AN ACTIVIST investor vying to shake up First Group has warned that it will pull out of a contract to run one of the UK’s leading rail franchises if it succeeds in toppling the firm’s management at a showdown tomorrow.

Coast Capital, which owns a near 10 per cent stake in transport giant First, has called an extraordinary general meeting (EGM) at which it will try to oust the firm’s six-strong management team and install its own nominees.

The New York-based hedge fund has been agitating for a radical restructuring of the company, including that it splits its UK assets from its US assets and overhauls its board by appointing six of its candidates.

The EGM, Coast will reserve the right to withdraw from the bidding process over its refusal to accept onerous pension liabilities with the government. Reports said Whitehall is awaiting the result of tomorrow’s EGM before revealing its decision on the franchise.

Coast, which has already destroyed vast amounts of shareholder capital, said: “There is no doubt that winning the West Coast franchise will result in further value destruction in a UK rail business which has already destroyed vast amounts of shareholder capital. It would also move First Group further away from their recently-stated strategic objective of focusing more on their highly valuable US assets and businesses. Against this backdrop, there is no doubt that institutions who vote for the current chairman and [chief executive officer] are not looking after their investors’ best interests.”

He added: “We also put the board of First Group on notice that, after the EGM, Coast will reserve the right to contact the secretary of state for transport and warn him of the risks of contractual non-complete if a contract is awarded by his department to First Group.”

Rasteh also raised concern surrounding the reported intention to award the West Coast contract to First, as one of the DfT’s civil servants is the brother of First chief executive Matthew Gregory. “The UK is not a banana republic and this is not how things should work,” Rasteh said.

A DfT spokesperson said measures had been put in place to avoid a potential conflict of interest and that Andrew Gregory had been “recused” from all discussions related to First Group, any in-life contract changes to franchises operated by First Group, and any discussions of the commercial standing of First Group or its competitors on live franchise competitions.

First Group has warned that it will pull out of a contract to run one of the UK’s leading rail franchises if it succeeds in toppling the firm’s management at a showdown tomorrow.

A First spokesman said: “On Tuesday, we will learn what shareholders think of Coast Capital’s plans to seize control of a UK plc without paying a premium. Coast’s plans are inconsistent and irresponsible, would leave the group with higher debt and are not in the best interests of all shareholders or our wider stakeholders.”

FTSE 100 ▼ 7,407.50 -16.94 FTSE 250 ▼ 19,324.60 -59.53 DOW ▼ 26,719.13 -34.04 NASDAQ ▼ 8,031.71 -19.63 £/$ ▲ 1.274 +0.004 £/€ ▲ 1.120 -0.005 €/$ ▲ 1.137 +0.006
Attracting talent from India is crucial for UK

Three years ago today, as the country absorbed the result of the EU referendum, few people were talking about the intricacies of trade policy, the complexity of bilateral negotiations or the General Agreement on Tariffs and Trade. Three years on, and while the country appears no closer to a negotiated exit than it was 1,000 days ago, trade experts are now a fixed part of our post-referendum landscape. Some claim we’ll never get a better trade deal than the one we’re about to leave while others insist our future will be forged in far-off, fast-growing markets. India is often held up as an example of a country on which the UK should focus its economic and diplomatic attention and Theresa May’s government was keen to lay the groundwork for a future trade deal. The red carpet was rolled out for Prime Minister Modi last year and a UK-India bilateral agreement was signed by the two countries, pledging closer relations in agriculture, cybersecurity, intelligence, energy and technology. It was a neat moment for a government keen to promote “global Britain” but it remains a long way off a future trade deal. Furthermore, it failed to placate those who feel that the UK-India relationship has been starved of attention. Today, parliament’s influential Foreign Affairs Committee will release a report marking the start of UK-India Week, and it doesn’t pull its punches. The committee’s chairman, Tom Tugendhat, accuses Whitehall of failing to recognise India’s true power and influence. He warns against a complacent attitude to the former British colony and says that while the historical ties are deep and important, we cannot afford to rely on them as the basis for a future relationship. Instead, if the UK wants a truly prosperous partnership, a new UK government must rewrite its India strategy. One area singled out for reform is immigration. The report notes that the UK is losing the global race for Indian talent and has fallen behind in attracting tourists, students and workers. There is no doubt that easier access to the UK labour market will be a major demand from India in any trade talks, and the government should get ahead of the issue by reviewing the immigration rules. Today, a heavyweight delegation of India’s most powerful business leaders, many with billions already invested in the UK, will arrive in London. If the government gets its post-Brexit India policy right, next year’s delegation could be even bigger.

Consumer spending sets to outperform economy

SEBASTIAN MCCARTHY
@SebMcCarthy

CONSUMER spending is forecast to outperform the economy as a whole in the next year, but growth in households’ real disposable income is set to slow down after a spike in 2018.

The EY Item Club has predicted that consumer spending will rise 1.6 per cent in 2019 and 1.7 per cent in 2020, falling from 1.8 per cent, 2.2 per cent and 3.2 per cent in 2018, 2017 and 2016 respectively.

Meanwhile, GDP is expected to grow at a slower rate of 1.5 per cent in 2019 and 1.5 per cent in 2020.

“The improvement in purchasing power has meant that consumers have been significantly less affected in their spending decisions than businesses by uncertainties over the economy and Brexit,” said Howard Archer, chief economic advisor to the EY Item Club, in the report.

Archer added: “While consumer confidence in late 2018/early 2019 weakened to the lowest level since mid-2013, perceptions of personal finances and a willingness to spend generally held up much better than views of the economy.”

Real household disposable income growth also improved to 2.2 per cent in 2018, from 0.5 per cent in 2017 and a drop of 0.2 per cent in 2016.

However, the EY Item Club said that the outlook for consumers is going to be relatively challenging over the next two years.

Archer said the firm suspects earnings growth peaked in early 2019 and is likely to remain modestly below this level over the rest of 2019 and possibly beyond.

“We believe labor market strength will increasingly fray over the coming months as companies tailor their behaviour to a lackluster domestic economy, prolonged Brexit uncertainties, an unsettled domestic political situation and a challenging global environment,” he said.

Last week, the Bank of England said it expects economic growth to be flat in the second quarter of the year, having previously predicted growth of 0.2 per cent over the period.

The monetary policy committee (MPC) said: “That in part reflects an unwind of the positive contribution to GDP in the first quarter from companies in the United Kingdom and the European Union building stock significantly ahead of recent Brexit deadlines.”

The MPC added that since its previous meeting, the “near-term data has been broadly in line with the May report, but the downside risks to growth have increased.”

Features

LLOYDS FREEZES OFFSHORE JERSEY ACCOUNTS
Lloyds Banking Group froze the accounts of about 8,000 offshore banking customers as part of a crackdown on money laundering, after asking them for three years to prove their identity. The move to meet more stringent so-called know your customer requirements highlights the growing pressure on global banks to meet tougher rules on financial crime.

DAIMLER WARNS OF HIT TO SECOND-QUARTER RESULTS
Daimler warned investors yesterday that second-quarter earnings will take a “high three-digit million” hit as the Stuttgart-based parent of Mercedes-Benz will have to shoulder a higher than anticipated financial fallout of alleged manipulations of diesel emissions. The provisions will dent the car maker’s operating profit for the full year.

WHAT THE OTHER PAPERS SAY THIS MORNING

COUNCILS BLAMED FOR DRINK AND DRUG DEATHS
The number of people dying from drug and alcohol misuse has almost doubled in the five years since councils were given responsibility for providing treatment, according to official figures. The number of deaths in which coroners concluded that drugs or alcohol were to blame has risen since 2014 to 3,317 last year, Ministry of Justice figures show.

FAMILIES OF LONDON BRIDGE VICTIMS DENIED AID
Families of victims killed in the London Bridge terror attack have been denied legal aid for the inquest. They were told that it was not in the public interest.

THE TIMES

IRISH BACKSTOP CAN BE MADE "OBSCURE" BY TECH
A hard border in Ireland can be avoided using existing technology for “invisible” customs checks that would render the controversial backstop “obscure”, a report backed by Brexit MPs will say today. The think tank Prosperity UK believes alternative arrangements to the backstop can be up and running within three years.

TOP MOBILE OPERATORS FACE CALL FOR PROBE
Mobile operators should face scrutiny from cartel watchdogs over High Court claims of attempted price fixing and collusion, according to the leader of a cross-party group of MPs.

THE DAILY TELEGRAPH

INDEXING GIANT PROBES PRIVATE EQUITY PUSH
Vanguard Group has had discussions with a handful of private-equity firms as the indexing giant weighs whether to push further into alternative investments. The firm held exploratory talks with Boston based Harbourvest Partners, London-based Pantheon and at least one other firm, said people familiar with the matter.

THE WALL STREET JOURNAL

SAN FRANCISCO SET TO BAN E-CIGARETTES
San Francisco is expected to become the first city in the US to ban e-cigarettes this week, a move that will likely pit the city against one of its fastest-growing startups: Juul.
Patisserie probe gathers pace as five are arrested

SEBASTIAN MCCARTHY
@SebMcCarthy

The investigation into scandal-hit cake chain Patisserie Valerie gathered pace last week as five people were arrested and questioned following the discovery of a multi-million-pound black hole.

Police apprehended five people on Tuesday as part of the probe into the troubled high street cafe chain, which collapsed in January after an discovery of a £94m financial hole in its accounts last year.

The Serious Fraud Office (SFO) yesterday confirmed the news, first reported by the Sunday Times, which comes after finance director Chris Marsh was arrested on suspicion of fraud and released on bail in October last year.

