have to be transported half way around the world. Here’s our guide to buying smart.

**HIBIKI HARMONY**
£65.99, DRINKSUPERMARKET.COM

This blended whisky was distilled to plug the gap between demand for Suntory’s exceptional whisky and its ability to make the stuff. But it’s also a wonderful drink in its own right, at home on any cabinet.

**NIKKA COFFEY VODKA**
£60, HOUSEOFMALT.CO.UK

One of the more affordable ways into the Japanese spirits world, Roku is still a quality drink, with botanicals including sakura flower, yuzu peel, sencha tea, sansho pepper, sakura leaf and gyokuro tea.

**ROKU GIN**
£30, WAITROSE.COM

One more thing... For a more intimate dining experience uninterrupted by a procession of shiny ducks, there are three private dining rooms on the first floor, a wine tasting room, and a flattering uplit bar. Visit imperialtreasure.com or call 020 3011 1528 for reservations.

---

**ICHIKO SHOCHU**
£24, JAPANCENTRE.COM

Hugely popular in its native Japan, this barley shochu is a great introduction to shochu. With an alcohol content of 30 per cent, it’s milder than most spirits – enjoy it on the rocks or with water.
Hong Kong racing expert Wally Pyrah previews today’s action from Happy Valley

**Magic Moreira set to continue his Remarkable form**

Hong Kong’s hottest jockeys, Zac Purton and Joao Moreira, will be placed firmly in the spotlight when they arrive at Happy Valley this afternoon. The ‘Deadly Duo’ have torn up the record books in the last eight days, riding 25 winners from 30 races at Sha Tin and Happy Valley between them.

If that wasn’t enough, favourite backers have cheered home 17 market leaders in those three meetings, sending their loyal fanbase wild.

Reigning champ Purton is now on a mission himself. Having ridden another six winners at Sha Tin on Sunday, taking his present total to 140, he is now after Moreira’s record of riding the most winners in a season in Hong Kong, which stands at 170, set in 2016/17.

Having won 15 times from his last 30 rides, you won’t be getting big odds about the ‘Zac-Man’ breaking that record, especially with 11 race meetings left in the season.

The formbook will say both jockeys are riding the best horses in most of the races, but it’s worth mentioning, especially in Purton’s case, there are no jockey agent’s in the territory.

Therefore, the Australian has to work hard going through the formbook and entries before picking up the mobile and talking to trainers.

Both Moreira and Purton have their racecards’ fully marked this afternoon and it would be inconceivable if they both left empty-handed.

You can guarantee that most of their rides are going to be well backed, especially Purton’s mount Snap Fit, a winning debutant over course and distance back in January, who is sure to go off a short-priced favourite in the 1.15pm over five furlongs.

He also climbs aboard the potentially smart newcomer Reliable Team in the 1.45pm over six furlongs, having over-looked rivals Oriental Elite, Hero Time and High Rev, whom he had previously ridden.

He is another certain to start a warm favourite and could win easily, but does have an awkward outside draw to overcome and smart newcomer Packing Rockstar, improving Calling The Shots, and well-handicapped High Rev, offer stiff opposition.

However, Moreira doesn’t appear to have any stand-out rides on paper, but he is riding with plenty of confidence and is highly capable of conjuring up some magic on a number of his rides.

He renews his association with well-drawn REMARKABLE, who lines up in the 2.15pm over the extended mile, and who is better known for his all-weather exploits having won three times on dirt.

He did show he is capable of winning from his present handicap mark on turf when producing an encouraging performance over course and distance a fortnight ago.

On that occasion, after blowing the start and falling behind during the race, he quickened up well turning into the home straight and was finishing strongly in the closing stages despite being crowded late on.

This looks a competitive and tightly-knit handicap with the likes of Purton-ridden topweight Happy Warrior, last-start winner Enjoy Life and progressive handicapper Flame Lily in opposition.

However, trainer John Size is a master of getting his horses to improve and peak at the right time and Remarkable could still have a few points in hand over his more exposed rivals.

