WOODFORD REFUSES TO WAIVE FEES

JAMES BOOTH
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THE STORM engulfing former star trader Neil Woodford intensified yesterday as one of Westminster’s top financial watchdogs weighed in on the suspension of his flagship fund. Nicky Morgan, chair of the influential Treasury Select Committee, insisted Woodford should waive management fees for his fund, while investors remain blocked from pulling their cash.

Retail stockbroker Hargreaves Lansdown suspended its platform fees for the Woodford Equity Income Fund on Wednesday, but last night said Woodford had refused to do so.

“We urged them to do the same and they have taken the decision not to follow suit,” Emma Wall, head of investment analysis, told City A.M.

Former City lawyer Morgan said: “Investors in the Woodford Fund have been locked out of accessing their cash. Yet it has been reported that Mr Woodford is taking in nearly £100,000 in management fees a day.

“The suspension of trading has provided Mr Woodford with some breathing room to fix his fund; he should afford his investors the same space and waive the fund’s fees while the fund is suspended.

“The FCA [Financial Conduct Authority] has rightly said that it is closely watching the fund. The Treasury Committee will no doubt raise this troubling episode, and what lessons can be learned, when we take evidence from the FCA and Bank of England,” she added.

In Tokyo yesterday, Bank of England boss Mark Carney warned that funds such as Woodford’s could pose a “systemic risk to the global economy”. Carney said: “Over half of investment funds have a structural mismatch between the frequency with which they offer redemptions and the time it would take them to liquidate their assets. Under stress they may need to fire-sell assets, magnifying market adjustments and triggering further redemptions – a vicious feedback loop that can ultimately disrupt market functioning.”

Meanwhile yesterday, one of Woodford’s last remaining large clients Omnis Investments replaced him as manager of its £330m Omnis Income & Growth Fund. The move followed wealth manager St James’s Place removing Woodford as manager of £3.5bn of its funds on Wednesday.

Woodford Investment Management yesterday sold down its stakes in companies including Purplebricks, Card Factory, Newriver Reit, Provident Financial and Kier Group as it battled to restore liquidity.

Shares in stockbroker Hargreaves Lansdown, which has heavily promoted Woodford in the past, fell 4.1 per cent to 1,895p yesterday.

SIEBASTIAN MCCARTHY
@SebMcCarthy

OFCOM boss Sharon White is set to replace Sir Charlie Mayfield as the next chair of John Lewis Partnership, the embattled department store chain revealed yesterday.

White, the chief executive of the UK’s communications regulator, is set to take the £950,000-a-year post in early 2020, concluding the retail group’s hunt to replace Mayfield, who revealed his plans to depart late last year. The John Lewis Partnership also includes Waitrose.

The former World Bank economist and civil servant was tipped earlier this year to be in the running to be the next Bank of England governor.

Mayfield said: “I readily recognise that Sharon is not the conventional retail choice. But these are not conventional retail times, nor is the partnership a conventional company.”
An all-out trade war is becoming more likely

DONALD Trump jets back home today after a predictably tumultuous week during which the US President betrayed his ignorance of the NHS, the Irish border and, more amusingly, the existence of Michael Gove.

Thankfully the circus witnessed earlier in the week subsided in time for D-Day commemorations, allowing people on both sides of the Channel to pay their respects to the many men and women, including those from the US, who helped defeat Nazism 75 years ago.

As Trump departs, British officials may wonder whether they will be put through another such visit again, should the property magnate win next year’s presidential election.

Meanwhile, economists are also left pondering Trump’s political future as they attempt to map the likely level of global growth in years ahead.

The International Monetary Fund caught headlines this week by warning that nearly half-a-trillion dollars will be lost from world growth as they attempt to map the likely level of global growth in years ahead.

The IMF boss Christine Lagarde explained, emphasising the size of the hit. Beneath the headlines exists a plethora of similar warnings and downbeat forecasts. Also this week, analysts at ING said that world trade is heading for its worst year since the aftermath of the financial crisis in 2009, predicting a measly 0.3 per cent growth.

While the level of trade would normally bounce back in 2020, “that improvement could vanish if the trade war drags on”. And it is likely to drag on. Societe Generale now believes there is a one in four chance of a devastating all-out trade war between the world’s two biggest economies.

As Trump nears election mode, his (albeit limited) focus will fall increasingly on pledges made in 2016 to restrict immigration and extract supposedly better deals from foreign countries through belligerent negotiating tactics. An impulsive escalation of tariffs is the President’s go-to tactic, as recently demonstrated by rates imposed on Mexican goods just six months after the two countries agreed a trade pact alongside Canada.

The 2020 election is a chance to remove Trump from office – but it is also Trump’s chance to double-down on what has rapidly become his most notorious policy.

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Worst May on record as retailers suffer sales fall

ELLIOOT KINE AND SEBASTIAN MCCARTHY

BRITAIN’S troubled high street retailers were dealt a fresh blow last month as the sector suffered its worst May on record.

In-store sales declined 3.3 per cent year-on-year in May from a negative base of minus 2.2 per cent in the same month last year, according to accountancy firm BDO. It said the drop signalled the worst May performance since its tracker began in 2006.

Lifestyle and fashion sales both tumbled as last month marked the fourth month of negative results since the start of 2019.

“Our high streets are creaking at the seams,” said Sophie Michael, head of retail at BDO.

She added: “With a government mired in Brexit chaos and now further distracted by a leadership contest, our British high street is not getting the attention it desperately needs.”

The results came on the same day as a new study revealed just under a third of high street addresses are being used for retail, as jobs in the sector declined in every region but London between 2012 and 2017.

Across the UK, more than half of high street addresses are now residential as the number of commercial properties dropped to two percentage points to 31 per cent.

The number of high street retail jobs was also slashed in every region outside London, where headcount grew by six per cent.

The Office for National Statistics, which conducted the research in partnership with the Ordnance Survey, said that troubles in the sector had led to “anxiety about how high streets will develop in the future”.

Underlining the “period of change” facing the sector, the report added that “the closure of branches of retailers across many high streets has led to worries about the decline of retail on the high street”.

The report is based on almost 7,000 unique high streets, covering a period of time that has seen major brands such as House of Fraser, Debenhams and Maplin call in the administrators.

The research comes just a week after the British Retail Consortium also said the industry suffered a record sales drop in May.

Following a four-year high of sales in May 2018, spurred on by bumper hot weather, the World Cup and a royal wedding, this year’s start to the crucial summer selling season has not been so successful, as political uncertainty weighed on spending.

What the other papers say this morning

BERCOW: BYPASSING MPS TO FORCE NO-DEAL IS A NO-GO

John Bercow has warned Brexiteer Tory leadership candidates not to try to suspend parliament to force through a no-deal departure this autumn.

Dominic Raab last night refused to rule out proroguing parliament to prevent MPs blocking the UK’s withdrawal.

£753M FOREIGN AID SPENT ON JAZZ, STATUTE RESEARCH

British is wrongly claiming that £753m spent to fund research on topics such as South African jazz and Roman statues is foreign aid, a damning report by the official watchdog, the Independent Commission for Aid Impact, has revealed.

HANCOCK VOWS TO ‘SAVE’ HIGH STREET WITH TAX CUT

Matt Hancock has vowed to “level the playing field” for high streets by scrapping business rates for small retailers while hitting tech giants with the new Amazon tax.

The health secretary has announced the £1.5bn-a-year pledge as part of his leadership campaign.

ELLIOTT NEARS DEAL TO ACQUIRE BARNES & NOBLE

Barnes & Noble is nearing a deal to be bought by hedge fund Elliott Management, according to people familiar with the matter, as the nation’s largest bookstore chain seeks a new owner after years of decline. Elliott is the lead bidder in an auction that could come to a head soon, the people said.

Jeff Bezos is confronted by animal-rights protester

ZOOM SHARES RACE HIGHER ON STRONG OUTLOOK

Zoom beat expectations for its first quarterly report since going public and delivered a stronger than expected outlook, as the video conferencing group saw robust customer growth.

Shares in the company surged 1.2 per cent in after-hours trading yesterday after Zoom said it booked $122m (£96m) in revenue, up 103 per cent year-over-year, and an adjusted profit of three cents a share in the quarter that ended April 30.

Jeff Bezos is confronted by an animal-rights protester who rushed the Amazon chief executive at a conference yesterday. The incident was an unusual lapse for Amazon, which provides extensive security for Bezos.
‘Hammer blow’: Ford prepares for Bridgend closure

ALEX DANIEL
@alexdaniel

FORD is preparing to close its factory in south Wales next year, in another blow for Britain’s troubled car manufacturing industry. The move comes as a disaster for the 1,700 workers at the Bridgend plant, which makes petrol engines.

Ford confirmed yesterday it was consulting with unions on closing the plant in September 2020. The firm’s European president Stuart Rowley said it would be “economically unsustainable in the years ahead”.

He attributed the change to “changing customer demand and cost disadvantages” in the industry.

Car mega-merger collapse a headache for France’s Macron

AUGUST GRAHAM
@AugustGraham

THE MACRON administration in France was forced to firefight yesterday as it was accused of scuppering a multi-billion-euro deal between Fiat Chrysler and Renault.

A source close to Fiat Chrysler (FCA) blamed the French government for succumbing to domestic pressures.

It posed a headache for Emmanuel Macron, who won a presidential run in 2017 on a largely pro-business platform.

His government, whose 15 per cent stake makes it the largest single shareholder in Renault, broke FCA’s patience by asking for too many concessions.

“We remain open to any industrial consolidation opportunity, but without rushing in order to guarantee the industrial interests of Renault and the

OMB Union regional organiser Jeff Beck said the news was “a real hammer blow for the Welsh economy and the community in Bridgend”.

Rowley said yesterday to business secretary Greg Clark about the plans.

A government spokesperson said the news would be “very worrying” for workers.

Ford also confirmed reports it is separately planning 350 white collar job cuts in the UK, part of a wider scale-back worldwide.

Last month, City A.M. revealed the firm will make the reductions among office workers at its Essex base, who work on issues such as vehicle development.

It follows fellow challenger Ovo, which is planning a French launch in July and will hit Britain’s challengers look to do for foreign markets what they have in the UK.

French nation,” finance minister Bruno Le Maire said yesterday as the administration tried to save face.