On Tuesday 18 June, as part of a joint operation with Hertfordshire, Leicestershire and the Metropolitan Police Services, five individuals were arrested and interviewed in connection with the Serious Fraud Office investigation into individuals associated with Patisserie Holdings, the SFO said.

Chairman Luke Johnson is not believed to be among those arrested.

Over the weekend, auditor Grant Thornton announced plans to invest £7m into its accounting operations after regulators launched a probe into its work for Patisserie Valerie.

The former mayor of London remains the favourite to succeed Theresa May.

Domestic row takes toll on Boris Johnson’s leadership campaign

ALEXANDRA ROGERS
@alex_rogers

BOHS Johnson came under fire over the weekend for refusing to answer questions over why the police were called to his home following an argument with his partner in the early hours of Friday morning.

The Tory leadership favourite, who took part in hustings in Birmingham alongside rival Jeremy Hunt on Saturday, refused to answer questions about the incident, saying party members would rather hear about his plans for “the country”.

A poll for the Mail on Sunday showed Johnson had shed 10 points to 45 per cent support among Tory voters since the row became public.

Watchdog chief to face MPs over Arcadia deal

SEBASTIAN MCCARTHY
@SebMcCarthy

The boss of the Pensions Regulator (TPR) faces a grilling from an influential committee of MPs later this week over its deal with Sir Philip Green to help save his fashion empire from collapse.

Charles Counsell, chief executive of TPR, is to appear before politicians just weeks after Green agreed to pump an extra £25m into his Arcadia Group’s pension fund in exchange for the TPR’s support in a bankruptcy rescue plan.

Green’s pledge to the TPR, which comes on top of an original £50m offer to plug the company’s black hole, helped pave the way for a narrow victory earlier this month when Arcadia received the 75 per cent approval it needed to launch a cost-cutting insolvency process known as a company voluntary arrangement (CVA).

Frank Field, chair of the Work and Pensions Committee, which is set to question Counsell on Wednesday, told City AM he wanted answers from Counsell over why the TPR had settled for £25m.

In April, the US private equity firm Leonard Green & Partners wrote down the value of its 25 per cent stake in Arcadia’s Topshop chain after selling it back to the business for 76p, having bought it in 2012 for a reportedly £350m.

Field, a long-time critic of Tophop tycoon Green, said yesterday: “Leonard Green, who bought a quarter of Arcadia when they thought its business for 76p, having bought it in 2012 for a reported £350m. Field, a long-time critic of Tophop tycoon Green, said yesterday: “Leonard Green, who bought a quarter of Arcadia when they thought its

UK car makers hit with worst month for six-and-a-half years

HARRY ROBERTSON
@harryrobertson

The UK’s car industry suffered its worst month for business conditions in six-and-a-half years in May, according to a survey by Natwest, as Brexit and a global slowdown continued to hurt.

British car makers reported the steepest drop in new orders from abroad since April 2009 last month, said Natwest, which produced the survey with data firm IHS Markit.

The weak reading comes after stats showed car manufacturing fell 24 per cent in April. Firms had carried out planned shutdowns after the UK’s original Brexit departure date of 29 March.

Natwest said the effects of the shutdowns continued to be felt in May. The unwinding of stockpiling ready for the March Brexit date also weakened demand, survey respondents said.

Global headwinds held back the UK’s car industry in May, too. “US-China trade frictions and the prospect of new tariffs have rippled through international supply chains,” Natwest said.

The headline UK automobiles purchasing managers’ index (PMI) – a gauge of the health of the industry – was 45.5 in May, down from 48.9 in April. A score of below 50 indicates contraction.

Guy Hands in talks to snap up German packaging business

JAMES BOOTH
@Jamesbooth1

PRIVATE equity firm Terra Firma is in talks to buy German packaging group Cartonplast.

The private equity firm, led by financier Guy Hands, is the leading contender to take over Cartonplast at a likely value of several hundred million euros, Sky News reported.

Hands is reported to have held talks with a number of investors about financing the deal.

Hands abandoned efforts to raise his first general buyout fund since 2007 several months ago and is now raising funding on a deal-by-deal basis.

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Trump ‘not looking for’ Iran war as US prepares for further sanctions

JAMES BOOTH
@JamesBooth1
US PRESIDENT Donald Trump said he was “not looking for war” with Iran in an NBC interview broadcast yesterday.

Trump said he will impose further sanctions on Iran from today, but also said he would be willing to find a deal to help Iran’s economy. “I think they want to negotiate. And I think they want to make a deal. And my deal is nuclear. Look, they’re not going to have a nuclear weapon,” he said.

“I don’t think they like the position they’re in. Their economy is, is absolutely broken.”

Iran said the threat of new sanctions was just bluster. The threats were “just propaganda, as all sanctions... have been imposed and there are no more sanctions left,” state-run news agency IRib quoted Foreign Ministry spokesman Abbas Mousavi as saying.

Last week, Trump said he had drawn back from a retaliatory strike on Iran after it shot down an unmanned US drone.

“We were cocked & loaded to retaliate last night on three different sights [sic],” he tweeted. Trump claimed he halted the attack after he was told it would kill 150 people.

Trump ‘not looking for’ Iran war as US prepares for further sanctions

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Two senior executives at Hargreaves Lansdown have echoed the actions of its boss after volunteering to defer their bonuses in the wake of an investment scandal involving Neil Woodford.

Research director Mark Dampier and chief investment officer Lee Gardhouse have temporarily shelved their annual bonuses as the investment platform faces growing pressure over its backing of fund manager Woodford’s suspended flagship fund.

The move, first reported in the Sunday Times, comes several days after Hargreaves Lansdown chief executive Chris Hill pledged to defer his £2.1m bonus until the fund reopens.

Hill has also promised to demand changes from Woodford, saying: “We will continue to put pressure on Woodford Investment Management to sell out of their unquoted stocks in the Woodford Equity Income Fund.”

Hargreaves Lansdown has said that almost a quarter of its clients, or nearly 300,000, are exposed to Neil Woodford’s suspended fund.

Last week, the Financial Conduct Authority (FCA) announced it had launched an investigation into the suspension of Woodford’s Equity Income Fund.

FCA chief executive Andrew Bailey confirmed the probe in a letter to Treasury Committee head Nicky Morgan MP.

The Woodford Equity Income Fund was suspended on 3 June after Kent County Council tried to withdraw its £317m pension fund.

The letter also reveals the FCA has been concerned about the liquidity of the fund since February 2018.

Last week, wealth manager Openwork’s Omnis Investments chose Jupiter Asset Management to run a £317m fund that was formally run by Woodford’s firm.

Openwork removed Woodford Investment Management from the Omnis Income and Growth fund shortly after Woodford suspended its fund on 3 June.

St James’s Place also pulled a separate mandate from Woodford following the decision to freeze the fund.

Carrefour gearing up to offload Chinese business to Suning

SEBASTIAN MCCARTHY
@SebMcCarthy
ONE OF Europe’s biggest supermarket chains is set to offload most of its Chinese operations by the end of the year.

French grocery giant Carrefour has revealed plans to sell 80 per cent of its Chinese operations to Suning, one of the largest non-governmental retailers in China with more than 8,000 stores.

Pending approval from regulators, the all-cash deal would be worth approximately €1.4bn (£1.3bn), the company said in a statement yesterday.

The implied enterprise value of €1.4bn includes debt and minority interests.

More than 200 hypermarkets and 200 convenience stores are operated by Carrefour’s Chinese arm, turning over net sales of €3.6bn in 2018.

Carrefour is set to hold onto roughly 20 per cent in the business, as well as keep two of the seven seats on Carrefour China’s supervisory board.

ZUCK IT TO ‘EM Settlement bank warns on tech firms entering financial sector

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Odey takes bet against buyout of car sales site

AUGUST GRAHAM
@AugustGraham

STAR hedge fund manager Crispin Odey upped his bet against BCA Marketplace this week, even as the company’s shares soared on a takeover approach.

Odey, who believes the deal will likely fall through, is preparing to cash in.

His firm Odey Asset Management increased its short position in BCA – the FTSE 250 firm that owns car sales site Webuyanycar.com – after private equity firm TDR Capital proposed a 243p per share offer on Thursday, he told the Sunday Telegraph.

The fund already held a 0.61 per cent short position in the company. Odey did not reveal the size of the new stake.

“BCA is expensive at that level and it’s a business that is likely to return five per cent, maybe 11 per cent or 12 per cent at best, and that’s just not enough,” the fund manager told the paper.

BCA said on Thursday it was in advanced talks with TDR over the all-cash offer. It values the business at £1.9bn.

Shares shot up on the news, hitting 238p on Thursday, up 22.3 per cent sent on Wednesday’s close. They remained flat on Friday.

Revenue grew 22 per cent in the six months ending 30 September, BCA’s most recent results showed. Profit before income tax grew nearly 31 per cent year-on-year.

“There’s a lot of evidence that Webuyanycar.com could be bypassed as a platform as the automotive industry changes, and I can’t see any point in buying these sort of assets with the potential for a downturn and the prospect for a trade war and tariffs affecting the sector,” Odey said.

BCA Marketplace is due to present its latest set of annual results on Wednesday.

Tech businesses pull out of visa support scheme

EMILY NICOLLE
@emilyjnicolle

THE GOVERNMENT visa schemes aimed at boosting the UK’s intake of top tech talent have failed to garner approval from the industry.

Four out of the 30 bodies that signed up to endorse applicants to the startup and innovator visa schemes have pulled out since the initiatives launched in March this year.

The visas require businesses to go through an accelerator run by one of the bodies.

Business incubator Setsquared and Scotland-headquartered Codebase are two of the firms to have withdrawn some of their locations from the programme, the Sunday Times first reported. They are said to have faced overwhelming demand for spaces, with little time to prepare.