**Smart Leader can help birthday boy Teetan bag victory**

Jockey Karis Teetan could receive a belated birthday present when he renews his partnership on the Tony Cruz-trained SMART LEADER in the 3.15pm over six furlongs.

This three-time winning Australian export had taken some time to acclimatise to conditions in Hong Kong before producing an improved performance to finish a close-up third behind smart sprinting prospect Golden Sixty at Sha Tin in March.

He subsequently bettered that form when making his debut at the Valley a fortnight ago, just failing to catch Fearless Fire in a strongly run six-furlong dash.

On that occasion, having been drawn near the outside, Smart Leader found himself racing three or four wide for most of the journey and having swung widest into the straight, still managed to produce a strong finish.

This time, with an inside draw in his favour, he is mapped to get an ideal journey sitting just behind the leaders before making his strong finishing kick count down the short home straight.

Earlier in the afternoon, jockey Derek Leung can get a welcome winning strike-rate, while the likes of Zac Purton, Joao Moreira and Teetan have been carrying all before them.

He finally gets a good opportunity to visit the winners’ enclosure on a genuine and consistent front-running horse who will love the tight turning bends at the track and is capable of going pillar to post.
13/8 Tashidelek, 7/2 Salto Olimpico, 9/2 Giant Turtle, 6/1 God Of Dragon, 4/1 Runz

Runs: 17 Wins: 2 Places: 1

05007

Runs: 3 Wins: 0 Places: 2

07600

Runs: 0 Wins: 0 Places: 0

00889

Runs: 1 Wins: 1 Places: 0

18145

Runs: 20 Wins: 1 Places: 4

(10) C Shum 4-9-7

(5) P O'Sullivan 5-8-1

(11) C Shum 5-9-1

(2) C Yip 8-8-9

(3YO+) (COURSE A) (TURF) 1m3f 3yo plus 8 dec.

HIGH WEST HANDICAP (CLASS 3)