The government had sought reassurances that the new company would not lay off French workers. It also asked for dividends for Renault shareholders, sources told Reuters.

It took a hard line on redundancies after General Electric cut more than 1,000 jobs last month, sparking public outcry.

Le Maire said that France could not endorse the deal without Renault partner Nissan’s backing. Nissan, meanwhile, had previously said it would not cast its votes at a meeting of the Renault board.

According to reports, one French official called the chair of FCA, John Elkann, imploring him to reconsider.

Hey there good Looker: Google seeks to rival Amazon with £2bn cloud deal

ROBBIE HARB

GOOGLE’S Cloud arm will buy analytics firm Looker for $2.6bn (£2bn), as it seeks to gain market share against Amazon.

The deal is the first big move for the search giant’s new cloud chief, Oracle veteran Thomas Kurian, who replaced Diane Greene last year.

The acquisition is Google’s largest since it bought Nest Labs for $3.2bn in 2014.

Looker provides a visualisation tool that helps customers spot patterns in their data. It competes with tools such as Tableau and Microsoft’s Power BI.

The acquisition will add new tools to Google Cloud, which has struggled to compete with Amazon and Microsoft.

“The addition of Looker to Google Cloud will help us offer customers a more complete analytics solution from ingesting data to visualising results and integrating data and insights into their daily workflows,” Kurian said.

Amazon Web Services holds a 65 per cent cloud market share, according to Jefferies analysts, compared with Microsoft’s 25 and Google’s 10 per cent.

“This is a true built-for-cloud visualisation tool, and it signals Google Cloud is serious about making acquisitions,” said Ray Wang, an industry analyst at Constellation Research.

The deal builds on an existing partnership between Google and Looker, which share more than 350 customers including BuzzFeed, Hearst and Yahoo.

The acquisition will finalise this year.

Energy challenger Bulb goes overseas in multi-pronged expansion plan

AUGUST GRAHAM
@AugustGraham

LONDON-based energy supplier Bulb will export its concept abroad, it said yesterday as Britain’s challengers look to do for foreign markets what they have in the UK.

The firm will take its first tentative steps into France, Spain and the US, starting with an invitation-only service. It is planning a general launch in the markets early next year.

Bulb’s expansion comes after years of strong growth in the UK, winning 1.3m customers since its launch in 2015.

It follows fellow challenger Ovo, which is planning a French launch in July and will hit Spain in October. Ovo is also eyeing Australia and Italy for next year.

Vegan bounce gives Beyond Meat big boost

AUGUST GRAHAM

SHARES soared 16 per cent in Beyond Meat after-hours yesterday, as the vegan craze could help the company double sales this year.

The firm showed revenues above analysts expectations last night in its first results since going public in May.

The firm expects net revenue of $210m (£165m), more than 140 per cent up on 2018.

It also managed to cut its loss per share down to $0.95 from $0.98.

The company’s burgers, made to taste and feel like meat, are sold at Tesco and restaurant chain Honest Burgers in the UK.

British companies are facing up to increased demand from a public wanting to eat less meat.

Earlier this year, baker Greggs saw a huge rise in footfall after launching a vegan version of its famous sausage rolls.

Draghi cites trade uncertainty as he keeps ECB interest rates low

HARRY ROBERTSON
@harryrobertson

THE EUROPEAN Central Bank will keep interest rates at record-lows until at least the second half of 2020.

It said yesterday, as it tries to breathe life into Eurozone economies.

Its guidance had formerly stated that rates would stay on hold until the end of 2019, but weak Eurozone growth and limp inflation has recently put pressure on the bank.

Its main lending rate will stay at zero percent while the deposit facility will remain at minus 0.4 per cent, meaning banks are charged to leave money with the central bank.

The decision could stock markets across Europe.

Meat big boost gives Beyond Meat big boost

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SPARKLING JOULES Fashion firm enjoys revenue rise as overseas demand booms

New regulations spark profit fall at CMC Markets

Grayling kicks off high-speed review to boost links with north
National spy boss blasts Huawei’s ‘shoddy’ security

JAMES WARRINGTON
@J_a_warrington

CHINESE tech firm Huawei is “shoddy” and has a lot of work to do to improve its cybersecurity, a top UK spook has said.

Dr Ian Levy, technical director of the National Cyber Security Centre (NCSC), blasted the firm over its poor security standards, which he said were worse than its western rivals.

“Huawei as a company builds stuff very differently to their Western counterparts,” he told a conference in London yesterday.

“Part of that is because of how quickly they’ve grown up, part of it could be cultural – who knows.

“What we have learned is as a result of that, the security is objectively worse, and we need to cope with that.”

Asked about how Huawei compares with its competitors, Levy said: “Certainly nothing is perfect, certainly Huawei is shoddy, the others are less shoddy.”

The NCSC has warned it can provide only limited assurances that the risks to national security posed by the Chinese telecoms giant can be mitigated.

While the US has added Huawei to a trade blacklist, the UK is yet to issue a final verdict on the company.

Details leaked from a national security meeting earlier this year revealed the government will allow Huawei to build non-core parts of the country’s 5G network.

It came as a new report warned that while the US has added Huawei to a blacklist, Huawei could slow down the global rollout of 5G internet speeds.

Analysts at Barclays said network operators could face heavy costs and technical disruption if they are forced to swap existing Huawei 4G technology with gear made by other vendors.

The ban could also damage other firms throughout the supply chain, technical disruption if they are forced to swap existing Huawei 4G technology with gear made by other vendors.

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Labour market buoyancy fell again last month

JAMES BOOTH
@JamesaBooth1

The number of people placed into permanent job roles fell for the fourth time in the past five months in May and at a quicker pace than in April.

Subdued confidence hit both the demand and supply of labour, with vacancy growth staying close to a multi-year low and staff availability declining further, according to a report from audit firm KPMG and the Recruitment & Employment Confederation (REC).

The survey of around 400 recruitment consultancies showed that billings received from the employers of short-term workers rose only marginally, expanding at its slowest rate for more than six years.

Recruiters said there was a slightly stronger rise in overall vacancies during May, but growth remained close to April’s 80-month low.

Although both temporary and permanent job openings rose solidly, rates of increase remained weaker than their historical averages.

Brexit uncertainty and generally tight labour market conditions were cited as key factors weighing on the availability of candidates in May. Both temporary and permanent staff supply fell at faster rates than in April.

Starting salaries awarded to permanent starters continued to grow in May, but the rate of inflation was the least marked for over two years.

In contrast, temp wages increased at their greatest pace for six months. James Stewart, vice chair at KPMG, said: “Brexit uncertainty continues to dampen the jobs market as companies kept their recruitment decisions on hold in May. Permanent staff appointments fell at a slightly faster pace than in April, while subdued confidence ensured that growth in temporary billings hit a six-year low.”

Neil Carberry, REC chief executive, said: “Recruiters are reporting that demand for staff is slowing and their clients are reducing business activity across the UK. Worrisomely, these trends are most pronounced in key sectors like retail and construction.”

Government says it overspent by 50 per cent on Brexit consultants

OWEN BENNETT
@owenjbennett

Almost £100m has been spent by the government on Brexit consultants – 50 per cent more than the Cabinet Office previously admitted.

An investigation by the National Audit Office (NAO) discovered contracts worth £37mn were handed out in the year to April 2019 – £32m more than the government had earlier claimed.

The NAO said the extra millions related to contracts entered into before Cabinet Office began offering help to departments requiring consultancy support.

Labour MP Meg Hillier, chair of the committee of public accounts, said: “The lack of transparency around Brexit preparations that my committee has become all too familiar with applies to the use of these consultants. It is not good enough that some departments are failing to publish even basic information about their contracts, and that the Cabinet Office does not know how much is being spent across government.”

‘We were not trashing a reputation’ says ex-HP head in $5bn fraud trial

AUGUST GRAHAM
@augustgraham

Former Hewlett-Packard boss Meg Whitman yesterday denied she was trying to protect her own reputation when accusing founder of Autonomy Mike Lynch of fraud.

Counsel for Lynch, a Brit who sold his company to HP for $11.1bn (£8.7bn) in 2011, asked why Whitman had gone public with the allegations before speaking with his client.

“It was about protecting and reinforcing your reputation and you were doing so at the expense of Dr Lynch and [former finance chief] Mr Hussain?” Robert Miles asked.

“That is not correct,” Whitman told the High Court in London.

“We were not trashing someone’s reputation,” she said. “We were reporting the facts as we knew them and we had been defrauded.”

Whitman claims HP was forced to write down the acquisition by $5bn, after discovering accounting improprieties, misrepresentation and disclosure failures.

Her former employer is suing Lynch and Sushovan Hussain in a bid to recover the money. Lynch has countersued and denies the charges which have been levelled against him.

The trial continues.
A taxing question for the stock exchanges of today, and tomorrow

MAYBE it’s age, but the questions on Mastermind seem to be getting easier. So it was a surprise to hear a bit of a curveball this week: “Which trading and financial institution has its headquarters at 10 Paternoster Square near St Paul’s Cathedral in the City of London?”

While readers of City AM would obviously know that the answer is the London Stock Exchange, it was perhaps surprising that the contestant, whose specialist subject was Leicester City Football Club, got it right, too.

As the Bank of England reduces the relevance of the stock exchange and of the City more broadly to the average concept of Mastermind and its viewers. Setting aside the widespread anger at the City, most people probably don’t realise that the stock exchange is a vital source of finance for the wider economy: more than 1,700 UK companies are listed in London, they’re worth a combined £2.4 trillion, and in the past five years they’ve raised more than £122bn on the exchange.

But a report to be published next week by think tank New Financial warns that stock exchanges – and the vital role they play in raising capital, sharing risk, setting standards and democratising wealth creation – are under threat.

While stock markets in the UK and US are bigger, deeper and more efficient than ever before, something is wrong. The number of listed companies has nearly halved over the past 20 years on both sides of the Atlantic, the number of new issues has dropped by three-quarters, and the amount of capital being raised is down by around two-thirds. At this rate, by 2065, there won’t be enough listed firms in the UK to fill the FTSE 100.

The rapid growth of alternative sources of capital, the increased burden of disclosure and regulation, and structural changes that have all played a part in this decline. If things don’t change, the economic, political and social ramifications will be severe. It’s time for us to come together to work out a solution.

