BORIS Johnson will officially become Prime Minister today after meeting the Queen at Buckingham Palace. It was revealed yesterday that the former London mayor beat leadership rival Jeremy Hunt in a poll of Conservative party members to land the top job.

Johnson used his victory speech to pledge a Brexit breakthrough and vowed to unite the country, but his first task will be to heal a bitterly divided Conservative party currently engaged in a civil war over the UK’s departure from the European Union.

The former foreign secretary won a standing ovation when he appeared before Tory MPs just hours after his victory was announced, with many saying the party now had a sense of hope for the first time in months.

But many of his hardest critics, including outgoing cabinet ministers Philip Hammond, David Gauke and Rory Stewart, stayed away from the gathering.

Later today he will begin the rebuilding process against a backdrop of scorching heat in the capital as he announces the key roles in his cabinet.

CONTINUES ON P2

BORIS WINS BUT FEELS THE HEAT AMID TORY WAR

NEW PM SET TO UNVEIL CABINET AS DIVISIONS BOIL OVER
Winning was the easy bit – now he has to pick a path

BORIS Johnson’s victory in the Conservative leadership race was never in doubt, and in truth neither was the scale of his win. Two out of three Conservative members backed the former foreign secretary, giving him a sizeable mandate from the party faithful. Together with securing the support of more than half of his parliamentary colleagues, Johnson enters Downing Street on the crest of a blue wave. However, it will not be long before that wave crashes upon the rocks of political reality, and if he is to withstand the impact Johnson must learn from Theresa May’s early errors and be prepared to disappoint people — by making a decision and sticking to it.

The appointment of Sky’s Andrew Griffiths as Number 10’s business adviser is a shrewd move, and should be taken as a sign that Downing Street seeks good relations with the business community. It’s also good to hear that May’s pointman on business matters, Jimmy Mcloughlin, is sticking around to assist the transition. When it comes to forming a cabinet, the hard-Brexit wing of the Tory party who rowed in behind him so early in the contest – Priti Patel, lain Duncan Smith, Jacob Rees-Mogg – will all be looking for Johnson to create a cabinet focused on taking the UK out of the EU on 31 October with or without a deal. This tranche of the party will want to see Johnson’s commitment to that pledge reflected in the make-up of the top tier of his team. The pressure will be on to ensure Philip Hammond’s successor as chancellor is a true Brexiter who is prepared to countenance a no-deal Brexit. Liz Truss, Sajid Javid and Matt Hancock are the names most frequently raised as contenders, but with none of them backing Leave in the EU referendum, Brexiteers may be worried about having another Remainer’s hands on the purse strings. Installing hard Brexiteers in top positions might also play well, but such a move could provoke further splits in an already divided party. Johnson may feel he has the mandate to push forward with a no-deal Brexit, but if less swashbuckling Tories such as Amber Rudd, Matt Hancock and his defeated leadership rival Jeremy Hunt are booted out of the cabinet or offered humiliating demotions, the anti-no deal rebellion on the backbenches could grow. Keeping them in the cabinet in a bid to build party unity could be interpreted as Johnson repeating May’s mistake of constantly playing the sides off against each other without being clear where her true intentions on Brexit lay until it was too late. Johnson faces the same dilemma, but May had one thing he does not: time. There are just 100 days until the UK leaves the EU, or asks for another extension. If Johnson is forced into seeking more time, he will have failed the test on which he built his entire leadership campaign. The new Prime Minister needs to use the endorsement from MPs and party members as the justification for picking a course on Brexit and seeing it through. There can be no room for mixed messages and hedged bets. He needs to do something which does not come naturally to him: he needs to be comfortable with disappointing people.
Top Sky executive drafted in to build links with business community fearful of no-deal

JOSH MARTIN
AND ALEXANDRA ROGERS
@JoshMartinNZ @city_amrogers

BORIS Johnson last night moved to rebuild his relationship with the business community by hiring Sky executive Andrew Griffith as part of his team.

A source close to Griffith said Johnson’s appointment of the Sky veteran – who most recently served as the broadcasting giant’s chief operating officer – was “a clear sign of intent” that the former mayor of London wants to build fresh links with the City and businesses.

City A.M. understands that Griffith, who joins the new government as Johnson’s top business adviser, first discussed the position with the incoming PM two weeks ago and felt that the new Tory leader “was the real deal”. One source said Griffith is “an operator, not a policy wonk” and he “will want to get things done”.