Reserve 56

1.45 Cordyceps boasts a strong chance in the 2.45pm over the extended mile

1449-67 LAMANUSA (AUS) (m) (4) T Walsh 80

19 (3) VICTORY WINGS (AUS) (m) W Parnham 77

2 0644-11 SAGUARO (AUS) (m) W Parnham 77

9 17905 CHARTER WINGS (AUS) (m) W Parnham 77

8 220481 REMARKABLE (AUS) (m) J Moreira 77

3 284022 URBAN DEFY (AUS) (m) Z Purton 77

12 All You Know, Stimulation, 14 Ha

3509-00 LI WILL (AUS) (m) K Teetan 77

21 SUMMER BREEZE (AUS) (m) Z Purton 77

10 3015-20 HAPPIEST (AUS) (m) J Moreira 77

13 4091-16 RICHFIELD (AUS) (m) A De Cruz 77

11 8968-38 BEAUTY SB (AUS) (m) J Moreira 77

8 220290 UNDERVALUED (AUS) (m) Z Purton 77

12 10071 ELITE PRIZE (AUS) (m) Z Purton 77

6 220290 MONEY WINNER (AUS) (m) Z Purton 77

11 9741-03 TRUTH WILL EMERGE (AUS) (m) J Moreira 77

8 350036 CEREFING (AUS) (m) S Lui 77

7 305984 FLAME LEO (AUS) (m) Z Purton 77

6 306713 PRINCE OF HEAVEN (AUS) (m) J Moreira 77

5 220290 SHIP NO NAME (AUS) (m) Z Purton 77

4 131819 HELITE CAROLINA (AUS) (m) Z Purton 77

3 188022 VICTORY BOYS (AUS) (m) Z Purton 77

2 306713 HELITE CAROLINA (AUS) (m) Z Purton 77

1 220290 FRANKIE GO (AUS) (m) Z Purton 77

21 9912-01 BRAVE LEGEND (AUS) (m) S Lui 77

20 1124-02 MERRY CHASER (AUS) (m) Z Purton 77

19 1124-02 MERRY CHASER (AUS) (m) Z Purton 77

18 9912-01 BRAVE LEGEND (AUS) (m) S Lui 77

17 9912-01 BRAVE LEGEND (AUS) (m) S Lui 77

16 9912-01 BRAVE LEGEND (AUS) (m) S Lui 77

15 9912-01 BRAVE LEGEND (AUS) (m) S Lui 77

14 9912-01 BRAVE LEGEND (AUS) (m) S Lui 77

13 9912-01 BRAVE LEGEND (AUS) (m) S Lui 77

12 9912-01 BRAVE LEGEND (AUS) (m) S Lui 77

11 9912-01 BRAVE LEGEND (AUS) (m) S Lui 77

10 9912-01 BRAVE LEGEND (AUS) (m) S Lui 77

9 9912-01 BRAVE LEGEND (AUS) (m) S Lui 77

8 9912-01 BRAVE LEGEND (AUS) (m) S Lui 77

7 9912-01 BRAVE LEGEND (AUS) (m) S Lui 77

6 9912-01 BRAVE LEGEND (AUS) (m) S Lui 77

5 9912-01 BRAVE LEGEND (AUS) (m) S Lui 77

4 9912-01 BRAVE LEGEND (AUS) (m) S Lui 77

3 9912-01 BRAVE LEGEND (AUS) (m) S Lui 77
Resurgent Holland barring England’s way at the Nations League, writes Michael Searles

VERY so often a Dutch player capable of setting the world alight announces themselves on the international stage. And even more rarely a crop of them come through the ranks at the same time.

Think Johan Cruyff, Johan Neeskens and Ruud Krol; Frank Rijkaard, Ruud Gullit and Marco van Basten. Dennis Bergkamp, Clarence Seedorf and Marc Overmars.

There are plenty more to mention, including the country’s current manager Ronald Koeman, who has restored some pride to the national team this season following a catastrophic four years.

Tomorrow they face England in the Nations League semi-final, and having already seen off France and Germany in the competition it is a new beginning for the Dutch, with yet another fresh group of talented players coming through.

It is a feat that deserves recognition, given the small size of the country and stature of its league, and yet perhaps the biggest surprise is that it is a nation that has never won a World Cup despite the bundles of talent it has produced.

They have come close on numerous occasions with three semi-final appearances in five World Cups between 1998 and 2014 including a runners-up finish in 2010, their third in all.

While Holland were on the cup of glory in both 2010 and 2014, the Orange machine ground to a stuttering halt soon after, failing to qualify for Euro 2016 and the World Cup as that generation’s stars peaked the peak of their powers.

But every sunset brings a new dawn and, under former Everton and Southampton manager Koeman, Holland have again found their place among Europe’s elite.

With an Ajax team powered by youngsters Frenkie de Jong, Matthijs de Ligt and Donny van de Beek reaching the Champions League semi-finals, it has been a season of resurgence in Dutch football.

The Nations League was belittled by some upon its unveiling but, like England, the Dutch have seen the inaugural finals as an opportunity to claim an international honour.

Beating Germany 3-0 and world champions France 2-0 at home ensured they would finish top of their group and join England, Switzerland and Portugal – the latter two meet tonight – in the final four.

Those games saw the introduction of De Jong – set to join Barcelona for £67.5m – and Van de Beek, both 22, while 19-year-old Ajax captain De Ligt has also cemented his place in the side having made his debut at 17 – the youngest player since 1931 to do so.

De Ligt struggled on that initial appearance but has since developed into one of the world’s in-demand defenders, forming a formidable partnership with the experienced Virgil van Dijk – two of the best and, if De Ligt is sold this summer, most expensive centre-backs in the world.

Liverpool’s Van Dijk was made captain by Koeman and has been integral to the revival – not only because of his defensive work, as the 27-year-old has also contributed four goals, including two important efforts against Germany in their Nations League clashes.

Holland have another new Champions League winner in Georginio Wijnaldum, which means their recent rejuvenation is not entirely down to youth. How involved those two will be against England days after playing in a European final remains to be seen.