AS WE LUMBER towards the third anniversary of the EU referendum, the debate over the future relationship between the City and the EU rumbles on. The government’s policy is to keep rules sufficiently aligned with the rest of the EU to ensure that it grants the City and the EU a fair deal on the negotiations. The City has been busy putting its contingency plans for a no-deal Brexit into action. The damage has arguably already been done. It won’t be long before firms have moved enough stuff to the EU to give them all the access they need to EU markets, leaving the UK with a lot more room for manoeuvre on regulation.

For large parts of its business? This problem may soon, however, solve itself. For the past three years, the City has been busy putting its contingency plans for a no-deal Brexit into action. The damage has arguably already been done. It won’t be long before firms have moved enough stuff to the EU to give them all the access they need to EU markets, leaving the UK with a lot more room for manoeuvre on regulation. In a rare outbreak of Brexit alignment, this could do just fine for both parties.

"It is the most unspeakable shambles."
Jon Moulton, former Tory party donor and investment supremo, on the Conservative leadership contest.

The City is a global financial centre and as such, it is important that the UK remains a leader in finance. It is also crucial that the City and the EU rumbles on. The government’s policy is to keep rules sufficiently aligned with the rest of the EU to ensure that it grants the City and the EU a fair deal on the negotiations. The City has been busy putting its contingency plans for a no-deal Brexit into action. The damage has arguably already been done. It won’t be long before firms have moved enough stuff to the EU to give them all the access they need to EU markets, leaving the UK with a lot more room for manoeuvre on regulation. In a rare outbreak of Brexit alignment, this could do just fine for both parties.

Can I quote you on that?

For light relief from Brexit, it’s worth following the Twitter account @StateofLinkedIn, which highlights the best (or worst?) examples of career boasting, motivational quotes, and management tips. At some point in your career, you’ve probably been asked: “Where do you see yourself in five years’ time?” Xavier Rolet, the former chief of the London Stock Exchange Group, has perhaps the best answer: “Not working for a company with such a short-term outlook.”

For Brexit alignment, this could do just fine for both parties.
Mitie shares rise as firm swings back into profit

ALEX DANIEL
@alexindaniel

Mitie shares rose five per cent yesterday as the outsource announced it had swung back to profit in its full-year results.

The FTSE 250 firm enjoyed strong performance in its core facilities management and engineering businesses. But it was hit by “disappointingly” high exceptional costs of £38m, which hampered its final earnings.

Profit before tax was £36.4m after one-off costs for the year ending 31 March. It was a marked improvement on last year’s £15.4m loss. Revenue rose 9.4 per cent to £2.2bn.

The outsource cut its net debt to £140.7m, down from last year’s £193.5m.

Chief executive Phil Bentley has turned the firm’s fortunes around since last year when it reported spiralling debt. The firm has swung back to profit and made a £52.8m dent in its net debt via a turnaround plan named Project Helix.

The plan has seen Mitie focus more on its strengths, while it has worked to offload non-core businesses.

Bently told City A.M. the first stage of its turnaround plan was now complete, and the firm would now push on with simplifying its engineering business.

“We are making good progress in strengthening our balance sheet,” he said.

Gyimah vows to slash tax in bid to gain Tory leadership support

OWEN BENNETT
@owenjbennett

TORY leadership hopeful Sam Gyimah has vowed to slash taxes for middle and high earners and reform business rates in a bid to outflank his rivals, as the true Thatcherite in the race to succeed Theresa May.

The former universities minister told City A.M. he wanted to reform five taxes in particular to kick-start economic growth.

Gyimah is one of the outsiders in the contest, with his support for another referendum on Brexit thought to be unpopular with the party membership – the body which has the final say on who will be PM.

He would link the 40p tax threshold to inflation; make a tax-break for investment in business infrastructure unlimited; replace business rates with a commercial land tax; scrap stamp duty on homes worth less than a million; and allow those earning £100,000 or more a year to keep the tax allowance on the first £12,500 they are paid.

He told City A.M.: “For the Conservatives to win over the voters lost to other parties, it is essential that we rediscover our core values of work, enterprise and aspiration. Tax cuts are needed, but they have to be about growth, growth, growth, to get the country moving and to make Britain boom again.”

Go-Ahead stock thrives on forecast of hike in sales for bus and rail giant

HARRY ROBERTSON
@harryrobertson

GO-AHEAD expects revenue to be higher than originally thought in its London and international division, it said yesterday.

The transport company said it has seen growth in passenger volumes and revenues in all regional bus businesses. The trading statement sent Go-Ahead’s share price soaring 10.46 per cent yesterday to 2,080p.

It came after Go-Ahead this week appointed former Southeastern finance director Elodie Brian as its chief financial officer.

David Brown, Go-Ahead chief executive, said: “In bus service performance levels in our London operations remain high, resulting in continued growth in... contract income.”

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5.45 Welcome Drinks • 6.15 Panel discussion moderated by Charles Kerrigan of CMS Law
8.00 Canapes, drinks & networking • 8.30 - Event ends / cash bar

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The firm also said it does not “foresee any issues with Brexit affecting our ability to provide our services, or to materially change our cost base”. The firm’s cash generated from operations rose 13 per cent to £258.5m, compared with the previous year’s figure of £228.4m. Its basic earnings per share rose 18 per cent to 21p from 17.7p previously.

Trevor Mather, chief executive of Auto Trader, said his firm’s performance was boosted “by a line-up of products that are proven to improve the business performance of our retailer and manufacturer customers”. “The new financial year has started well, and despite the continued wider market uncertainty, the board is confident of meeting its growth expectations,” he said.

**Credit Agricole**

FRENCH bank Credit Agricole has increased its profit target to €5bn (£4.3bn) by 2022, after reaching this year’s goal ahead of schedule.

The bank reached its 2019 targets a year early and unveiled higher targets to cover the next three years.

Its new plans also aimed to increase revenue synergies by €1.3bn up to €10bn in 2022, driven by growth in insurance and specialised financial services.

The bank, which has Europe’s largest retail customer base, also said it aimed to boost digital customers at its retail banks in France and Italy.

In a bid to make the bank more efficient, it said €15bn would be ploughed into IT improvements over the next three years.

However it said the new targets were based on interest rates remaining low.

**Green Deal doesn’t look like a tycoon’s Arcadia**

Ewen Stevenson has wasted no time stamping his no-nonsense brand on the loopy business model of the Arcadia retail empire, where he once presided as executive chairman.

There has been a recently apparent melding of rhetoric and reality, with the owner of Arcadia’s 18,000-strong workforce, Sir Philip Green, still quixotically planning his crusade to save the business.

But宫信 who is now the new chief executive, Ewen Stevenson, has wasted no time in making it clear that the retail empire with a company voluntary arrangement (CVA) does not come free of its own consequences.

The decision to adjourn Wednesday’s vote to approve a restructuring undermines the perilous state of the negotiations with landlords. Green will have to sweeten his offer to Arcadia property-owners – perhaps by increasing the stake handed to them from 20 per cent – if he is to have any hope of securing the 75 per cent support he needs in seven separate votes.

Even that may not be enough. Sources close to a number of landlords who have indicated they will vote against the CVA say their opposition is as much ideological as it is based on the terms of Green’s deal.

How, they ask, could they continue to justify full rent-paying tenants their occupancy should persist on an unchanged basis if they agree concessions with Arcadia – a company whose ultimate owner is blessed with very deep pockets?

I suspect their opposition might be malleable, however. Landlords already have the benefit of a six-month break clause in the deal with Green. It would be interesting to hear pension funds such as Aviva Investors and Aberdeen Standard Investments explain publicly why they are prepared to see 9,500 Arcadia pension scheme members receiving lower benefits by virtue of the company being tipped into administration.

It looks like there is a deal to be done. Green, who considers himself to be an arch-dealmaker, should really embrace ISA season, with sales that can be made to shareholders and receive a bonus if it is successful – to the owner of Ladbrokes, will antagonise shareholders and receive a bloody nose if it fails.

So it proved on Wednesday for the second year running, as GVC saw 42 per cent of investors oppose its remuneration report.

In another year of massive revolts at the blue-chip corporate names, there was nothing especially notable about the scale of the vote. Yet in other respects, GVC’s governance has been exposed as the most egregious of any FTSE 100 board.

This, remember, was a company whose chairman and chief executive sold £20m of stock within days of the latter telling the City that its shares were undervalued. I struggle to recall a more apparently blatant disregard for outside shareholders’ interests.

The paradox at GVC is that Kenny Kleinman has done a handy job as GVC’s chief executive, buying Ladbrokes and securing a prized position in the US market.

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But the search for something that will only add salt to the wound has been underway for some time.

The City’s trust, I suspect, that anyone capable of doing that will conclude that one of their first acts will need to be to replace Alexander.

**All change at HSBC**

Ewen Stevenson has wasted no time stamping his no-nonsense brand on the loopy business model of the Arcadia retail empire, where he once presided as executive chairman.

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Contactless and mobile payments surge among all ages of Britons

HARRY ROBERTSON
@henrygrobertson

THE NUMBER of contactless payments made in the UK surged in 2018, new figures have shown, as all Britons from grandparents to teenagers increased their use of the technology.

Meanwhile, the use of cash continued to decline, with only four per cent of British people using mainly physical money for their payments, annual data from banking trade association UK Finance yesterday revealed.

Contactless payments took off in 2015, with Transport for London pioneering the technology by allowing Londoners to tap their debit cards at Tube entrances.

There was a 31 per cent expansion in contactless payment volumes in 2018 compared to the year before, the UK Finance figures showed. In London, 70 per cent of people used contactless cards.

More than 83 per cent of 25-to-34-year-olds used contactless technology in 2018, while 61 per cent of over-65s also used the method.

The number of people paying using their mobile phones also rose significantly.

Stephen Jones, chief executive of UK Finance, said: “The same pick ‘n’ mix approach people now take when it comes to music, television or the news is expanding into payments, as consumers take advantage of new technologies to pay in a way that suits them.”

The number of people using their mobile phones to pay in stores rose significantly

EU regulator to probe UK’s post-Brexit fintechs

EMILY NICOLLE
@emlyncole

THE FINANCIAL regulator in Luxembourg has turned up the heat on UK fintech and payment services firms, launching on-site inspections of companies that have chosen the European country as a post-Brexit base.