Sources in Johnson’s camp have told City A.M. that there will be a “beefing-up” of the Downing Street business team, but it is understood that Theresa May’s business adviser, Jimmy McLoughlin, will be staying on to assist with the transition.

Johnson ruptured his business-friendly reputation following the EU referendum when he was caught saying “f**k business” in reaction to corporate groups lobbying for a softer Brexit.

However, the relationship may already be thawing with most business groups giving a cautious welcome to the incoming resident of Number 10 yesterday.

The CityUK congratulated Johnson on his convincing win but warned against a no-deal outcome with Brussels.

“He becomes Prime Minister at a pivotal time in our country’s history. He must now move swiftly to set out his plans for the road ahead. Ongoing Brexit uncertainty is depressing business activity, but the financial and related professional services industry remains very clear that a no-deal Brexit is still the worst of all outcomes,” it said.

The British Chamber of Commerce also warned about the consequences of crashing out of the bloc. “The message to Boris Johnson from business communities around the UK couldn’t be simpler: the time for campaigning is over – and we need you to get down to business.

“Companies need to know, in concrete terms, what your government will do to avoid a messy, disorderly Brexit on 31 October – which would bring pain to communities across the UK and disruption to our trade around the world.”

The CBI echoed other calls for a pro-business Brexit deal, but also on support for infrastructure projects to boost businesses across the country. Johnson has previously voiced opposition to such deals, including the Heathrow airport expansion and the HS2 rail project.

City coughs up £300,000 for Johnson’s bid

ALEXANDRA ROGERS
@city_amrogers

NEWLY-ELECTED Tory party leader Boris Johnson collected over £300,000 in donations from City and business figures in the build-up to his campaign to be PM.

Among the notable donors were Peter Cruddas, the chief executive of spreadbetting firm CMC Markets, who sent Johnson £50,000 in early June, and former Metro Bank director James Reuben, who also gifted £50,000 between May and June. Long time Tory donor and founder of the hedge fund SRM Global Jon Wood gifted £25,000 to Johnson in May, and Jon Moynihan, the chair of Ipsx Capital, donated £100,000.

IPGL, the personal investment company of Nex Group founder and former Tory party treasurer Michael Spencer, donated £20,000. Robin Birley, who owns the elite private members’ club 5 Hertford Street, sent £20,000 to Johnson.

Fund manager Charles Montanaro sent £8,000, and Alex Wilmot-Sitwell, the son of financier Peter Wilmot-Sitwell who has held roles at Bank of America Merrill Lynch and UBS, donated £5,000.

Some couples’ biggest money problem?
Not talking about it.

Search: M Word

It’s good to talk about money

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HUAWEI
IMF warns hard Brexit may hurt global economy

HARRY ROBERTSON

The International Monetary Fund (IMF) cut its forecast for global economic growth over the next two years yesterday and said that a disorderly Brexit could damage global investment and trade.

The fund lowered its prediction for global growth by 0.1 of a percentage point in both years to 3.2 per cent in 2019 and 3.5 per cent in 2020, citing the effects of the US-China trade war.

It now thinks global trade will grow just 2.5 per cent in 2019, 0.9 percentage points lower than previously thought.

Growth should recover to 3.7 per cent in 2020, the IMF said yesterday in its world economic outlook report.

However, the fund said an event such as “further US-China tariffs, US auto tariffs, or a no-deal Brexit” could “sap confidence, weaken investment, dislocate global supply chains and severely slow global growth below the baseline”.

Credit rating agency Moody’s said Boris Johnson becoming PM made it more likely the UK would leave the EU without a trade deal.

The global lender of last resort revised up by 0.1 percentage points the UK’s growth forecast for 2019 to 1.3 per cent. It kept the 2020 growth prediction at 1.4 per cent.

Yet it said this “forecast assumes an orderly Brexit followed by a gradual transition to the new regime” and noted that “the ultimate form of Brexit remained highly uncertain”.

Chief economist Gita Gopinath said the IMF did not foresee a recession in the global economy, but warned of “significant downside risks” to growth. It highlighted that the US was coping better with trade tensions than China. It raised its forecast for US growth in 2019 to 2.6 per cent, but kept the 2020 forecast of 1.9 per cent growth unchanged.

Bank of England top economist cautions over interest rate cuts

HARRY ROBERTSON

BANK of England (BoE) chief economist Andy Haldane has said he would be “very cautious” about cutting interest rates in the near future as the economy is stronger than previously thought.

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He’s going to need his.

THIRTY-FOUR per cent of Brits think Boris Johnson would be a better Prime Minister than Jeremy Corbyn, according to a YouGov poll, while 20 per cent back the Labour leader. YouGov also said 37 per cent want a general election, but 43 per cent do not.