It is not only Ajax nurturing Holland’s young players: PSV Eindhoven’s Steven Bergwijn, 21, and Denzel Dumfries, 23, have also been entrusted by Koeman to start for Holland since he replaced Dick Advocaat last year.

Much like Ajax this season, Koeman has blended youth and experience, with the average age of the current squad 26.3 years.

He has continued to call upon the likes of Daley Blind, Jasper Cillessen, Ryan Babel and Memphis Depay, who are still only 25 but have 46 caps, to give the side stability and leadership, but it is the core contingent of players under 25 that generate excitement for what could be to come.

Any thoughts that this Dutch side had left all their problems behind were tempered by a 3-2 defeat at home to Germany in March’s Euro 2020 qualifiers, but the overall upward trajectory after recent shortcomings means there is room for error and occasional defeats, as to be expected with any young, maturing side.

They will come up against an England team that has taken a similar approach in giving opportunities to talented youngsters, but the Three Lions are slightly further ahead in their journey, having reached last summer’s World Cup semi-finals.

Tomorrow’s match presents an opportunity for both sides to move a step closer to claiming just their second major honour and, perhaps more importantly, a platform for their young sides to continue to build upon.

This is England’s chance to develop winning habit

FOOTBALL COMMENT

Trevor Steven

HOLDS are high for England at the inaugural Nations League as they prepare for their semi-final against Holland in Porto tomorrow.

In part that is down to the success of Premier League clubs in Europe this season, even if that effort was helped by a multitude of other nationalities.

There is a sense of momentum behind Gareth Southgate’s team, who over the last couple of years have developed into a truly modern-looking side stacked with good, young, quick and hungry players.

I like the feeling of togetherness about this group, which mirrors a club set-up. Some have been together at various age-group levels for a long time, while newcomers are integrated quickly. That brings continuity and, in turn, consistency of results, meaning England have been able to build on reaching the World Cup semi-finals last summer.

There will be expectation on them now, but that is always there. What is more concerning is the possibility of rustiness, owing to the long break since the end of the domestic season.

A lot of these players haven’t played competitive football for more than two weeks, and we saw in Saturday’s dreary Champions League final the stultifying effect that can have. On the other hand, those Liverpool and Tottenham players who featured may have shaken off some of that rust in the final and therefore be in better shape to perform in Portugal.

This is a new competition, which adds to the unpredictability, but simply being in a semi-final represents a great chance for England to end their wait for a first significant trophy since 1966.

Winning and losing are habits and England need to become winners at international level. This week is a stepping stone, a fantastic chance to go into next summer’s European Championship with a huge boost to their standing and confidence.

However it concludes on Sunday evening, the Nations League has been a huge success. It has cemented its place in the calendar and created an exciting finale to the season.

Jordan Henderson admitted Liverpool deserved credit. Their 4-3-3 system and the industry of Sadio Mane and Mo Salah worked in keeping Spurs at arm’s length.

Holland have successfully blended youth and experience.
Sri Lanka fight back to beat Afghanistan after collapse

RELIEF Sri Lanka fight back to beat Afghanistan after collapse

Sri Lanka bowled out Afghanistan for 152 to pick up their first win of the Cricket World Cup despite a batting collapse in Cardiff yesterday. Sri Lanka slipped from 144-1 to 201 all out before Afghanistan’s target was revised to 187 from 41 overs due to rain. Hazratullah Zazai (30) and Najibullah Zadran (43) chipped away but Nuwan Pradeep (4-31) and Lasith Malinga (3-39) combined with important wickets to clinch it.
The City AM Club is a new and exclusive membership programme designed specifically for you—London's professionals. Access a unique and thoughtfully curated experience - from benefits, to added value, events and networking in your favourite restaurants and across leading lifestyle brands. The City AM Club is designed to match your lifestyle and take you through the week - morning till midnight.

It's Better On The Inside - are you in?

JOIN THE CLUB TODAY
VISIT CITYAMCLUB.COM

£240 per year