The Commission de Surveillance du Secteur Financier (CSSF) has begun conducting site visits to British fintech startups in Luxembourg, a process that previously only applied to asset management firms.

Luxembourg has become a popular choice for companies that provide payment or e-money services elsewhere in the EU, as they seek to retain so-called passporting rights after Brexit. Several prominent firms have already set up shop in the affluent country, such as embattled digital bank Revolut.

Financial services consultancy Fiscom warned that many UK fintechs will be unused to dealing with frequent visits from a regulator, and risk being unprepared.

The CSSF will test firms to see if they meet the requirements for holding authorisation in Luxembourg, including having board members present in the country and staff working at their registered address. Firms must also prove they are hitting targets to establish a “full presence” in the country, including on metrics such as revenue.

If a business is found to have contravened those requirements or deliberately misled the watchdog, the CSSF could levy significant fines.

“The CSSF is in no way a ‘soft touch’ regulator,” James Borley, director at Fiscom, told City A.M.

“It is open to having conversations with prospective applicants and will be pragmatic and work with firms to give them the best opportunity to comply and be successful, but it will come down hard on any business that thinks it can get away with having a ‘brass plate’ presence.”

Revolut has come under scrutiny from several regulators, including the Financial Conduct Authority.

It caused concerns by temporarily shutting down its sanctions screening system last year, and drew further negative publicity in March when a customer complained of a bungled £70,000 payment.

A Revolut spokesperson said it had “nothing to hide” from the regulator.

Fashion app Depop grabs $62m from Airbnb and Uber investor

EMILY NICOLLE
@emlyncole

BRITISH fashion marketplace app Depop has today closed a series C funding round at $62m (£48.8m), led by US venture capital stalwart General Atlantic.

Existing investors HZ Holtbrücker Ventures, Balderton Capital, Creandum, Octopus Ventures and Tempocap also participated in the round, alongside Kianna founder Sebastian Siemiatkowski.

Depop said it will use the funding to expand internationally, invest in product development and grow its London-based engineering team.

The app, which has more than 13m users globally, allows customers to buy and re-sell clothes and accessories. Businesses can also distribute through the marketplace, reaching Depop customers who are almost all under the age of 26.

Depop recently opened two physical stores in Los Angeles and New York to capitalise on its growth, as sales in the US rose 300 per cent in the past two years.

Dentsu Aegis launches marketing agency after three-brand merger

JAMES WARRINGTON
@j_warrington

ADVERTISING firm Dentsu Aegis has launched a new UK marketing agency after merging four of its existing brands.

Dentsu said its new agency, Dentsu X, will bring together skills in media, technology, creativity and data to offer a full-service proposition to clients, including Jaguar Land Rover, Converse and Lidl.

The new agency, which will house 200 staff members, follows the merger of digital agencies 360i, Fetch and ICUC under the Dentsu X name.

Dentsu X will be led by former Fetch chief executive Patrick Affleck.

“Dentsu X has been designed by and for the digital economy,” said Affleck. “By bringing together such diverse and dynamic talent we can tackle any challenge for our clients, devising more creative solutions to solve them in an effort to grow their brands and businesses faster.”

The move is the latest example of consolidation in the advertising sector, as large holding groups look to streamline their structures in a bid to keep up with more agile competitors.

Dentsu, which is headquartered in Tokyo, also revealed global president Mike Nakamura has relocated to the group’s offices in London.

Dentsu X will offer a full-service proposition to clients including Jaguar Land Rover

CALLS FOR NEW LAWS TO TACKLE RURAL HOT-SPOTS

Campaign groups have called on mobile operators to give guarantees over plans to tackle so-called rural hot-spots. Consumer group Which and four rural organisations have penned a letter to the government calling for legal obligations to improve 4G coverage in rural areas.

It comes after the four major mobile companies outlined proposals for a so-called single rural network, allowing them to share masts on a reciprocal basis to improve coverage in the countryside.

IAG KICKSTARTS SEARCH FOR AVIATION STARTUPS

British Airways-owner IAG has launched its latest global accelerator programme for budding aviation startups, the Hangar 51 programme, launched in collaboration with UK arms Brands Iberia and Vueling, will be based in Spain this year. It will seek out startups around the world that will work with mentors and experts from IAG to help them develop their ideas.

UK FINTECH VITESSE GETS DUTCH AUTHORISATION

UK fintech payments firm Vitesse has been granted a licence by the Dutch banking regulator. The firm, which holds approximately 70 per cent of the Lloyds of London insurance market as clients, told City A.M. that applied for a licence in the Netherlands soon after the EU referendum in order to retain so-called passporting rights across Europe after Brexit.

Chief executive Philip McGriskin said the firm had “invented itself” in the process, as without a licence, it would have had to stop operating across the EU upon the UK’s exit from the bloc and lost a significant amount of business.
Stobart shares take off after director triples his stake in the aviation firm

ALEXANDRA ROGERS
@cityamrogers
STOBART shares closed just over three per cent higher yesterday after a non-executive director tripled his stake in the firm.

The assessment indicated that Ecuador could gain $17bn in taxes, royalties and profit shares from the firm’s project in the Cascabel region. Sol Gold improved its valuation from £20m in 2015 to about £700m today thanks to the project.

In May, Solgold’s chief executive Nick Mather told City A.M. the company’s “future is bright” after a new study estimated the value of its Alpala deposit to be in the region of $4.1bn (£2.1bn) to $4.3bn.

Ecuador spat takes shine off miner Sol Gold

ELLIOTT KIME
SHARES in London-listed miner Sol Gold sank yesterday after local plans to hold a referendum on the company’s presence in Ecuador were submitted to the country’s highest court.

The company said it has the “full and objective support” from the Ecuadorian government.

Members of the Cascabel community attended the hearing to demonstrate their strong opposition to the proposal.

Representatives from Ecuadorian government bodies joined them, as well as prominent groups.

Stobart Group owns London’s Southend airport

Wren factory to bring 1,200 jobs to Humberside

ROBBIE HARB
WREN Kitchens plans to create up to 1,200 new jobs as it seeks to expand its workforce with its biggest-ever investment.

The company is seeking approval to build a new £120m factory in the Humber Region.

The plant is Wren’s fourth in the region and will occupy a 100-acre site behind its Barton headquarters.

It will be the largest investment in Wren’s history, managing director Mark Pullan said.

If granted permission, the new factory will create 1,200 additional manufacturing jobs. The company also plans to hire for positions in IT, engineering, customer service and product development.

Wren has one of the biggest workforces in the region, employing more than 2,500 people across its sites in Barton, Scunthorpe, Howden and Hull.

“The new factory demonstrates our commitment to manufacturing in the UK and particularly the Humber Region. We believe that continual re-investment in our business is essential to maintaining our current growth rate…”

Councillor Rob Waltham, leader of North Lincolnshire Council, said: “It’s a fantastic vote of confidence for the business and for North Lincolnshire.”

Heatherwick Studios unveils £1bn plan for Olympia transformation

ELLIOTT KIME
NEW DESIGNS for the redevelopment of the Olympia Exhibition Centre, in west London, have been released, showcasing the popular venue’s £1bn transformation.

The project has been designed by Heatherwick Studios, which created the famed Olympics cauldron in 2012 and the cancelled Garden Bridge. It will revamp the existing exhibition halls and add 51,000 square metres of office, studio and co-working space across the site.

The historic facades of the exhibition centre will be fully restored, with UK consultancy Pell Frischmann providing structural engineering services.

Pell Frischmann’s director of structural and civil engineering Mike Hitchens said: “The site has a rich history and is an important landmark for the UK industry and local community – and the project will create the latest go-to destination in the capital with not just an exhibition centre but a wealth of public realm and creative facilities.”

The project will include a four-screen arthouse cinema, a 1,000-seat performing arts space, a 1,500-seat theatre, performance and rehearsal space, a new jazz club-style restaurant, hotels and a sky garden.
ECB snub fails to halt FTSE rise on stimulus hopes

London’s main index rose yesterday as investors bet central banks would soon ease policy in response to concerns about global growth. However, the rally was damped after the European Central Bank (ECB) delayed any potential rate hike to next year.

The FTSE 100 rose 0.6 per cent, 39.63 points, to 7,259.85. The mid-cap FTSE 250 gave up its earlier gains to end marginally lower as financial stocks slipped as investors were left disappointed by the ECB’s cheap loan lending programme for banks.

The ECB pledged to keep its interest rates unchanged at least until the end of 2020, instead of the end of this year as it had said in February.

This was not dovidh enough for investors counting on policy easing in the near-term.

“Instead of taking a rate hike off the table, it’s instead decided to simply push the first hike further out. Head still in the sand. Markets still pricing for a cut before then,” Markets.com analyst Neil Wilson said.

Most of the FTSE 100’s gains came earlier in the session as worries over Washington’s escalating trade tensions with Beijing and Mexico gave way to hopes that major central banks would provide fresh stimulus in response.

Defensive blue-chip stocks such as those of tobacco and healthcare companies, considered safer bets in times of uncertainty, drove later moves, according to a trader.

Brand Imperial Markets.com analysts said the group is “very achievable”. Analysts at Shore Capital Markets retained a “buy” recommendation and a target price of 471p.

However, supermarket chain Sainsbury’s, retailer Kingfisher and telecoms giant Vodafone shed between 3.8 per cent and 4.8 per cent as the stocks traded ex-dividend.

Despite a dip in financial stocks, the mid-cap index was cushioned by Peppa Pig-maker Entertainment One, which surged 16 per cent, recouping almost all of its losses from the previous session.

The company denied media reports that president Mark Gordon would leave the company, as the stock posted its biggest one-day gain in more than three and a half years.

The week, transport operator First Group announced it would exit its UK Bus and US Greyhound businesses, following pressure from activist investors in an attempt to boost the value of the remainder of the group. Liberman analysts said the group is now travelling in the right direction, but remains far from its desired destination as it struggles with its rail franchises. Coast Capital has forced through an emergency meeting where the shareholder plans to oust six directors. The broker issued a “buy” recommendation and a target price of 130p.

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In total, 65 per cent of membership growth was in low-cost gyms, and The Gym Group CEO Paul Rowett said: “The health and fitness sector has faced some difficult times over the past 18 months, and this growth is a sign of confidence in our industry’s ability to deliver the right solution to people’s needs.”