Tech Nation, another of the participating bodies, refused to accept applicants for sponsorship until September this year in order to ready itself.

The Home Office said the programmes make the visa process “faster and smoother for entrepreneurs coming to the UK”.

Nanoco loses £17m contract as Apple abandons iPhone project

EMILY NICOLLE
@emilyjnicolle

APPLE’s about-face on an iPhone camera project caused UK tech firm Nanoco to lose three quarters of its value, after it cancelled a contract worth £17.1m.

Nanoco told investors on Friday a major “US customer” had not renewed a contract with the firm, leading shares to fall 74 per cent.

Nanoco develops quantum-dot technology, which is used to improve smartphone camera performance.

A spokesperson for Nanoco refused to comment on the identity of the customer. Analysts from Deutsche Bank, Edison and Bluefin all pointed to Apple as behind the loss.

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Digital changes could result in mass job losses

HARRY ROBERTSON

@henrygrobertson

INNOVATION in technology and automation means as many as 40 per cent of jobs are expected to change significantly or become redundant in the next five years, the Open University (OU) has said today.

Nearly 90 per cent of organisations admit their staff lack digital skills, according to surveys carried out for the OU’s new publication, Bridging the Digital Divide.

The report comes the UK economy is gripped by a productivity crisis. Productivity is around 20 per cent below where it would have been if it had continued at pre-financial crisis level, the Bank of England has said.

The OU said the lack of digital skills, such as training on computer software or the ability to code, “is already having a significant negative impact on productivity, efficiency and competitiveness”.

More than half of employers believe that hiring better-trained workers is a cheaper alternative to training their existing workforce, raising the prospect of job losses for those without digital skills.

Conversely, 50 per cent of employers believe Brexit will inhibit their ability to find new talent.

“This approach leaves organisations vulnerable to future digital skills shortages, when they could be building a strong foundation of skills,” the report said.

The OU study said 85 per cent of organisation leaders agree it will become necessary to move to a model of lifelong learning, where employees are constantly developing and building new skills.

Jane Dickinson, digital skills lead at the Open University, said: “By using training budgets to develop workers, including local skills re-training funding... organisations can build up the skills they need to become resilient.”

Global markets nearing strongest first half in 20 years as US shares hit highs

HARRY ROBERTSON

@henrygrobertson

GLOBAL stock markets are on track for their best first-half performance in more than 20 years, with US shares hitting record highs last week.

The stock market expansion is largely due to central banks around the world signalling they will cut interest rates or use other tools to help deal with growing global headwinds.

Last week, the US Federal Reserve held interest rates at between 2.25 and 2.50 per cent, but signalled cuts in the near future.

Meanwhile, the US and China are set to restart trade talks, further buoying markets.

The move helped push the S&P 500 US stock index to a record high of $2,964.15 during Friday’s session. It lowered the value of the dollar, making US exports more competitive and cheered firms with the prospect of cheaper borrowing.

The MSCI World index, which tracks a broad group of global stocks, is on track for its best first-half performance in 22 years. It has climbed 16 per cent so far in 2019. The first half ends this Friday.

Christian Keller and Michael Gapen, economists at Barclays, said: “We now expect [central banks] in India, Indonesia, Korea, Russia, South Africa, Turkey and Brazil... to cut their policy interest rates.”

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£240 per year
London mayor Sadiq Khan has said he needs seven times more than the current funding level to deliver affordable housing in the capital.

A report by the Greater London Authority, released today, says £4.9bn is needed each year to give Londoners affordable housing – seven times the £700m City Hall receives via the annual housing grant from central government.

The report cites Khan’s affordable homes programme, which was launched in 2016 and runs until 2022. To deliver a similar 10-year programme up until 2032, City Hall says there needs to be 325,000 new affordable homes over the course of the scheme.

Khan said: “This analysis shows the vast increase in government funding required to deliver the affordable homes that Londoners desperately need.”

He continued: “As a new prime minister takes the helm, they must put their money where their mouth is and provide the funding we need to turn this crisis around.”

According to City Hall figures, 14,544 affordable homes were started last year, exceeding the target of 14,000 agreed with central government.

However, the Conservatives’ housing spokesperson in the London Assembly, Andrew Boff, said that 14,544 remained “well below” the target maximum range of 19,000 houses for 2018/19.
Government departments need to up their game when it comes to making use of their data, says Hetan Shah

Government as a whole can get a bad rap when different departments don’t work together properly, so we should give it credit for when it does things right. When a family member dies, the last thing you want is to have to tell all the different bits of government time and time again. Thankfully there is a ‘tell us once’ scheme that can cancel the deceased’s passport, driving licence, benefits, and also let the taxman know it’s time to tot up a final statement. This certainly helps reduce the number of organisations you have to contact when you experience a bereavement, giving you more time to spend on dealing with your loss.

Tell us once’ is an example of how government policy on the dry topic of data (in this case the data about someone’s death) can affect and improve the quality of our everyday lives. You won’t be shocked to hear, however, that data in government doesn’t always work so well. A report from the National Audit Office (NAO) last week showed that the public sector does not prioritise data. In particular, the quality of data is not always good enough.

Let’s take a topical example – it was Windrush Day this weekend. The Public Accounts Committee looked at the way the Home Office used data during the Windrush scandal to decide on who was staying in the UK illegally. It concluded the Home Office was “making life-changing decisions on people’s rights, based on incorrect data from systems that are not fit for purpose.” That’s not good enough.

One particular frustration is that we still don’t link together the data we already have in government to develop better analysis of the issues of the day. There are occasional good examples – such as the way the Troubled Families programme (which supported disadvantaged families) was evaluated using linked datasets from multiple government departments. But these are still the exception rather than the rule. Governments as a whole can get a bad rap when different departments don’t work together properly, so we should give it credit for when it does things right. When a family member dies, the last thing you want is to have to tell all the different bits of government time and time again. Thankfully there is a ‘tell us once’ scheme that can cancel the deceased’s passport, driving licence, benefits, and also let the taxman know it’s time to tot up a final statement.

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Women twice as likely to not use a pension plan

AUGUST GRAHAM

THE UK’s gender pensions gap was laid bare today as figures showed—women are twice as likely as men to not save for retirement.

One third of British women have no pension plan, compared to only 17 per cent of men, according to a study by investment platform Willis Owen.

Meanwhile, 41 per cent of these women do not intend to ever set up a pension plan. Seventeen per cent will wait until turning at least 40. One in 10 said they will not save until after their 50th birthday.

“It’s understandable that people are opting to focus on their financial needs today, such as getting on the property ladder, as opposed to financing their needs in retirement when they stop work,” said Adrian Lowcock, head of personal investing at Willis Owen.

Women were four times more likely to say their partner will fund their retirement.

Meanwhile 14 per cent of women and 24 per cent of men say they will never retire.

“It’s alarming to see so many people without pension plans, or who have stopped paying into them,” added Lowcock.

“Not only are they missing out on generous tax benefits provided by saving into pension schemes, the reality for many of them is that they will never be able to stop work and enjoy a retirement.”

Meanwhile, one in three of the 1,070 adults surveyed said they had stopped paying into a pension scheme in the past 12 months.

More than a quarter of these said they were no longer able to afford paying in anymore.

One in five said they had better uses for the money, and 14 per cent said they were putting it towards getting onto the property ladder.

London fintech firm Vibe Group grabs funding from Nick Candy

HARRY BANKS

FINTECH company Vibe Group has received a “substantial investment” from entrepreneur Nick Candy’s venture arm, the company confirmed yesterday.

Vibe, which operates a ticket reselling platform and a mobile payments network, has received £2m from Candy Ventures, the Sunday Telegraph reported.

Candy now holds a 23 per cent stake in the business, while Vibe’s chief executive Luke Massie remains the largest shareholder.

EDF seeks new guarantee at nuclear project

AUGUST GRAHAM

FRENCH energy giant EDF wants a government guarantee of help if a £20bn nuclear power station runs over budget.

The firm is telling potential investors in its Sizewell C plant that it wants ministers to step in with a guarantee on the project, the Sunday Times reported.

The deal would be comparable to the Thames Tideway Tunnel. The government has promised to cover any additional funding for the sewer project if the costs overrun by more than 30 per cent.

It is part of the regulated asset base model, used in the water industry.

If adopted for Sizewell, the model is thought to potentially add around 6c to the average household’s annual energy bills.

However, EDF argues that by taking away the risk to private investors, the guarantee would be more likely to cut consumer bills as the cost of financing drops.

Meanwhile, the Department for Business, Energy and Industrial Strategy has said it will assess if the model offers value for money.
Ethiopian army chief and regional president killed in attempted coup

DAWIT ENDESHAW

ETHIOPIA's army chief of staff and the regional president of the northern state of Amhara were killed in two related attacks after a general tried to seize control of Amhara in an attempted coup, the Prime Minister's office said yesterday.

Amhara state president Ambachew Mekonnen and his adviser were shot dead and the state's attorney general was wounded in Amhara's capital of Bahir Dar on Saturday evening, according to a statement from the office of PM Abiy Ahmed.

In a separate attack the same night, Ethiopia's army chief of staff Seare Mekonnen and another retired general were shot dead in Seare's home in Addis Ababa by his bodyguard. The two attacks were linked, the statement said.

Abiy's office named Amhara state security head General Asamnew Tsige as responsible for the foiled coup, without giving details of his whereabouts. Asamnew was released from prison last year, having been given an amnesty for a similar coup attempt, according to media reports.

Abiy took office just over a year ago and embarked on unprecedented reforms in Ethiopia, Africa's second-most populous country.