HARRY ROBERTSON

@henrygrobertson

The UK’s public spending watchdog has slammed the government for failing to sell enough public land for houses to be built on, saying it has prolonged “the nation’s housing crisis”.

The government set itself the target of selling enough publicly-owned land for 160,000 homes to be built by 2020 as part of its plan to ensure people have access to suitable and affordable homes.

Yet the Public Accounts Committee (PAC), which scrutinises government spending, said today that the government will only have sold land for 69,000 homes. “The nation’s housing crisis has been prolonged by the government’s failure to develop a strategy for public land disposal,” said PAC chair and Labour MP Meg Hillier.

“We are frustrated that this unique opportunity has been wasted.”

A spokesman for the Ministry of Housing, Communities and Local Government said the government had “identified enough surplus public sector land for 160,000 new homes” and was working on speeding up home-building.

BACKING JOHNSON A third of Brits think Boris is the UK’s best bet for Prime Minister

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De La Rue stock dives on news of fraud probe

JAMES BOOTH
@JamesBooth1

PASSPORT and banknote maker De La Rue said yesterday it would open an investigation by the Serious Fraud Office (SFO) over suspected corruption.

De La Rue told the stock market yesterday afternoon that the SFO had opened an investigation into the company in relation to suspected corruption in South Sudan.

De La Rue’s shares plunged nearly 16 per cent to 251p following the announcement.

The company’s general counsel, Ed Peppiatt, said: “Given the early stage of these matters, it is not possible to predict reliably what effect their outcome may have on De La Rue.”

The company said it intends to cooperate with the SFO investigation.

The Basingstoke-headquartered company said it was at the centre of a political scrap last year when it lost a tender to make the UK’s post-Brexit blue passport to Franco-Dutch firm Gemalto.

Earlier this month De La Rue was targeted by activist investor Crystal Amber which threatened to hold an extraordinary general meeting unless chairman Philip Rogerson steps down by its annual meeting tomorrow.

Rogerson had said he would leave once he found a replacement for chief executive Martin Sutherland.

The recent poor share performance has led to investor concerns that the firm could become a takeover target.

US opens tech giant antitrust investigation

EMILY NICOLLE
@emilynicolle

THE US Department of Justice is to open an investigation into whether the activities of major tech firms are anti-competitive.

The review will explore “whether and how market-leading online platforms have achieved market power and are engaging in practices that have reduced competition, stifled innovation, or otherwise harmed consumers”, the department said late last night.

The probe will cover concerns raised about “search, social media and some retail services online”, in an apparent reference to tech giants such as Google parent Alphabet, Facebook, Apple and Amazon.

A US Congressional committee held a hearing last week to question executives from those firms on whether they engage in anti-competitive practices.

Some have been the subject of scrutiny by EU antitrust authorities, with Amazon landing the attention of EU competition chief Margrethe Vestager’s most recent tech inquiry.

US President Donald Trump has taken issue with Vestager’s focus on American tech giants as of late.

De La Rue stock dives on news of fraud probe

MAGIC MENU Chipotle Mexican Grill finds right ingredients to attract more customers

HARRY ROBERTSON
@harrygrobertson

SNAPCHAT parent company Snap boosted its user numbers and revenue in the second quarter of the year as customers lapped up its “augmented reality” filters, although it has yet to turn a profit.

Revenue at the US social media firm rocketed 48 per cent in the second quarter compared with a year earlier to reach $388m (£311m).

Snap’s shares rose as much as 11 per cent in after-hours trading.

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UBS reported its strongest second-quarter set of results in almost 10 years yesterday, beating analyst estimates for net profit despite losses in its flagship wealth management arm.

While the Swiss group also echoed a number of its global financial peers by posting a fall in investment banking profit, retail and corporate banking helped to push second-quarter earnings above market expectations.

It reported a one per cent rise in net profit to $1.4bn (£1.1bn) during the second quarter, marking a rise from analysts’ consensus forecast for a near-25 per cent drop, according to a poll compiled by the bank.

UBS said that the three-month period marked the highest second-quarter net profit since 2010.

However, profit before tax in the firm’s crown jewel of wealth management fell 12 per cent to $886m when compared year on year. Investment banking profit also fell 23 per cent.

“A sharp drop in interest rates and expected rate cuts will continue to adversely affect net interest income compared with last year,” UBS said.

Chief executive Sergio Ermotti said: “In the second quarter we achieved the highest second-quarter net profit since 2010 and an improvement on an already strong second-quarter 2018.”