Babcock revealed plans on Wednesday to boost profit growth by four per cent in the next five years and expand its overseas business. Analysts said the defence giant’s presentations outlining its growth plans gave “great comfort on the sustainable market positions” that Babcock has in its core business areas of defence, emergency services and nuclear, and felt the outsourcing targets were “very achievable”. Analysts at Shore Capital Markets retained a “buy” recommendation and a target price of 471p.
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WO WEEKS ago, as Theresa May stood outside Downing Street to announce her resignation, you would have been hard-pressed not to feel a degree of sympathy, regardless of political affiliation. But the truth is that what can look like a bruising resignation is sometimes exactly what’s needed for an organisation to move on and – in most cases – prosper.

Today is May’s official resignation date as leader of the Conservatives, although she’ll remain as Prime Minister until her party selects her successor. She might perhaps take some comfort from the fact that we see business leaders replaced surprisingly frequently. This is particularly apparent when firms are in the midst of major change – not unlike the Brexit negotiations.

Recently, we’ve been looking at scale-ups and small businesses, and how they raise external finance as they prepare for a period of significant growth. A staggering 40 per cent of founders who’ve successfully raised funds told us that changing their chief executive was part of the process, and 28 per cent also said that they had replaced their chief financial officer during the funding journey.

To understand the importance of the leadership team, it’s worth exploring businesses which have tried and failed to raise finance.

Considering all the funding success stories that we hear about, the fact that seven in 10 businesses fail to raise finance during their first attempt may be surprising. Two fifths of firms fail to secure funding more than three times, while nine per cent have made five or more unsuccessful attempts.

What links these failure rates is the rationale, from nearly half of founders, that the management team wasn’t strong enough. This far exceeds the number of companies that failed because their business model wasn’t good enough, demonstrating that the quality of the management team is the most important factor for investors.

So the fact that such a significant proportion of those businesses which secured that all-important funding deal replaced members of their management team during the process speaks volumes.

In short, organisations need new ideas and new ways of thinking to thrive, and this is often brought about by new leadership teams. This can be particularly felt at the scaleup stage, as businesses transition from “growth to super-growth”. It is here where a new leader might help refocus the business on its key objectives, while delivering scale as it aims to reach the next level.

Of the businesses that we spoke to which have successfully raised finance, scale-ups were also far more likely to have a concise business plan in place. Unfortunately for the outgoing Prime Minister, she did have a plan, but it did not stand up to scrutiny.

In the business world, securing an agreement – especially one which could be viewed as risky – requires preparation. Securing investment should by no means be a blind leap of faith into the unknown.

To be ready for complex negotiations, firms need to ask themselves difficult questions and demonstrate that a strong management team is in place which can successfully handle unexpected events and adapt to the fast-paced nature of business growth.

Equally important is the level of ambition displayed, and a degree of certainty on future plans and objectives. But even so, getting something signed is never easy.

Unfortunately for May, it became clear that she’d run out of steam. In practice, this was reflected by parliament repeatedly voting down her Brexit deal, and members of her own cabinet briefing against her.

And unlike in business, where lengthy gardening leave is the norm, she now has the unenviable task of operating in a caretaker capacity. That’s politics for you.

John Morris is a partner at Smith & Williamson.
Trump forfeited the respect that the presidency deserves

Rachel Cunliffe Comment and features editor at City AM

Such interference in UK politics would be unthinkable from any other leader

D-Day offers some perspective for anyone consumed with the current ‘national crisis’

Kate Andrews

In contrast, freedom and fairness were both on display this week, as we saw how the police handled the Trump protest, and indeed the Extinction Rebellion demonstrations weeks before.

The special relationship itself was cemented after the US and UK joined forces, fought, and sacrificed so much to protect liberty and independence, against one of the greatest evils the world has ever known.

This is not to undermine our political and policy debates today. Trump’s election represents an array of tensions in the US, with swashes of people voicing their frustrations about feeling left behind, excluded, and resentful of the metropolitan and rural divide.

Brexit is the major political issue of our time, and the debates over how Britain handles its future relationship with Europe are probably necessary for securing a good arrangement for the years to come. Similarly, whether the NHS is on the table in a free trade negotiation between the US and the UK is a genuine and important question, as Britain ventures out into the world on its own, forging its own way.

We must retake control in this context. The challenges we hope to overcome are being tackled in countries with enshrined institutions, democratic processes, and firm commitments to the rule of law.

We are working towards a freer, more prosperous, more tolerant world. We do not currently have to extend a lifeline to freedom itself. That is what our ancestors did for us.

Kate Andrews is associate director at the Institute of Economic Affairs.
Brexit dogma is a one-way ticket to extinction for London’s Tories

A s 11 candidates prepare to enter the race to succeed Theresa May as Conservative party leader and Prime Minister, London Tories have their own identity crisis to worry about.

They just chalked up a new electoral record: 78 per cent of the vote, fifth place citywide, and zero MEPs returned to the European parliament. Ex-Tory voters flocked to Remain and Brexit options, or stayed home.

This near-extinction event was a long time coming. And there have been warning signs. From a historically weak 35 per cent vote share and 27 seats in the 2015 General Election, through a 33 per cent score and loss of six seats in 2017, to a 29 per cent share and 101 council seat net loss in 2018, London Conservatives have been on a downward trajectory.

The mayoral elections tell the same story – from winning 44 per cent in 2012, to 35 per cent in 2016, to polling at just 23 per cent for 2020’s race in the latest survey.

The Tories’ 15-point slump since the last European elections broke all electoral records. The Liberal Democrats, Labour, the Brexit Party, and the Greens all outpolled the Conservatives.

Localised strength, enabling them to win the popular vote in seven of 33 local authorities in 2018, vanished last month. They came sixth in eight boroughs, below even Change UK, which polled at just five per cent citywide.

If you look at the breakdown of results, the trend is clear. The three pro-Remain parties – the Lib Dems, Greens, and Change UK – earned 45 per cent of the vote compared to 20 per cent for the nodedal duo of the Brexit Party and UKip. The pro-EU three topped the poll in 28 of 33 local authority areas.

These results reflect how, three years since 2016’s referendum, the capital has moved from a 60 per cent Remain vote to 71 per cent in the most recent poll. And that presents Tories in the capital with a serious problem.

These forces mean that, in next June’s mayoral election, Tory unpopularity could see the party fail to make the runoff between the top two candidates, for the first time ever.

The Conservatives might even come fourth, after Labour’s Sadiq Khan, the Lib Dems, and the Brexit Party candidate, igniting yet another bout of fighting and leadership speculation.

In an increasingly pro-Remain London, the party isn’t helping itself. Turning away from a historic penchant for pragmatism (running as moderates on a platform of municipal reform for the old London County Council), creating then capturing the former Greater London Council in the late 1960s and late 1970s), all three of the Tories’ aspirant mayoral candidates were Brexiteers.

I ideological inflexibility is unsurprising in a party in which pollster research finds six in 10 Tory members voted for the Brexit Party last month, but doesn’t help in a city where ex-Tory strongholds back Remain.

Could the future for London Tories be that of their US Republican counterparts in New York City, where the quality of candidates reflects their dismallances? Certainly, the Tory candidate lacks the intellectual rigour and governing nous of Steve Norris, or the celebrity stardust of Boris Johnson.

If London Tories really want a shot at City Hall, they might look to Ruth Davidson’s Scottish Conservatives, who narrowly won one of only four Tory MEP seats nationwide in pro-Remain territory, or leadership hopefuls like pro-referendum Sam Gyimah and pro-deal Rory Stewart.

Yet another crushing defeat in next June’s mayoral election may force the Tories to reconsider their preference for power. A fresh, distinct London identity, allowing all candidates to pledge support for electorally-friendly positions – opposing no-deal and backing a new referendum – might help them recover.

If not, continuing to stubbornly set their face against the capital’s pro-EU sentiment is a one-way ticket to Tory electoral extinction.

Since 2016, the capital has moved from a 60 per cent Remain vote to 71 per cent

Barnaby Towns

Barnaby Towns was a campaign adviser to Conservative mayoral candidate Steve Norris in 2000 and 2004.

DEBATE

It’s now 65 years since Alan Turing died – but will AI ever become indistinguishable from humans?

Alan Turing predicted that by the year 2000, artificial intelligence (AI) would think like a human – and he wasn’t far off. Given the pace of progress, it’s likely to take decades and not centuries to achieve. Scientists are already mapping out the brains of small organisms, recreating each neural pathway to replicate a brain, but within a computer. They are called Connectomes, and it won’t be long until they can do exactly this with the human brain.

This, combined with deep machine learning approaches, makes it certain that AI will one day be indistinguishable from humans, enabling computers to make connections, learn, grow and understand nuances in much the same way as us.

We are increasingly edging closer to artificial intelligence (AI) becoming indistinguishable from humans, but it’s not quite there. And nor will it be in an all-rounded sense.

There is a big difference between narrow AI and general AI. The former is where AI is used for a specific task or use-case, and is continuing to be improved across industries today. The challenge is moving to general AI, which essentially means becoming indistinguishable from a human in every task and personality trait.

For example, a machine might be trained to talk about the upcoming Premier League football games flawlessly, but that doesn’t mean it can provide financial advice, or empathise with the contestants on Love Island. Applications like Siri or Google Home are increasingly able to perform more and more tasks, but only because more narrow AI abilities have been added to their systems. It is hard to imagine a world where AI will be able to, in one application, replicate every task, trait or ability that makes us human.

But it goes further than this. Limiting AI to a “human” framework is like trying to fit all of history onto one A4 piece of paper; there’s not enough space to contain the possibilities. With such processing power, memory, and no biological limitations, the power of AI will far outreach that of our own minds – and quickly.

Ivan Mazour is chief executive and founder of Dimetria.

Ben Musgrave is head of digital (UK) at Synechron.

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OPINION
HOT PROPERTY
ALL YOU NEED TO KNOW ABOUT THE LONDON PROPERTY MARKET

NEW BUilds
NEW DEVELOPMENTS ON THE MARKET THIS WEEK

BELLE VUE, HAMPSTEAD
From £792,500 for a one-bed
Retirement property developer PegasusLIFE has launched Belle Vue, a collection of one and two bedroom apartments in Hampstead available exclusively to over-60s. The development surrounds a courtyard garden, while the top floors have skyline views, while all residents benefit from a gym, café and concierge.