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eToro Trading Course in association with City A.M.

Fancy learning how to trade? Join multi-asset investment platform eToro for a free trading course on 1 July 2019.

Throughout the day you will explore trading essentials to help you cut through the noise, covering topics such as cyclicity and moving averages to leverage and margin.

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How is the course structured?

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- The currency market
- Types of trader - learn what type of trader YOU are
- Key terms - understand key terms with simple examples
- Trading - explore the essentials of currency trading

1 July 2019
Level39, One Canada Square,
Canary Wharf, London E14 5AB

Registration at 8.30am, 9am start. To conclude no later than 4pm. Refreshments will be provided on the day (lunch will not be provided).

The course will be led by Currencies & Indices Trader, Henry Ward, who boasts two decades of trading experience, risk management and market analysis.

Strictly RSVP - to register to attend visit www.cityam.com/event/etoro-event

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German retailer Metro says the bid “does not reflect its value creation plan”

TOM SIMS

GERMAN retailer Metro said that an unsolicited offer by two prominent investors to take over the firm substantially undervalues it, and advised shareholders yesterday to hold off on taking action until management comments further.

On Friday, EP Global Commerce, an acquisition vehicle owned by Czech and Slovak investors, made the takeover offer, which valued the company at €5.8bn (£5.2bn).

The retailer, noting that the offer price was only three per cent above the closing share price on Friday, said the bid “substantially undervalues the company and does not reflect its value creation plan”.

Metro said management was continuing to transform the company. It added it would comment further once the full offer document was available and that shareholders should take no action in the meantime.

EP Global Commerce, which already held a stake of nearly 11 per cent in Metro, said on Friday that its offer price of €16 for each ordinary share and €13.80 for each preferred share represented a 34.5 per cent pre-

Metro: €5.8bn bid undervalues German retailer

centum to when it had made its initial investment in August.

The firm, owned by Czech investor Daniel Kretinsky and Slovak partner Patrik Tkac, said the offer was “a compelling value and a unique opportunity” for shareholders given the difficult market and challenges facing Metro.

Some shareholders are already supporting the bid by the Czech-Slovak duo.

Investment firm Haniel has agreed to sell its 15.2 per cent stake, EP Global Commerce said on Friday. It also said it would exercise a call option for a stake of 5.4 per cent held by an affiliate of consumer electronics group Ceconomy.

EP Global Commerce’s offer raises questions about the status of Metro’s plans to sell its chain of Real hyper-

markets, valued at about €1bn, to a consortium lead by the real-estate investor Redos.

EP Global Commerce has criticised the deal with Redos because the price was too low, Reuters reported last month. But a spokesman for Metro yesterday said its plans for the deal remained intact.

Metro has been restructuring to focus on its cash-and-carry business, selling off Kaufhof stores and then splitting from Ceconomy.

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LEGAL AND PUBLIC NOTICE

CITY OF LONDON

The Court of Common Council has pursuant to Section 25 of the City of London (Various Powers) Act 1997, appointed the 22nd of July 2019 as the date from which Part III of the City of London (Various Powers) Act 1965 is repealed.
Sorrell’s digital future

Sir Martin Sorrell chats to James Warrington in Cannes about S4 Capital, but can’t resist a dig at WPP

Sir Martin Sorrell is a busy man. So busy, in fact, that the only time he can carve out for an interview is 20 minutes in the back of his car, as his driver whisk him between meetings at luxury hotels on the French Riviera.

But as we set off from Cannes, where Sorrell is holding court at the ad industry’s extravagant annual festival, the 74-year-old ad veteran seems relaxed.

More than a year has passed since Sorrell shocked adland with his abrupt departure from WPP, the wire-basket manufacturer he grew over a 33-year reign into one of the world’s largest advertising firms.

His habit of taking swipes at WPP, and the cloud of misconduct allegations that envelop his departure, mean Sorrell will always be linked to his old firm.

But his main focus now is to promote his new venture S4 Capital, a digital marketing company grounded in the tagline of ‘faster, better, cheaper’.

“Glib and superficial seem like apt fitting terms for the Cannes Lions conference itself. This year, it’s the youngest, brushiest attendants that have won much of Sorrell’s attention over the week in France.

He has had meetings with all of the tech giants – Facebook, Google and Twitter among them – which now dominate the digital advertising market. But how does he view the boisterous new kings of adland?

“I’ve described them as ‘frenemies’, he says. “I think they’re friendlier frenemies than they’ve ever been because of the regulatory atmosphere.”

Sorrell is careful to defend his frenemies from the looming threat of tightened regulation, saying they have made “strenuous efforts” to deal with harmful material posted to their platforms.

But, fundamentally, he appears to agree with calls for the tech giants to be treated more like publishers:

“‘What they should be saying, maybe in addition, is ‘we are the engine of small and medium-sized businesses’. That is: the engine of the economy and jobs,” he says.

For Sorrell, the key concern among the middle classes is job security, and the tech firms must prove they can boost the economy, not harm it. “I think we’re seeing technology destroy jobs,” he admits.

“There’s no increase in real wages for 10 years partly because of that. It’s a surprising attitude for a man who has pinned his hopes on digital marketing as the key driver of growth in the industry.”

S4 Capital, he says, is a firm packed to the brim with digital natives. “It’s a bit like my baby – she goes up to the screen and swipes it,” he says, referring to his two-year-old daughter Bianca. “These people haven’t done anything else.”

The average age of employees at S4 subsidiary Media Monks is 33 (“and more than half of them are nerds”), while the firm’s Mightyhive division has poached its top young talent from tech giants such as Google, Yahoo and Salesforce.

Despite his apparent reservations about tech, Sorrell wants to present S4 as a modern, agile alternative to cumbersome holding groups, which he dismisses as “not fit for purpose”.

S4 has bagged a number of high-profile wins in its first year, including Starbucks and consumer products giant Braun. Sorrell likes to point out the contrast with the rocky recent record of WPP.

“They lost eight pieces of business in eight days in September: obviously things were not going in the right direction,” he says. “They talk about new business gains, but half the new business gains they quote are saves, not add-ons.”

He admits, however, that rapid growth is easy for a firm he began with digital natives. “You’re talking about a totally different audience,” he says.

“I think it depends which Boris you pick,” he says diplomatically.

“Who does Sorrell back in the Tory leadership race, which has now reached the final round? Who does Sorrell back between the two contenders left in the contest: former foreign secretary Boris Johnson, or the role’s current occupant Jeremy Hunt?”

“If you’re not strong, coming to Cannes and winning awards or hiring a beach will not get you to where you need to be,” he says.

Given how much Sorrell likes to talk about WPP, you’d be forgiven for thinking he was still hung up on his old firm. Is he hoping he can grow S4 Capital to a size where it could make a takeover bid for WPP?

“You’re talking about a totally hypothetical question,” he says, a tone of annoyance creeping into his voice for the first time. “It’s chalk and cheese.”

The car swings into the expansive driveway of a plush hotel, where security guards in suits watch over the parked-out Mercedes, and it’s clear our Cannes carpool is coming to an end.

There is just enough time to ask about the Tory leadership race, which has now reached the final round. Who does Sorrell back between the two contenders left in the contest: former foreign secretary Boris Johnson, or the role’s current occupant Jeremy Hunt?

“I wouldn’t back any of them. it’s up for the Conservative party to choose,” he says, although he admits he enjoyed working with Johnson during his tenure as London mayor.

The Tory frontrunner is often considered to have a weak spot for detail but may be effective if surrounded by good people, Sorrell says diplomatically.

“I think it depends which Boris turns up. I’d rather have the mayoral Boris,” he says.
**LONDON REPORT**

**FTSE 100 edges down despite oil bright spot**

The main index handed back gains on Friday as rises in oil majors driven by the potential for supply disruptions due to tensions in the Middle East were not enough to offset general gloom about the threatened US-Iran military standoff.

The FTSE 100 edged 0.2 per cent lower, with losses spread across most sectors, and the FTSE 250 midcap index was down 0.4 per cent.

The oil and gas sector was a bright spot, with heavyweights Shell and BP gaining on the back of a jump in crude oil prices after a report that US President Donald Trump had approved military strikes against Iran then pulled them back.

Nonetheless, the gains from earlier in the week have put the FTSE 100 on course for its best month since January, after it suffered its first monthly fall in May this year due to escalating tensions in the Middle East.

Semi-conductor company IQE slumped 24.8 per cent on its worst day since November, after warning annual revenue would be lower than expected because US restrictions on China’s Huawei are affecting orders.

The alert dragged down European peers, and came after US chipmaker Broadcom ratted the industry with a forecast that US-China trade tensions and the curbs on Huawei would wipe $2bn (€1.57bn) off its sales this year.

Another semi-conductor firm, Nanoco, plummeted 74 per cent, its biggest one-day drop on record, after it said a US customer had informed it that its project with the company will not continue beyond their current contract.

Among midcaps, Domino’s Pizza fell 3.7 per cent after a frontrunner to replace its outgoing chief executive slapped down a media report that he would step into the role.

Coming up this week is the full debut of Trainline on the London Stock Exchange. The travel booking app’s share price rose sharply on its first day of conditional trading to well over 400p, suggesting some strong underlying demand.

Full-year results for Carpetright and Stagecoach are expected tomorrow and on Wednesday respectively.

**TOP RISERS**

1. Ocado Up 6.17 per cent
2. Stil Life Aberdeen Up 2.25 per cent
3. Fresnillo Up 1.66 per cent

**TOP FALLERS**

1. Hickok Down 3.48 per cent
2. Smurfit Kappa Down 3.40 per cent
3. Rolls Royce Down 3.40 per cent

**BEST OF THE BROKERS**

To appear in Best of the Brokers, email your research to notes@cityam.com

**CINEWORLD**

CineWorld is staring at the big screen thanks to its sale and leveraged-deal with two packages of Regal multiplexes – the first package, which was 17 multiplexes, sold for $286.3m ($224.7m), while the second sold for a cool $270m. The combined rent roll of around $45m represents an initial yield of seven per cent. Broker Canaccord Genuity says it would have preferred all the cash to have remained in the business, but that this is not a “game-changer”. The broker has reiterated its “Buy” recommendation and set a share price target of 355p.

**IQE**

British semi-conductor company IQE is beginning to feel the effects of the ongoing US-China trade war. “IQE expects to report £65m to £68m revenue for the first half of this year, but the global outlook for the industry has materially changed since then,” broker Peel Hunt said. “While medium-to-longer term structural growth drivers remain unchanged, global semis supply chains will now need to rethink their infrastructure for a brave new world.” Peel Hunt confirms its “Buy” recommendation with a share price target of 108p.

**TED BAKER**

Ted Baker is “too cheap to fail”, in the words of broker Liberum. “We appreciate the disappointment of recent reversals and earnings downgrades but irrespective of these the shares are just way too cheap,” it says, warning that if the current valuation persists then it could be vulnerable to a takeover approach. Liberum says it should sell for around $4.1bn, a target price of 1,280p.

**IQEO GROUP**

IQEo Group has announced the appointment of Andy MacLeod to its board of directors as an independent non-executive director with immediate effect. Andy spent ten years at Vodafone Group, first as group chief networks officer responsible for the operation of Vodafone’s networks worldwide, then as chief technology officer (CTO) for Verizon Wireless in the USA and lately the regional CTO for the 13 Vodafone operating companies outside Europe. Prior to his role at Vodafone, Andy held a number of senior roles within the telecoms industry including Europe chief executive of MG Worldcom, chief operating officer of Cable & Wireless, and vice president of marketing and sales at Nortel. Andy has served on the boards of Verizon Wireless, Vodafone Italy, Indus Towers and was deputy chair of Idec.

**RELENDIX**

Relendix has announced the appointment of Claire Newman as head of lending operations. Claire has joined Relendix from Masthaven Bank, where she was head of underwriting in the short-term lending department. Claire was responsible for a large department whose main role was to underwrite bridging and development loans. During her time at Masthaven, Claire held several managerial positions, including responsibility for providing final sign-off for bridging loans and issuing upfront credit decisions.

Claire began her career at Instant Access Properties, before moving to FIL Group in 2008 where she was a property development assistant.

**SOCIETE GENERALE**

Sadie Ricke is appointed deputy chief risk officer for Societe Generale as of 1 September 2019. She remains a member of Societe Generale’s group management committee. With a 25-year career in the group spanning Paris, Hong Kong and London, Sadie has developed solid experience in corporate and investment banking, and particularly in structured finance and risk management activities. For the past two years, as Societe Generale country head for the UK and Ireland, Sadie has notably helped to develop its domestic client franchise and led the group’s project to prepare its readiness for Brexit. Her experience and competences will be instrumental in continuing to reinforce the management and control of risks at the bank. Meanwhile Christophe Latouche was appointed group controller for the UK and Ireland, also as of 1 September 2019. He will also be chief executive of Societe Generale London branch. Christophe was head of strategy and corporate development for the Global Banking & Investor Solutions division before becoming head of prime services.

**NEW YORK REPORT**

All eyes on US and China as talks restart

Wall Street edged lower on Friday, as US vice president Mike Pence’s decision to defer a speech on China policy increased optimism on upcoming trade talks between Washington and Beijing, while tensions between the US and Iran undercut sentiment.

Pence took off a speech that had been cast initially as a sequel to a blistering broadside he delivered in October, after a move at averting increasing tensions with Beijing, a White House official said.

Pence’s speech was expected to include a threat of new tariffs on Chinese imports, an assertive reassertion of US resolve to secure a deal, and a reminder that the US was still willing to negotiate.

A Bloomberg News report said that US president Donald Trump and Chinese President Xi Jinping are expected to restart trade talks at the G20 summit in Japan on 28-29 June. Analysts say that any indication of progress from Trump following the meeting will be positive for Wall Street.

Stocks logged a third straight week of gains after posting their worst monthly performance this year in May on fears a prolonged trade war would hit global economic growth.

The Dow Jones Industrial Average dipped 0.13 per cent to end at 26,713.13 points, while the S&P 500 lost 0.13 per cent to 2,950.46. The Nasdaq Composite dropped 0.24 per cent to 7,431.71.

The tech-heavy Nasdaq was weighed down by a 2.2 per cent fall in PayPal after the digital payments company said its chief operating officer would step down.

Through last week the S&P 500 climbed 2.20 per cent, while the Dow added 2.41 per cent and the Nasdaq rose 3.02 per cent.

During Friday’s session, Carmax rose as much as 3.2 per cent to a record high after the used-cars retailer posted quarterly results above analysts’ expectations.

Cruise operator Carnival felt for a second day, down 4.4 per cent, and among the biggest decliners.

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It’s time to scrap the lazy and misguided concept of ‘Brics’

S INCE the Middle Ages, three iconic wholesale food markets have served Londoners with a range of fresh produce, even as the capital’s population and culinary tastes have changed beyond all recognition. Individuals and businesses continue to purchase meat, fish, fruit and vegetables at Smithfield, Billingsgate, and New Market fields today. The City of London Corporation has a long and proud history of owning and managing these markets, having acted as custodians for centuries.

So why are we looking to move these historic markets?

To answer this, it is worth first remembering that, while Smithfield Market has occupied its Farringdon site for some 800 years, the other two moved from their original homes to new buildings in 1880. This was a logical move that they could meet the needs of the time.

The three market sites have served London well, but the existing market buildings are not best placed for the future, due to their age and physical constraints on expansion. We want to ensure that the new Dagenham Dock site offers more modern facilities and room for growth, so that it can adapt to changing demands.

This move could also play an important role in tackling traffic congestion and improving air quality in London by consolidating deliveries. Importantly, the Dagenham site is outside the expanded Ultra Low Emissions Zone that will encompass all three existing markets by 2021. Relocating would help tenants, customers, and other visitors avoid significant costs as we support their transition to greener forms of transport. Dagenham Dock also offers the potential for producing fruit and vegetables which could cut emissions.

Consolidating the markets would provide the opportunity to create a world-class wholesale food destination for the capital. We want the new market to provide opportunities for generations to come, and therefore have an ambition of delivering a food school to foster talent in the industry through apprenticeships.

As part of this project, we recognize the importance of preserving historic buildings that have housed these markets. When it comes to the Smithfield Central Market building, there is a case to be made that it retains a rich historical significance. We want to work closely with heritage experts and other professionals to develop a plan that safeguards their legacy for the future.

The Museum of London will also be consulting later this summer on exciting plans to move into the former Smithfield Poultry Market. The relocation of the museum will be the start of a new chapter for the building, and our wider Culture Mile ambitions.

We want to hear widely from tenants, suppliers, customers, and other interested parties before this consultation closes on 6 August, so that the best possible long-term vision for our markets is delivered.

Together we can ensure that our markets continue to serve Londoners for centuries to come.

Catherine McGuinness is policy chair at the City of London Corporation.
Boris must remember his success as a pro-business London mayor

A s the final two leadership candidates embark on a tour of the country to sell their vision for Britain to Conservative party members, the business leaders I speak to are clear on what they need: the next Prime Minister must be able to facilitate a successful future for our economy, society and communities, while bringing a divided country back together.

Boris Johnson and his supporters hark back to his time as mayor of London, particularly the success of the Olympics, to demonstrate his qualifications for the role. And despite some quibbles, our experience of working with Boris was that he was a strong mayor for business.

But Brexit Boris troubles us, with his reckless talk of crashing out of the EU, which would do huge damage to the economy.

The question is: which Boris will turn up if he secures the keys to Number 10 Downing Street?

Olympic Boris harnessed a positive vision of the city, and was a strong champion of a diverse and outward-looking London.

More homes were built under his tenure than under his predecessor, and he supported critical infrastructures for the capital during a period of austerity – from continuing to back Crossrail, for which London First campaigned, to defending much-needed Tube upgrades to the Jubilee, Victoria and Piccadilly lines.

Of course, there were also some wildly ambitious vanity projects, gaffes, and often outlandish claims, which have been well-documented. And his opposition to expansion at Heathrow was a major mark against him from a business perspective.

Interestingly, in his leadership campaigning Boris has seemingly softened this stance. This is to be welcomed – a third runway is vital to safeguard the UK’s future international competitiveness and improve London’s connectivity with the rest of the country.

But perhaps Boris’ greatest strength as mayor was to build a strong team around him. This made up for a stuttering start and enabled him to notch up some impressive achievements. This bodes well if he is to be the next Prime Minister.

However, the priority for whoever gets the job must be avoiding the UK crashing out of the EU without a deal at the end of October, which Brexit Boris has at various points appeared to endorse.

The priority for whoever gets the job must be avoiding the UK crashing out of the EU without a deal

Brexit Boris’ derogatory comments regarding business are also a concern. The next Prime Minister must instead send a strong signal that the UK will remain open for business and commit to ensuring that we have a fair and managed immigration system.

A quick win would be to extend the post-study work visa for international students to two years. Then he should slash the salary threshold – currently set to come into effect at £30,000 – to the level of the London Living Wage. If this isn’t lowered, it will leave employers in the capital and beyond facing critical skills gaps in many sectors.