NO. 3 UPPER RIVERSIDE, G’WICH PEN.
From £550,000 for a one-bed
A collection of apartments designed by Studio Ashby is launching through the government’s Help to Buy scheme at Greenwich Peninsula, the 150-acre regeneration project on the Thames. Due to complete in Autumn, the apartments will overlook The Tide, a new 5km long linear park featuring work by artists including Damien Hirst. Residents will also have access to the The Upper Riverside Club, a collection of amenities spread across five buildings, including cinema rooms, lounges and co-working spaces.

RIDGEWAY VIEWS, MILL HILL
From £1.325m for a four-bed
A collection of six homes has just been released at Barratt London’s Ridgeway Views development. The four and five-bedroom homes are the first to launch and accompany the range of apartments currently available. Each has floor to ceiling windows, double and master bedrooms with en suites and walk-in wardrobes, a large garden, garage and two parking spaces. The developer has even taken care to preserve the area’s ecology by creating habitats for wildlife, such as bird boxes and a special hedgehog passage.

APT LIVING, KEW BRIDGE
From £295,000 for a studio
Developer Apt Living is launching the next phase of its Kew Bridge development this weekend. The collection of 274 apartments comprises studio, one and two bedroom homes, with most of the apartments available through the government’s Help to Buy scheme. Also being unveiled are the communal amenities, which include a gym, cinema, games room, a residents’ lounge and green roof terraces. Kew Bridge overground station is an 8 minute walk away, with regular services into Waterloo in 18 minutes.

FEATURE
City Benches is back – where’s the best place to sit?

PROPERTY OF THE WEEK
Live the life of a film star in Battersea

FOCUS ON
Where to buy and rent in Bermondsey
A collection of 2 & 3 bedroom apartments at the award-winning Kidbrooke Village

This is a fantastic opportunity to buy your own home at Birch House, the most iconic building at Kidbrooke Village. With its striking architecture and individually designed homes, it really is your chance to live somewhere unique.

2 & 3 bedroom apartments from £585,000

www.kidbrookevillage.co.uk

Sales & Marketing Suite open daily 10am to 6pm (Thursdays until 8pm), Wallace Court, 40 Tizzard Grove, London SE3 9FD.
The commercial property market in London is undergoing something of a renaissance and now offers unique opportunities for investors. In a low interest rate environment, this kind of investment can provide consistent returns through a hybrid of income and capital growth. Professional investors in the UK and abroad are moving back into the sector supporting our view that the capital’s commercial property has really turned a corner and is now offering a window for some excellent value deals.

WHAT ARE YOU SEEING IN TERMS OF RETURNS?
We are currently seeing better returns in the commercial market than in the residential market. Many are turning to commercial property which has the added attraction of being an asset you can put into your pension fund as long as the investment is under £3m.

SHOULD WE BE CONCERNED ABOUT THE CHANGING FACE OF THE HIGH STREET?
People haven’t stopped shopping but they are doing so in different spaces. For example, the transformed London Bridge station doubled its total sales for the first three months of 2019 compared to the same period last year recording over £14m in purchases, while sales for the 2018/19 financial year grew by over 75 per cent. In other areas we’re finding that where some retailers have moved out, more service industries like gyms and medical units are moving in. In good retail spots, there is limited availability because, fundamentally, these spaces continue to perform well. We shouldn’t forget either that commercial is not just about the high street. More online retail has improved the industrial and warehouse distribution markets. A recent letting of a distribution warehouse in Battersea realised in excess of £30 a square foot which would have been closer to £15 a square foot a couple of years ago.

WHAT IF THIS IS MY FIRST TIME INVESTING IN COMMERCIAL PROPERTY?
There are many types of commercial property and London is a complex market of many parts. That’s where our specialist knowledge, experience and expertise count. Our team has over 100 years of experience in areas such as retail, office and industrial. We deal with all the elements new and seasoned investors would expect. The first step is to ensure that commercial property is the right investment for our clients. Then, we can discuss their requirements and look at the specific property options taking into account key criteria such as whether the tenant will stay, what the chances of reletting are and how high risk the investment is. Later on we will act on their behalf to assess future rent reviews, lease renewals, and manage the building if required. Our approach is to ensure the whole process is comprehensive and very straightforward.

WHAT INITIAL COSTS SHOULD A FIRST TIME COMMERCIAL INVESTOR CONSIDER?
There should not be any upfront cost! After an initial consultation, we only charge once we find clients a property. This is very important and helpful when people are investing in commercial property for the first time or on a one-off basis.

Richard Cleminson
Professional Services Director
Kinleigh Folkard & Hayward
rcleminson@kfh.co.uk
Are you a frustrated thespian? A talk show host without a talk show? A pop star with a dream? Then perhaps this incredible new property in Battersea is for you. It’s called The Set, and it’s housed in a converted film studio that’s played host to greats including Sir Michael Caine and Sir Anthony Hopkins.

Once owned by film director Quentin Masters, the studio was conceived as a boutique alternative to more famous studios like Pinewood, offering directors access to innovative concepts such as an underwater filming tank.

In the years since, it’s been used for projects as diverse as a Spice Girls music video and the opening credits to The Graham Norton Show.

And now it can play host to the most important production of all: the movie of your life.

The studio has been converted into one, two and three bedroom apartments and four new on-site townhouses, which have all been individually designed to fit the space. Nods to the building’s heritage are dotted throughout the development, from the suspended lighting rig in the entrance hall to the black and white photographs of celebrities who have graced the building over the years. The apartments themselves are stunning, with calm, neutral design, and beautiful crittal-style windows, including one statement window overlooking a balcony.

Theo Gordon, Savills residential development sales manager says: “The Set offers beautiful, highly crafted homes in a period building. The apartments retain the charming character of the original studio, with clean modern interiors. Every apartment is unique, with laterals, duplexes and penthouses offering a range of choice. We have seen demand from the south west London owner occupier market, young professionals who have help from the ’bank of mum and dad’ and local Battersea downsizers who are interested in the lockup and leave townhouses.”
Livin in a flat with the shard in your yard

Focus on

Bermontsey

Bursting with galleries and bars, SE1 is the place to be, says Dougie Gerrard

Seventy two households, all belonging to the Count Robert of Mortain, and collectively worth a grand total of 40 pence; this was the value of Bermontsey as recorded in the Domesday Book in 1086. Things have changed somewhat since then (Bermontsey wasn’t even an official part of London at the time), but few areas have such a rich and storied history. After the Great Fire of London it briefly became a health retreat for the wealthy, and Samuel Pepys’ diary records him visiting a pleasure garden here in 1664, from which he left “singing finely.”

It was in Bermontsey that Bill Sikes, the villain in Oliver Twist, met his end, and it was from a spot on the Bermontsey riverside that JMW Turner painted his famous The Fighting Temeraire, depicting an old warship on its way to the scrapheap. Turner painted his famous The Fight- ing Temeraire, depicting an old warship on its way to the scrapheap. However, Bermontsey’s trendiness hasn’t yet put it out of reach for ordinary people: prices here have only risen 50 per cent over the past decade, compared with the borough average. “These higher price tags are likely to reflect the desirability of owning a conversion property with unique design and character and, of course, the proximity to the Thames,” says Clacy.

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Flats make up the vast majority of sales, accounting for 88 per cent of all transactions last year. As a result, new buyers are predominantly young professionals and those looking to downsize, people with families tend to spread out into the more spacious areas of southeast London.

All this means that Bermontsey is fairly expensive, with apartments here selling for around £600,000, some 15 per cent more than the Southwark borough average. “These higher price tags are likely to reflect the desirability of owning a conversion property with unique design and character and, of course, the proximity to the Thames,” says Clacy.

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Nowadays, belying its past as a Victorian slum, the area has a well-earned reputation as a cultural hub. “Its sense of heritage, range of places to eat and drink, plus its independent galleries and stores makes Bermontsey a top choice for people wanting to live in a central vibrant neighbourhood,” says Frances Clacy, research analyst at Savills.

Foodies will be attracted by the endless new restaurants and artisanal coffee vendors, as well as by Maltby Street Market, which offers gourmet produce of every flavour, from Venetian corn pancakes to Taiwanese waffles. It’s no surprise, then, that Bermont-
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This is the future of co-living home ownership, with community built-in, wide open spaces, and four trains an hour to Waterloo.

The second phase of the Kew Bridge development by Apt Living launches tomorrow. I was curious to see what an affordable new apartment would look like, and came away wishing I was in my thirties again, looking for a smart place to call my own. Why would anyone suffer the abomination of annoying housemates when you can buy a flat and socialise downstairs and then head up and close the door, with your own modern fitted kitchen and some outside space?

Fifty apartments are ready for sale off-plan tomorrow, starting with studios from £295,000. Most are one-beds, averaging 420sqft, from £325,000, with two-beds from £540,000. Ninety per cent of Apt Living’s Kew is eligible for Help to Buy finance, for which you need only a five per cent deposit.

“This former office building was only about 24 years old, so it’s modern and attractive from the outside,” says Cameron Smith, Apt Living’s sales and marketing director.

It’s rare to have uninterrupted and protected views over 180 acres of parkland, but achieving this has meant that the building is on the six-lane Great West Road. Having to cross this for the short walk to Kew Bridge overground station will be a deal-breaker for some, but if you’re not fussed about the road (and the developer has invested in high-performance acoustic floor-to-ceiling glazing), then the reward is Gunnersbury Park in your backyard, where a £13.8m sports hub is being built.

The downside is that apartment sizes are... compact. An estate agent with a sunny smile would sell them as bijou. At least the ceiling heights are a breathable three metres.

Mod cons include superfast broadband and comfort cooling oak floors with underfloor heating. Birch-ply joinery, meanwhile, is designed to maximise storage and can be custom-made to your preferred layout.

One-beds have an internal glazed wall to allow natural light into the bedroom, and the show flat is by Habitat – a look that’s easily achievable.

The two-bed show flat is decorated by Lord Sugar’s fearsome aide and style entrepreneur Linda Plant, whose use of graphic fabrics, rugs and contemporary art is a masterclass in dressing your home for comfort.