The government also needs to bring the country together by investing in infrastructure. So, let’s see the Prime Minister throw his weight behind the National Infrastructure Commission’s recommendations which would give the green light to Crossrail 2 and Northern Powerhouse Rail.

And there’s much more to do to unlock private sector investment on housing, freeing up more land and backing better ways of building if we are to avoid a flight of talent from the capital.

Whoever is the next Prime Minister, he will need to hit the ground running and start by surrounding himself with good people.

Boris as mayor proved that he could work with London businesses to keep our capital at the top of the global charts. We know that he could very well be heading to Downing Street. If he is, let’s hope that it’s Olympic Boris, and not the cavalier Brexiteer Boris, that enters Number 10.

Jasmine Whitbread is chief executive of London First.

The current media excitement around modern methods of construction, particularly modular, is largely a result of favourable public funding schemes. To solve the housing crisis, the government needs a far more considered, holistic approach. It seems that it has jumped on the latest fad, conveniently giving the impression that this is innovative.

But offsite construction is not particularly forward-thinking. Yes, it might work as a short-term fix, but these initiatives have a tendency to unravel in the long term. We run a real risk of repeating the mistakes of the 80s and 90s, finding ourselves with an abundance of buildings that will start to show their age rapidly.

Progress isn’t always linear; why put all our focus on fashionable methods when the traditional, tried and tested ones build homes that stand the test of time? We may need more funding to upskill our workforce, but surely that requires fewer resources than creating an all-new “manu-construction” workforce, necessary for a large-scale roll-out of offsite construction.

The construction industry is facing skills shortages and a greying workforce, and is famously one of the UK’s most underdigitised and cost-focused industries. We also have 79,880 families in temporary accommodation, at least 320,000 people who are homeless, and it is estimated that an extra 250,000 houses are needed each year.

The increasing focus on funding modular, offsite construction which is fast and efficient with factory-production quality standards, coupled with the government’s drive to get building projects digitised, is what’s needed to get people housed now, not later.

Digitisation will fundamentally improve record keeping, and there’s likely to be an increased policing of fuelling projects post-Grenfell to guarantee realistic accountability.

But innovation isn’t just digital. A host of new construction materials and building systems are being developed. These enable homes to be built faster and to higher standards than they currently are, and are critical to solving the housing crisis.

Ian King is chief operating officer at Concrete Block Association.
ENTREPRENEURS

SOLE SEARCHING

Luke Graham meets the man switching up how we buy footwear

Earlier in June, thousands of people queued up outside shoe stores to buy a new pair of trainers designed by musician Kanye West. The latest set of Adidas "Yeezy" cost £180 each. But many of the people buying these shoes weren’t just interested in fashion, but in making a profit. Soon after the footwear went on sale, they were being resold online for twice the price.

This is just one example of how shoes – especially new trainers and sneakers from brands like Converse, Nike, and Puma – are big business. According to George Sullivan, founder of The Sole Supplier, the resale market for trainers is worth £2bn. Sullivan would know – before setting up his company he was part of this resale trend.

“Just before I started The Sole Supplier, I was buying shoes and reselling them,” he tells me. “For shoes that were valuable, I’d queue up each week outside stores in London, get the shoes – hopefully two or three pairs – and resell them online. And now, reselling is huge. Kids are doing that every day.”

Sullivan set up The Sole Supplier in 2013. Originally it was just a website, telling people about the latest news and rumors about trainers, as well as useful information such as when and where people could buy shoes. But the company is now much more than that – Sullivan and his team create videos and podcasts all about the latest shoes, and also have an app that can recommend and handpick products for fans. The Sole Supplier works with around 50 retailers, and acts as a shopping portal enabling people to pick the shoes they want – it delivers over £20m worth of sales to retailers annually.

It has become a thriving online business, with a dedicated online following: its YouTube channel has 100,000 subscribers, its Facebook page has 457,000 “likes”, and its two Facebook groups have around 50,000 members. In total, the company claims to engage with almost two million users across its site, app, and social channels each month.

The company’s main source of income is affiliate marketing, where The Sole Supplier receives commission whenever a consumer clicks on a link and then buys something.

“Digital community is a big thing for us,” Sullivan says. “Our Facebook groups are a space where people buy and sell and discuss what’s coming up. We use that also as a channel for us to help market. We post our news content there, re-lease dates, and that community is buzzing and thriving – it’s huge.”

But where did the idea come from? Five years ago, Sullivan was keen to start an online business, and gave this his full dedication, reading and learning as much as he could about web design and digital marketing.

“At that point, I’d stopped drinking and stopped going out, because I knew I wanted to start an online business, but I wasn’t sure what it was going to be,” he admits.

At the same time, he was working in recruitment, and like many young people when they start earning decent money after leaving school, he was splashing his newfound cash on luxury items. In Sullivan’s case, it was shoes.

“They were a classic part of the outfit, whether they were smart shoes or trainers. I started having this interest in buying a new pair of shoes each week, and I saw that as a measure of my success. I know that’s a crazy way to measure success, by spending money on something material... but at the time I was like ‘okay, I’m earning, I can buy a new pair of shoes, great, I’m doing well’.”

As he developed this habit, he also got into the reselling scene.

“In the process of buying all these shoes and trying to find out information about them, I realised that other people were doing this. I was meeting a lot of people when going to buy these shoes, and they had the same problems I had: where can I get that information in the UK, who’s stocking the shoes and when are they being released?”

Realising that there was a demand for this information, Sullivan diverted his passion for collecting shoes into launching a business that could cater to his audience.

At the start, The Sole Supplier was a blog that he built using WordPress in his parents’ study. He was writing posts in his bedroom in the morning or at work during lunch, and his parents, while supportive, were a little sceptical.

“My dad really wasn’t sure that it was going to be successful. He was like ‘look man, these are just trainers, is the market big enough?’” Sullivan recalls.

“He had a business in the traditional print industry, and that actually failed because digital print took over – so I learnt a lot from him, which was probably where I got a lot of my inspiration from.”

The Sole Supplier has since moved out of Sullivan’s parents’ house and into offices in Dartford, where he and his team are developing new content and tech. Right now, they’re working on a search engine for footwear called Sole Search that can compare and recommend products, and are launching a third iteration of their mobile app.

“The app we’ve got now is world-class for understanding the customer. We can understand exactly what shoes they like, down to the brand, the silhouette, the colour, what size they are. And then that allows us to tailor the app and recommendations perfectly to what they’re looking at,” he says.

I get the sense from Sullivan that he’s a man of restless energy. He talks a great deal about the importance of self-improvement, development, and trusting your instincts. He’s also keenly aware – possibly because of his father’s business experience – of the need to stay ahead constantly in a competitive space.

“If you’re not investing in your technology, it’s very possible that another site could overtake you. You can’t be complacent in a technical or digital business, because you need to be constantly investing back in your tech, which over the past year or two we have done heavily to rebuild the site and the app to ensure that we are the market leader for people trying to find footwear,” he says.

“It’s a fast space. We have to be innovating constantly.”

Unlike many people he is flexible to Sullivan, I had no idea just how big trainers really were, especially as a fashion statement. He’s also a great example not just of someone who was able to turn their personal interests into a new company, but also the perseverance and force of will required to make that company thrive.
M ARKETING can be complex, with so many sophisticated models, fancy processes, long words, plus various funnels, pyramids, and flow diagrams to help make people look clever. And the growing importance of data has added complexity to the way in which we plan the strategies behind advertising campaigns.

But as the legendary ad man Bill Bernbach said 70-odd years ago, the best and most successful brands deal in simple, timeless, human truths. And this hasn’t really changed.

Brands are very much like people. Some are incredibly likable, and others are not. Likeable people tend to be honest and human. They’re not bullsh*tters. And the same is true for brands.

There is a strong history of brands generating success by being open and honest about their weaknesses. For instance, Guinness created a campaign around the fact that it takes ages to pour a pint of its beer. Stella Artois stood out by focusing on the fact that it’s expensive, and in its challenge to market leader Hertz, Avis celebrated its second-place position in the car rental market with its “We try harder” tagline.

These brands all admitted a weakness, and people liked them for it. Perhaps they also made their other claims seem more believable. Clearly, honesty is a powerful thing.

As marketing budgets tighten, paid-for media becomes more expensive, and consumers grow increasingly hard to reach and impress, so brands need to concentrate even more on being human and likeable.

ALL IN GOOD TASTE
M&S Food is a brand that seems to understand this. With its original “This is not just food… campaign, the retailer was able to stand out, and kick-started a wave of similar “food porn” advertising.

But this straight, celebratory approach is now slightly dated – M&S Food’s recently-launched version is far more playful and engaging for today’s audience. The new work parodies the original campaign, poking fun at these old ads and itself along the way. It’s warm, engaging, and feels very human.

While Marks & Spencer has been fairly subtle, Carlsberg has taken this honesty strategy to a different level, with some serious bravery.

With sales falling, and having been dropped by Tesco to make room for new and more interesting varieties, Carlsberg recognised that its beer had been repositioned in the market as a boring, tasteless lager. “Probably the best lager in the world” was, in fact, completely and utterly false, and consumers weren’t buying it. So it had to change.

Carlsberg’s latest campaign, which launched in April, is honest and far more human, admitting that its beer is “probably not the best beer in the world” after all. It followed the release of its new improved recipe and the introduction of Carlsberg Danish Pilsner. It’s early days, but openly ripping up the recipe book and starting again seems to have hit the zeitgeist and increased social media engagement levels.

THE BUBBLE’S BURST
Even the mega-brand Coca-Cola is now celebrating failure.

Coca-Cola famously missed the mark back in 1985 when its New Coke product hopped. Despite a huge marketing push for its “great new taste”, New Coke was so unsuccessful that it prompted boycotts from brand loyalists, and received thousands of complaint letters and calls.

Coca-Cola admitted that the product “spawned consumer angst the likes of which no business has ever seen”. In the end, New Coke lasted only 79 days before being pulled.

Despite this failure, Coca-Cola is bringing back the product as a limited edition for a nostalgic tie-up campaign with the new series of Stranger Things on Netflix. Coca-Cola isn’t known for its playful side, but by recognising and celebrating this failed part of its history, it is in fact showing the true strength of the brand, and will no doubt connect with consumers in a new and meaningful way.

Even for global mega-brands, being human and honest can be extraordinarily powerful.

OLD DOG, NEW TRICKS
Honesty, playfulness, and being insightful are very attractive human characteristics, as is the ability to show a little vulnerability and not take yourself too seriously. The same is true for brands.

After all, consumers are people, and people are smart. They see through artifice and bullsh*t. And they warm to brands that are able to be honest.

Brewdog takes it a step further by using honesty to disrupt advertising norms. In its first ever ad campaign, we produced a message for the Scottish brewer that encouraged people: “Don’t buy the advertising, just try the beer”.

Its latest campaign, which simply has the word “advert” emblazoned across a white background, takes a pop at the ad industry, while still benefiting from the awareness and reach that it provides. Whether consumers interpret this as “honest” is another question, but it’s working just fine for Brewdog.

Ultimately, brands still need to be highly creative and clever in order to stand out. But by seeing themselves just like people who want to be liked by others, brands can come across as more human. And when they do this, they can really touch a nerve with their audience.

Jamie Williams urges brands to take a risk and be open about their weaknesses.

Even for global mega-brands, being human and honest can be extraordinarily powerful.

Jamie Williams is managing partner at ad agency Isobar.
TRAVEL

HOURS IN...

MARRAKECH, MOROCCO

WHERE TO STAY
Check in to a private four-storey riad with its own roof top plunge pool at the Royal Mansour. Surrounded by orange trees, this is a sublime and total oasis in the heart of the city.
Visit royalmansour.com

WHERE TO GO
Visit jardinmajorelle.com on the terrace and soak in the city.

WHERE TO DRINK
Cafe Arabe, located in the centre of the medina, is a contemporary bar and restaurant serving up classic cocktails and great Moroccan wines. Grab a seat on the terrace and soak in the city.
Visit cafearabe.com

WHERE TO EAT
In the quiet Bab Taghzout area is Limoni, a charming Italian-Moroccan fusion restaurant. Chef Valerio Arciona has been influenced by local flavours, so try the carrot velour with ginger, has been influenced by local flavours, fusion restaurant. Chef Valerio Arciona, a charming Italian-Moroccan

THE LIGHT FANTASTIC

Sophie Ibbotson treks across the ice fields of Finland in search of the elusive Northern Lights

The fire fox runs at such great speed across the sky that sparks fly from its tail, streaking bright colours across the heavens. If you check out the Mozilla search engine logo, you will note how he wraps himself around the globe to see the fire fox’s resplendent light show in all its glory, you must travel to the far north on a clear, dark winter’s night. He rewards those who brave the cold.

Two weeks ago, the Finnair flight from Gatwick deposits unprepared Brits in Ivalo, a village 230 km south of the Arctic Circle. The polar night here lasts 43 days from late November until early January, and when I stepped out of the airport terminal in the late afternoon, it was a “balmy” minus 23 celsius.

I inhaled sharply, felt my tonsils shiver, and burrowed into my backpack for a second pair of gloves to pull on over the first.

Finns must learn to drive on ice before they can pass their test, which is just as well. The surface of the road is an ice sheet with a sprinkling of snow on top. In winter, there are roads which don’t even exist in the year, but are simply snow strips cleared along the shortest routes across frozen lakes. On land the tar-mac isn’t visible, and getting it would be absolutely pointless. Driving north from Ivalo, however, there was not even a moment that the car juddered. The driver was in complete control, and once my eyes adjusted to the blackness, I focused instead on the dense pine forests lining the road, the boughs of each tree pulled down by the weight of the snow.

Wilderness Hotel Nangu is a beacon of golden light in the wild. We pulled up outside, and I hurried as fast as I could into the warm.

The usual thermal layers and ski suit just won’t cut it in this climate, so the first thing to do on arrival was to get properly kitted out. The hotel has a cavernous store of adult size thermal onesies, leather mittens, woolly socks, and boots you could probably hike to the North Pole in. Dressing up for the first time, hilarity ensued – no one looks elegant in a padded babygrow, after all – but though a certain amount of mobility is compromised, it was a price I was happy to pay not to freeze.

I contemplated spending the first night in. Hotel Nangu’s main wooden lodge is cozy, and I could see myself relaxing by the roaring fire with a mug of glögi, hot berry juice spiked with vodka. But aurora guide Jukka had other plans for me, and rightly so. I was on a three night break, which meant I had just three chances to see the Northern Lights. The forecast for tonight was good.

I strapped on big snow shoes and waddled out into the dark. The spikes underneath the shoes gave remarkable grip, but in any case I had no fear of falling: with the amount of layers I was wearing, I wouldn’t feel it. The only challenge could be standing up again.

One behind another, half a dozen of us tramped down from the hotel to Lake Inari. In winter the ice is at least 40 cm thick, so you can safely drive a truck across it. The wind whips by, but there’s nothing to obscure your view of the sky.

Except, unfortunately, the clouds. There was no moon, no stars, and if the fire fox was dashing through the sky that night, he was doing so without an audience. Jukka tempered our thinly veiled disappointment by building a campfire, handing out hot drinks and cookies, and starting to tell his stories.

He regaled us with tales of Finnish hunting trips, and spoke of the creatures of the forest, the birds and the bears, the reindeer and the wolverines.

The elusive aurora featured prominently in our fireside conversation. Jukka described it in the context of myths and legends. The lights were the sparks of the fire fox, of course, but also the colourful chariot of a goddess, the souls of stillborn babies, or the glow from Valkyries’ shields. He then moved on to the more widely accepted explanation, that it’s the result of electrically charged solar particles distorting Earth’s magnetic field. When the solar winds collide with particles in our atmosphere, they release photon energy in the form of light. Usually the light is green – our eyes detect this more readily than other colours - but also the colourful chariot of a goddess, the souls of stillborn babies, or the glow from Valkyries’ shields. He then moved on to the more widely accepted explanation, that it’s the result of electrically charged solar particles distorting Earth’s magnetic field. When the solar winds collide with particles in our atmosphere, they release photon energy in the form of light. Usually the light is green – our eyes
something speedier in store: a six-man sleigh pulled behind a snow-mobile.

We zipped across the ice, a small amount of snow thrown up either side of the runners. I had always thought that a sleigh ride would be awfully romantic – especially if I was wrapped up in furs – but the compulsory motorbike helmet and visor immediately put paid to such thoughts. Safety and warmth came first; glamour and romance are way down the list.

The journey lasted 20 minutes or so, and I was mightily glad of my snow suit. When we stopped, it was on the edge of one of Inari’s 3,000 islands, the kind of spot you might come for camping or fishing later on in the year.

I stood up, climbed out of the sleigh, and shook out my cold, stiff limbs, hoping the blood might at some point return to my fingers. I turned slowly, and there on the otherwise black horizon was a milky white streak.

It started with a whisper. That whisper became an arch – the so-called gate of the Arctic – and then it began to swirl. The movements were slow, almost choreographed, and completely entrancing. I stood transfixed, grinning from ear to ear.

In real life, the Northern Lights’ colours are far more muted than in photographs; in darkness, the camera’s sensor has much more dynamic range than our eyes do, and it has the added benefit of a long exposure. That in no way detracts from their mesmerising beauty, however, and if anything it encouraged me to stare up at the sky for longer and more intently.

I danced in the snow with happiness, and the fire fox up above danced with me. He arched and he swirled, he dove and he swooped, setting half the night sky alight with his ever graceful moves.
I have never been good with names. It’s a shame, because I’m pretty good with faces, and can usually tell within seconds of meeting someone whether or not we’re likely to get along.

In my first job in London, I worked in an office with just 13 other people. I hit it off with all of them immediately. It was five weeks before I could remember who the hell any of them were.

This may come as a shock, but people can get quite touchy about their names. Generally speaking, they’ve had it for as long as they can remember, so when you don’t know it, they feel like you don’t know them.

If you’re bad at remembering who people are, there are ways to get around the issue. This can be quite daunting on your first day in a new job when, like a rabbit in the headlights, you are pelted with information at such a rate you even forget what your own name is.

It doesn’t get easier – new business meetings, mergers, networking events. As you move up the corporate ladder, people enter the firm below you, and you have to learn their names, too. So, that’s a lot of names to learn, and a lot of offence to cause if you fail.

However, there are ways to get around the issue, if it’s one you struggle with.

Where possible, group names together. I used to do this with girlfriends I knew wouldn’t last, making it easier to recycle birthday cards, and limiting the odds of saying the wrong name in the throes of passion.

If you only go out with Charlottes, the ill-judged tattoo you got of the first one’s name is suddenly a smart long-term investment, rather than an error of judgment.

You can apply the same principle to your employees. Only hiring people from a select pool of names lowers the mental capacity needed to recall them all. You will also save a great deal of money on mundane items, like name tags.

Most people who went to the “right” schools or universities tend to only have the same few names anyway, so that helps.

Or you could just do away with the pleasantries if you’re that kind of employer, and call people the same name regardless.

It’s a cliche – the senior figure who just addresses his underlings by the surname of the assistant he first had 30 years previously, and all the rest in between – but there’s a reason why it has stuck.