The last word goes to three brilliant innovations. One: each apartment has a storage locker on-site for your stuff – such as skis, golf clubs and suitcases. Two: guest suites can be rented like hotel rooms for your friends and family. Three: the development has its own app for contacting the management about building issues, and for you and your neighbours to organise clubs and events.

At last, co-living has come of age.

Apt Living launches 50 apartments in Kew Bridge tomorrow, 8 June, from £295,000 with Help to Buy available; visit apt-living.co.uk
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México's most interesting tequila brand Maestro Dobel is offering City A.M. Club members the chance to immerse themselves in the world of this most fascinating and complex of spirits. Maestro Dobel has teamed up with MBER Restaurant to organise an event where members can learn about the intricacies of different types of tequila, hear about the creative talents behind it and get a masterclass on how to pair tequila with different types of food. They will also get to witness an innovative new way to serve tequila: a trio of ultra-contemporary, circular vessels handcrafted in volcanic rock sourced from the same rich soil in which Dobel cultivates its agaves in Jalisco. The glassware was designed by celebrated Mexican architect Frida Escobedo, who was responsible for the creation of the Serpentine Pavilion in Hyde Park last year.

She commissioned Mexico City’s eminent stonemason Juan Fraga to source the rock and expertly carve the geometric, stacking vessels. Only 30 Frida Escobedo for Maestro Dobel limited-edition vessels exist.

MAESTRO DOBEL TEQUILA
Mexico’s most exciting tequila brand partners with the City A.M. Club

MBER Restaurant is the perfect backdrop for this special occasion – its exquisite tapas and design-led environment have quickly garnered a following among City professionals. On hand will be renowned drinks aficionado Oli Pergl of Maestro Dobel, who will provide an entertaining and informative context to the evening – what he doesn’t know about tequila isn’t worth knowing.

Eleven generations of tequila mastery have informed Maestro Dobel – don’t miss out on this exclusive opportunity to learn more about it from industry-leading mixologists and producers.

The offer includes a complimentary Maestro Dobel Diamante cocktail (Diamante is the world’s first clear, multi-aged tequila), paired with canapés by MBER. To participate City A.M. Club members simply need to present their membership card or app on arrival.

For more information, visit: CLUB.CITYAM.COM

GOING OUT
EDITED BY STEVE DINNEEN @steve_dinneen

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HOW TO JOIN THE CLUB
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ART
SUMMER EXHIBITION
ROYAL ACADEMY
BY STEVE DINNEEN

It’s once again time for London’s biggest and maddest art exhibition, in which hundreds upon hundreds of works are stacked high and wide throughout the Royal Academy. Drawing from both established grandees and wet-behind-the-ears newcomers – the final cut was whittled down from 16,000 entries – it asks curators to curate the uncuratable, and gives writers the unavoidable task of trying to codify it all. This year the most obvious theme is conservation – animals and the various threats to their mortal existence are everywhere. There’s a tiger whose red and silver stripes are, upon closer inspection, made up of carefully unfolded Tunnocks Tea Cakes wrappers; there’s a rhino wearing a monocle; a monstrous feathered snake in a vitrine. There are receding glaciers and a melting polar bear and a scene lit with human detritus. There’s also a sculpture of a fat little pug and an owl with human nipples, but I’m not sure what, if anything, they have to say about conservation.

Immigration and the refugee crisis also feature heavily, with plenty of artists ruminating on one of the biggest humanitarian crises of our time, from Banksy with a shuttered EU customs door to a tapestry reading “We are all immigrants”.

There are plenty of works examining urban degradation (or urban beauty, depending on your point of view): a high-rise building covered in graffiti, an artfully scorching office chair outside an overgrown lockup. Some works are grouped by movement (abstract expressionist, ethnographic); others by theme; some, apparently, by colour.

And then there are strange and wonderful pieces that defy categorisation: a photograph of a lady with an octopus crawling over her bottom, a murder of crows made from straw and bin bags, one of Craig Martin’s distinctive Blade Runner soundtracks. It is also frequently very funny – one scene, in which Gloria invites Arnold to an intimate birthday party also attended by her ex-husband, is a miniature masterpiece of bourgeois awkwardness.

The problem, and it seems a strange thing to say about such accomplished filmmaking, is that Gloria Bell is actually quite dull. Nothing especially interesting happens, there are very few interesting conversations, and apart from Gloria, none of the characters seem interested in the contents of the plot. Given all this, it’s no surprise that the film’s success rests almost entirely on its starring performance. And for this alone it’s worth watching: Moore, on screen for the whole film, is magnificent, investing Gloria with a tenderness and generosity that belies her slender scripting.
The thin rag draped over her. It's also a work of vast scope; to follow, at others difficult to stomach. Something the actor's lean, sinewy figure lends itself well to. Before the play even begins, Okpokwasili body-pops into the fractured shafts of colour characteristic of cubo-futurism, a style she helped pioneer. The readings are stitched together with more physical elements, small Slavic touches insinuating themselves into the fractured world, whose artistic traditions were soon to be obsolesced by the October Revolution. This unique artistic posture – modernism directed away from the modern – invites an interesting question, one that the exhibition sadly doesn’t interrogate. What was Goncharova’s relationship with the world of the Tsar? An Aristocrat’s daughter, she left Russia for Paris in 1915, and the tumult of the years preceding the Revolution is infused into her work – particularly her urban paintings, which are fraught with unease. Her art doesn’t glorify pre-Revolutionary Russia, but it is blind to the hardships it inflicted upon people. Theirs was not a life surely not the same one from. Western Europe, Goncharova used her modernist training to explore nascent artistic movements, enmeshing her inimitably slavic style with the rapidity and restlessness of Italian futurism, which called upon artists to embrace the dynamism of modernity (and later, fascism). The discovery of futurism was a seismic moment in her artistic life, prompting her to move her canvas from Russia’s villages to its factories and city streets. However, her work remains indigenously Russian throughout this shift, with Western Europe. Goncharova used her modernist training to explore nascent artistic movements, enmeshing her inimitably slavic style with the rapidity and restlessness of Italian futurism, which called upon artists to embrace the dynamism of modernity (and later, fascism). The discovery of futurism was a seismic moment in her artistic life, prompting her to move her canvas from Russia’s villages to its factories and city streets. However, her work remains indigenously Russian throughout this shift, with small Slavic touches insinuating themselves into the fractured shafts of colour characteristic of cubo-futurism, a style she helped pioneer. As the exhibition moves into its final rooms, it introduces a number of clever innovations, overlaying a series of stencil prints, lithographs, and illustrations with contemporaneous Russian poetry and music by Igor Stravinsky. The curators have clearly made an effort to situate Goncharova in the cross-pollinated Eurasian milieu that produced her, and the exhibition also features works by Picasso and Andre Derain that were part of turn-of-the-century Russian collections, and were influential on her artistic development. There is something infuriating about this collection, in that it presents and then leaves mostly undressed, a set of contradictions, in the process slightly obscuring the beautiful paintings on show. But it’s also a fascinating glimpse into a world largely alien to us, of peasants and aristocrats, preserved in glorious colour shortly before it was forever destroyed.
Bill Esdaile previews the action from Haydock Park

After the razzmatazz of last week’s Investec Derby Festival, things are a little quieter with the feature race of the weekend being tomorrow’s Betway John Of Gaunt Stakes (3.35pm) at Haydock.

We may be moving into the second week of June, but if forecasters are to be believed the going could be close to heavy at the north-west track for their Group Three feature.

At the time of writing, the official description is good to soft with up to 20mm of rain expected over the next 24 hours.

The return to seven furlongs is sure to suit David Elsworth’s Sir Dancealot who caught the eye with a really nice reappearance run when seventh behind Mutsashy in the Lockinge Stakes at Newbury last month.

That trip would have stretched him and he is likely to be seen in a far better light over this distance – a trip he won and he is likely to be seen in a far better

The threat of bad ground means only nine have been declared for the Betway Pinnacle Stakes (2.25pm) where the top three look the ones to concentrate on.

Danzeno bounced back to form last weekend and won’t be far away if in the same mood.

He has bits and bobs of soft ground form but wouldn’t want things to get really hard work.

Stake Achievement is definitely the one they all have to beat and his short head second in the Haydock Sprint Cup on heavy ground two years ago is well enough to offset anything else he has achieved in this.

He bounced back after nearly two years off the track with a good win at Newbury back in April and could win this with a bit up his sleeve if in the same form.

However, I am always wary of backing a horse on his second start after a long absence and for that reason will take a chance on Tarboosh who has run well in two starts this season on unfavourably fast ground.

The key to this six-year-old is soft ground as his lifetime form figures of 2513121 on good to soft or worse demonstrate.

He’s another worthy of support at 4/1 with Coral.

Willie Mullins is set to saddle True Self in the Betway Pinnacle Stakes (2.25pm) and she should take plenty of beating with conditions in her favour.

The only negative is her skinny price and if the ground had been a bit better I might have been tempted to take her with Highgarden for the John Gosden/Frankie Dettori team.

She has always been held in high regard and could have a lot more speed than most of these.

The concern is that she may be blunted by the ever-worsening conditions.

Finally, the ITV cameras may have gone off air for the ironically named Betway Dash Handicap (4.10pm) where the 17 runners are likely to be doing everything but!

If the ground does turn heavy, it may be worth having a few quid each-way on Linda Stubbs’ Soe’s De’Alaud at a big price right at the foot of the weights.

The seven-year-old hasn’t had his beloved bad ground for fast approaching two years and races form a 1lb lower mark than when going close here in a valuable handicap in 2017.

POINTER TOMORROW

Tarboosh 3.00pm
Safe Voyage 3.35pm
Soe’s De’Alaud 4.10pm

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Bill Esdaile previews tomorrow’s action at Newmarket and Beverley

Classy Proschema looks decent price to defy big weight

EVEN though we are still in June, we get to sample the delights of Newmarket’s July Course for the first time in 2019 tomorrow.

The Rowley Mile is the most historic of the two courses but the more intimate July Course is preferred by many racegoers.

The biggest fixture at the track is next month’s July Festival and while we won’t see the same quality horses lining up tomorrow, there are still some decent handicaps to get stuck into.

A number of the runners in the 1m6f Bernard Sunley Memorial Handicap (2.45pm) will likely have the £1m Sky Bet Ebor Handicap at York in August as their main target this season.