But if you don’t have the power to get away with that, what then? A technique I was given at school was to ask a new acquaintance their name, and then repeat it straight away, usually in the format: “So-and-so? How do you do, So-and-so, I’m So-and-so.” which gets confusing if you’re both called So-and-so. It works, though. Asking for business cards straight away is good for reinforcing the information.

Finally, you could always try mnemonics and association – linking the person’s name to something that reminds you of it, like a word, an object or place, to trigger when you need reminding. And though it might be tempting not to, try to make it something palatable. You don’t want it slipping out that the name of the person you’ve just met reminds you of something uncouth.

Benedict Spence is a freelance writer. Follow him on Twitter @BenedictSpence.
BASEBALL’S BIG LONDON PITCH

MLB sends in big hitters Red Sox and Yankees in attempt to break the UK market.

By Neil Hopkins

Almost 70 years after Glasgow-born Bobby Thomson hit baseball’s Shot Heard ‘Round the World, the echo has finally reached London. This week, Major League Baseball will join its cousins from the NFL and NBA in offering British fans the opportunity to see regular season games live on their own turf.

Given the New York Giants and Miami Dolphins came to Wembley in 2007 and the Toronto Raptors and New York Nets clashed at the O2 just four years later, it is fair to say that MLB has taken its time in making the leap of faith across the pond.

There have been perfectly good reasons for the delay. The NFL caught a TV scheduling break in the early 1980s, hoovering up a Sunday night audience less enamoured by Songs of Praise, Highway or the Money Programme.

This spawned a significant, sustained and knowledgeable following for the sport in the UK – including a large hardcore fanbase that has become extremely well catered for by Sky Sports and, more recently, terrestial coverage of the Super Bowl. Selling out multiple matches at Wembley, Twickenham and, from this year, a further brace of fixtures at Tottenham Hotspur Stadium has become a formality.

The NBA, meanwhile, could rely on a combination of basketball’s position as a truly global, Olympic sport as well as its prominence in British street culture to sell out matches at the O2. By comparison, baseball has remained a relatively niche sport, tucked away late at night for many years on Channel 5 and only recently gaining a foothold on BT Sport.

Whereas the NFL and NBA have ensured the associated marketing of their visits has given a sense of the circus coming to town, baseball has made only the occasional foray into the UK market with its biggest stars.

It’s tough to fathom why. On a brief visit by home-run maestro Sammy Sosa in 2000, he dazzled an audience of media and dumbstruck Surrey cricketers by frequently clearing the Oval boundary from the opposite side of the ground – double the distance of a six at one of cricket’s biggest arenas.

The fascination was clear for all to see. But delay or no delay, nobody can accuse the MLB of doing things by halves. The London Stadium will host a double-header series this weekend between two of the most famous sporting brands in the world who constitute the biggest and oldest rivalry in US sport. The Boston Red Sox will take on perhaps the most iconic franchise in American – and possibly world – sport, the New York Yankees.

The Curse of the Bambino, resulting from the controversial sale of Babe Ruth to the Yankees in 1914, may have been laid to rest in 2004 when the Red Sox regained the World Series after 86 years, but the rivalry continues undimmed. This year, it’s the Yankees with revenge on their minds, having lost to the Red Sox in the 2018 American League Division Series – essentially a World Series quarter-final – on their way to winning the World Series for the fourth time in 15 years.

This is, without doubt, the strongest hand MLB can play as it seeks to expand its audience in the UK. And it’s working. As the spectral voice in Field of Dreams tells Kevin Costner, “If you build it, they will come” – and UK baseball fans indeed will.

Tickets sold out almost instantly despite prices that could, at best, be described as premium in comparison to the equivalent fixture at Fenway Park or Yankee Stadium. It may be the wrong sort of baseball for many but, as the NFL and NBA before them, MLB has discovered there is an enthusiastic audience here willing to pay for the real deal in American sports.

Does this mean baseball will become part of the British sporting calendar in the same way that the NFL and NBA have with their frequent regular season matches? It’s clearly premature to suggest as much, not least because it won’t always be the Red Sox and Yankees meeting on British soil.

The real test will come next year, when the London Series will see the Chicago Cubs meet the St Louis Cardinals, and in the years that follow when potential match-ups may not quite be on a par with this summer’s clash.

Only if the commercial success of this summer’s series can be repeated will MLB truly understand if its pitch for the UK market is in the right ballpark.

Neil Hopkins is the global head of strategy at M&C Saatchi Sport & Entertainment
**SPORT**

**COMEBACK KING** Murray wins Queen's doubles title with Lopez on return from injury

Andy Murray completed a fairytale comeback from injury by winning the doubles title with Feliciano Lopez at Queen's yesterday. Murray, who was competing for the first time since having a hip operation in January, and his Spanish partner, who earlier overcame Gilles Simon to win the singles title, beat Britain's Joe Salisbury and American Rajeev Ram 7-6, 5-7, 10-5 at the Fever-Tree Championships. ‘It’s been brilliant, I’ve really enjoyed it, “ said Murray, who will play with Frenchman Pierre-Hugues Herbert at Wimbledon next week. “I felt very relaxed at the beginning of the week, then I started getting more nervous as the week continued and my competitive instincts were kicking in. “

**VICTORY OVERSHADOWED**

**WORLD CUP**

**ENGLAND CAMEROON**

Houghton (14'), White (45+4'), Greenwood (58')

It was a day about everything other than the result. “It didn’t feel like football,” fumed Lionesses manager Phil Neville after the final whistle. “I didn’t enjoy it, my players didn’t enjoy it.”

Goals from captain Steph Houghton, in-form striker Ellen White and left-back Alex Greenwood sent England through to face Norway in the last eight in Le Havre on Thursday. But there was no mention of their finales from Neville. He had another topic about which to vent. Strange for a game dominated by the video assistant referee to the extent that there was 17 minutes of time added on at the end of either half, it wasn’t refereeing decisions which left Neville furious. Instead it was the behaviour of opponents Cameroon, with persistent fouling, an elbow on Nikita Parris, spitting at Toni Duggan, a last-minute reducer on Houghton, an apparent re-fusal to play on following a refereeing decision and continued and vociferous dissent punctuating a chaotic game and leaving Neville worried about the message it sends out.

“My players kept their concentration, but those images are going out worldwide and young girls are seeing that behaviour and it’s not right.” he said. “There has to be a standard of behaviour that you have to do, and my players did that.”

More so than other sports women’s football is tasked with winning people over and encouraging growth at a grassroots level. Yesterday’s match would be enough to put some potential footballers off. “I came to this World Cup to be successful and to play a part in making women’s football globally more visible,” Neville added. “We wanted to put a show on a show. I sat through 90 minutes of a game that I didn’t enjoy it, my players didn’t enjoy it.”

**SPORT DIGEST**

**SOUTH AFRICA OUT AFTER 49-RUN PAKISTAN DEFEAT**

South Africa were knocked out of the World Cup yesterday after Pakistan produced an impressive performance to claim a 49 run win at Lord’s. Haris Sohail (99) and Babar Azam (60) starred with the bat as Pakistan posted 308-7 batting first. Proteas captain Faf du Plessis made 63 but Pakistan chipped away with wickets to ensure they came up short on 259-9. South Africa’s fifth defeat in seven games means they’re eliminated with two left.

**HAMILTON CRUISES HOME AT FRENCH GRAND PRIX**

Lewis Hamilton increased his lead at the top of the Formula One standings with a dominant victory at the French Grand Prix yesterday. Hamilton lead from start to finish in Marseille to claim a sixth win in eight races ahead of Mercedes team mate Valtteri Bottas and Ferrari’s Charles Leclerc in third. He now holds a 36-point lead over Bottas in the table.

**BARTY REACHES WORLD NO1 AS KONTA WINS**

Australia’s Ashleigh Barty has become the new world No1 after winning the Nature Valley Classic yesterday. The 23-year-old French Open champion beat Julia Gorges 6-3, 7-5 in Birmingham to replace Japan’s Naomi Osaka at the top of the rankings. Johanna Konta beat Dayana Yastremska 6-2, 6-4 to reach the second round at Eastbourne.

**USYK WILL FIGHT WINNER OF JOSHUA V RUIZ JR**

Oleksandr Usyk will fight the winner of Anthony Joshua’s heavyweight title rematch with Andy Ruiz Jr. The Ukrainian, who pulled out of May’s bout with Carlos Takam because of injury, was named by the WBO as the mandatory challenger for the victor of the rematch, which will take place later this year.

Ellen White scored her fourth goal of the World Cup after VAR ruled her onside half – were correct. White was onside from Lucy Bronze’s outside-of-the-boot flick for the Lionesses’ second goal. Gabrielle Onguene was marginally offside in the build-up to England’s then that question will start becoming more pertinent by the day. way they were conveyed left everyone involved – players, coaching staff, fans and commentators – frustrated, and, in many cases, confused.

Fifa may have backtracked from the harsh ruling to keep goalkeepers on the line during penalties, which cost Scotland a place in the last-16, but the general effect of VAR is not a positive one. Flags don’t go up for obvious off-sides in a misguided attempt to make the game flow. Goals can’t be celebrated straight away of fear of the dreaded signal. Replays must be watched over and over, and from every angle, until a ruling is made.

As a result the product itself becomes secondary – both on the pitch and in the subsequent coverage. In the end viewers were left in a state whereby the football is upstaged, punctuating VAR displays, rather than the other way around.

What is worse is the occasional injustice at an off-side goal going against you, or five or six time-consuming and contentious looks at the replays? If more World Cup games follow the pattern of England’s then that question will start becoming more pertinent by the day.