He didn’t run badly at all on his reappearance at Newbury in the Group Three Dubai Duty Free Surprise Stakes, although I did expect a little more from him last time in the Jorvik Handicap at York.

Although he has plenty of weight to carry tomorrow, he has been dropped a couple of pounds for that effort and the step back up to 1m6f will definitely suit.

He has some solid form at this trip and looks decent each-way value at 12/1.

Amanda Perrett’s Spirit Ridge is the obvious danger and I can definitely see him being rated higher than his current mark of 92 at the end of the campaign.

Well backed on his reappearance at the Guineas meeting, he was not disgraced in being beaten by Baghdad and looks like another who will enjoy the extra distance.

The problem with him is that he is now just 6/1 which looks a shade too skinny in such a competitive race.

The action gets underway with the Bentley Cambridge Handicap (2.10pm) over seven furlongs and this looks another complex puzzle to solve.

Ace will have plenty of supporters after his unlucky run in the Silver Bowl Handicap at Haydock last month.

However, I’m not sure the drop back to seven furlongs is what he wants so I’m happy to oppose the likely favourite.

Flashcard was disappointing at Goodwood a fortnight ago but if he has come on from that he will have every chance.

It may have been the quick ground which resulted in that disappointment, though, and it looks like it will be pretty quick at Newmarket.

Richard Fahey’s GABRIEL THE WIRE catches the eye at the bottom of the weights with promising apprentice Sean Davis taking off a valuable 5lbs.

The gelded son of Garswood has appreciated going up to seven furlongs on his last two starts and won going away at Doncaster last time.

This is tougher but he looks well-handicapped and Fahey’s horses are going well. Take the 15/2 with Coral.

Watson’s speedy Exclusive worth a shot at Beverley

IT IS not often that I tip at Beverley, but the Yorkshire track boasts a good card tomorrow and my eye is drawn to a couple of smart sprinters.

There is rain in the forecast, but that shouldn’t hinder EXCLUSIVE who I’m hoping can make it two wins from two over course and distance in the Hilary Needler Fillies’ Conditions Stakes (2.00pm).

Archie Watson’s daughter of Kodiac was impressive on her debut, where she overcame a wide draw to win by over two lengths.

She looks another promising two-year-old for a trainer who tends to do well with juveniles and Watson’s record at Beverley gives grounds for optimism too.

He has claimed four wins from just 13 previous runners at the Yorkshire track and I’m hopeful Exclusive can continue the trend.

She looks deserving of this step up in class and should be backed at 5/1.

Later on the card, I like the chances of James Tate’s DREAM SHOT in the Two Year Old Trophy (3.15pm).

He was given a typical Jamie Spencer ride on debut at Goodwood, where he swooped late to see off Spanish Angel by a neck.

The son of Dream Ahead should have learnt plenty from that and looks ready to compete in better company here.

A draw in stall two is perfect, particularly given the fact that the main danger, Ob Purple Reign, is drawn on the far outside in six.

Richard Hannam’s runner was a good second in the Woodcote at Epsom, though he only got going late over six furlongs, so a drop back to five isn’t ideal.

He’s a player, but I’m happy to stick with Dream Shot who can take this on his way to bigger and better things at 4/1.
SPORT

How Nadal tweaked game to remain King of Clay

Michael Searles

drives into the data as Spaniard faces semi-final against old foe Federer

F RAFA Nadal is to claim a 12th French Open on Sunday. He will have to beat old foe Roger Federer in today’s semi-final, as one of sport’s great rivalries gains yet another chapter.

What was once a regular occurrence on the ATP Tour has now become a rare occasion, with the two titans meeting for the 39th time – and there may not be many more.

Nadal has won 25 of their encounters and is favourite to prevail again, but is the King of Clay still at his unbeatable best at Roland Garros, or can long-term rival Federer dethrone him?

Nadal, 33, has this year taken his record in Paris to 91-2 and, according to data prepared for City A M, by Infosys, his reign shows no signs of waning.

Having relied on extraordinary stamina and athleticism to help get him around the slower court and win rallies during his younger years, Nadal’s recent efforts to improve his serve appear to be paying dividends.

So far at this year’s tournament Nadal has hit an average of 4.4 aces per match, markedly better than the 2.6 and 2.6 average he hit in the two previous years.

He is winning more points on his first serve – 77.1 per cent, up from 74.0 and 71.9 in the last two French Opens – which is also indicative of more aggression and speed to his serve.

It is something the Spaniard has worked on with coach Carlos Moya during the offseason and continues with an inevitable loss of endurance as he ages. Federer, 37, has made similar adaptations to his game.

However, the approach does add an element of risk, as demonstrated by an increase in double faults to 2.8 per match – similar to last year, but up by around 50 per cent on the previous five years.

The 33-year-old is also hitting more winners than in the past six tournaments, with an average of 35 per match, also reflected in an increase in the break points he converts, up to 57.4 per cent from around 50 per cent in the previous two years, although some way off his best of 64.6 per cent in 2014.

Other aspects of his game, including return points won, break points saved and unforced errors all remain at a consistently high standard.

Winning 74.4 per cent of points at the net is the second highest average he has achieved since 2013, suggesting he is choosing when to approach the net more efficiently, and second serve points won remains well above average at 62.5 per cent.

The world No2 has bounced back from an injury blight to maintain his defence of the Roland Garros crown, and at present, he is showing no signs of letting it slip.

"If you want to do or achieve something on clay," said Federer this week, "inevitably, at some stage, you will go through Rafa, because he’s that strong and he will be there."
If Italian marque can’t stop rot in Montreal they may never do so, says Michael Sears

A 5-1 HEAT head into the seventh round of the Formula One season in Canada this weekend. Ferrari are already 118 points behind rival Mercedes in the constructors’ standings.

Pre-season expectations of getting a whole new wave of sponsorship and investment in the game and not just for the women’s World Cup had been high. Visa has been involved in football and wave of commercial deals for the men’s World Cup as it did on the men’s equivalent in 2018. Its “One Moment” campaign was launched on 4 May and will run to 7 July in hope of attracting more attention to the competition and, of course, their brands.

“From the very first big brand campaign that we’ve run,” Suzy Brown, Visa UK’s marketing director, tells City A.M. “Everyone really is seeing women’s football at a tipping point. Up until now it’s been stuck in a vicious circle – fewer of the games have been on TV, so less sponsorship, less investment in the game and not many role models to look up to.”

Grimeley has followed the growth in the market and believes that there is room for everyone – not just big brands – with clubs such as Lewes FC and Yeovil showing what’s possible further down the pyramid.

“The world is going to be a case where there are going to be brands who are looking to invest in others who will probably get one hell of a deal,” he says.

“Visa now will probably do so with football, because then they’re there early and in a big way. But there will also be fast followers who say ‘Blimey, that looks good’.”

If the Lionesses hold the trophy aloft in Lyon on 7 July it looks likely to trigger a whole new wave of sponsorship for the women’s game.

Canadian GP offers Ferrari hope of ending Mercedes streak

Commercial deals have multiplied as the sport enjoys a higher profile, says Felix Keith

THE WORLD Cup arrives today at an opportune moment for women’s football. After a season punctuated by record attendances, greater exposure and successes both on and off the pitch, there is an air of optimism engulfing the sport.

While the feeling is inspiring confidence that Phil Neville’s Lionesses could make good on their No3 rankings and win a first World Cup in France on 7 July, it has also bleed into the commercial landscape where brands are beginning to sense opportunity.

Four months ago Sam Grimeley, commercial director at GomGuin, a company which tracks the values of sports sponsorships, launched a membership platform around the sport, and they were missing an opportunity in women’s sport. Fast-forward to the present and they have caught up.

“Football clubs used to be all about the men’s team,” he tells City A.M. “Now I’d say 80 per cent of my clients want some valuation on the sponsorships side of women’s teams, which is fantastic.

The reason for the upsurge is clear. The tide has turned. Competing a wide-scale investment in women’s football.

In March this year, a three-season deal worth £10m to become the title sponsor of the Lionesses announced sponsorship deals with Lucozade and Budweiser, and in April Botas signed a three-year, £3 million pound-three-year deal to sponsor the home nations and Ireland.

Elsewhere in other signs of the shift, Adidas pledged to pay their sponsored players who win the men’s World Cup up to £130m once bonuses are met.

ANISIMOVA STUNS HALEP TO REACH FRENCH OPEN SEMIS

Anisimova produced a stunning performance to defeat defending champion Simona Halep and reach the French Open semi-finals yesterday. The unseeded American will now play Australia’s first seed Ashleigh Barty in the final after winning 6-2, 6-4 against Roland Garros.

Real are expected to pay an initial fee in the region of €65m for the 28-year-old forward, but the transfer could be worth up to €130m once bonuses are met.

ENGLAND HAMMER WEST INDIES TO RENDEZVOUS IN SCOTLAND

England face world number six West Indies in Nice on Sunday 7 June, 4pm: World Cup kick-off at Lyon’s Olympique Stadium.

Canada and a younger, digital-first generation means broadcast and sponsorship – something which typically held the sport back – is no longer an issue.

Visa has cottoned onto this, using its campaign to target a different audience via social media videos which feature freestyle footballer Liv Cooke and ambassadors like England’s Lucy Bronze, Scotland’s Kim Little and Denmark’s Nadia Nadim telling their own stories.

Visa is proud of its involvement in women’s football and knows that the upward curve is likely to be accentuated by this summer’s World Cup, although increased competition is not seen as a problem.

“We absolutely welcome that – Barca is coming in, Real Madrid and others – I think that’s fantastic,” says Jeni Mundy, regional managing director for the UK and Ireland. “The more support to create that platform the better.

Grimeley has followed the growth in the market and believes that there is room for everyone – not just big brands – with clubs such as Lewes FC and Yeovil showing what’s possible further down the pyramid.

“It’s always going to be a case where there are going to be brands who are looking to invest in others who will probably get one hell of a deal,” he says.

“Visa now will probably do so with football, because then they’re there early and in a big way. But there will also be fast followers who say ‘Blimey, that looks good’.”

If the Lionesses hold the trophy aloft in Lyon on 7 July it looks likely to trigger a whole new wave of sponsorship for the women’s game.
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