In the previous quarter, UBS revealed plans to cut costs by an additional $300m, with Ermotti pledging to put the firm in “fuel-saving mode” by delaying IT projects and slowing down on hiring.

Shares closed up 2.6 per cent, having fallen steadily in the last 12 months.

Santander fights Orcel in €100m row after withdrawing job offer

Santander vowed yesterday to fight a high-stakes legal battle with Andrea Orcel after withdrawing its offer to appoint the banker as its new boss.

The Spanish bank has said it will challenge a €100m (£90m) lawsuit from Orcel, the investment banker who was denied the role of chief executive just four months after being offered the post.

Orcel, the former head of investment banking at UBS, is said to have demanded he is given back his role of chief executive or be paid damages amounting to €100m.

However, secretary of the board Jaime Perez Renovales said in a statement yesterday: “The bank has acted with total transparency and will present and defend its position before the courts.

“We are going to prove that the reasons given on the day to annul the appointment respond to reality and that the necessary conditions were not met for his appointment and hiring to be effective,” he added.

Vernon Hill has been under pressure since Metro Bank revealed an accounting error

Metro Bank is set to step down from role

Metro Bank is set to part ways with its controversial chairman and co-founder Vernon Hill just two weeks after he said he would “probably die” in the role.

The high-street lender will announce it is launching a search for a new chairman when it posts its half-year results today, according to reports by Sky News last night.

The 73-year-old American has been under pressure from investors since Metro revealed an accounting error at the start of the year that had classed some of its assets as less risky than they were.

In May the under-fire lender was forced to raise £375m to strengthen its balance sheet amid rumours about its financial health.

Metro’s share price has plunged over 70 per cent since January to around 300p. Metro Bank is unlikely to give an exact leaving date for Hill or say whether he will stay on the company’s board, according to Sky News sources.

The bank declined to comment.

Hill drew the ire of the bank’s shareholders at Metro’s annual general meeting held in May, with 12 per cent of investors voting against his reappointment to the board.

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VODAFONE DEFENDS PAYOUT CUT AS IT SEEFS OFF PROTEST
Vodafone has defended its controversial decision to slash its dividend as the telecoms giant fended off threats of a shareholder revolt.
Chairman Gerard Kleisterlee admitted the last year had been a "low point" for Vodafone and the industry as a whole, but insisted the decision to slash the payout had not been taken lightly.
Vodafone cut its dividend by 40 per cent earlier this year in a bid to free up finances after hefty investments in 5G networks pushed the company to a full-year loss of £7.6bn (£6.8bn). Investors voiced their anger at both the dividend cut and the pay proposals at the firm's annual general meeting in London yesterday. However, both resolutions were passed.

BA LOSES COURTROOM FIGHT OVER PILOT STRIKES
British Airways (BA) has lost a legal bid to stop its pilots from going on strike over pay in the busy summer holiday season but said it plans to appeal against the decision. The pilots' union has yet to set any dates for industrial action. Pilots at BA, which is owned by IAG, voted for strike action on Monday, and the airline's bid to bring a High Court injunction to block strike action failed yesterday. "Although legally clear to do so, we have still not set any strike dates to give BA one last chance to commit to negotiating on pilots' pay and rewards with us," said Brian Strutton, general secretary of the Balpa union. The High Court found that the union had issued its ballot correctly and therefore the result could stand.

HEATHROW PASSENGER NUMBERS HIT RECORD 39M
Heathrow passenger numbers reached a record 38.8m in the first half of the year, a near two per cent increase on the previous year. Profit before tax at the airport dropped from £289m from the six months ended June 2018 to just £1m over the same period in 2019. Revenue climbed four per cent to £1.4bn while earnings before interest, taxes, depreciation and amortisation, a measure of overall financial performance, increased 1.5 per cent to £300m. Cargo volumes declined 4.2 per cent against the first half of 2018, which it attributed to its cargo operation reaching capacity. "We expect volumes to remain relatively flat until the capacity constraints are resolved by expanding Heathrow," it said.

STOBART FENDS OFF AGGRIEVED FORMER CHIEF’S PAY REVOLT
A CAMPAIGN by former Stobart boss Andrew Tinkler to oust chief executive Warwick Brady collapsed yesterday but a chunk of investors gave the firm a bloody nose in a spat over pay.
Tinkler, who has been engaged in a number of court battles with Stobart over his failed attempt to oust former chairman Iain Ferguson last summer, had called on investors to oppose Brady's re-election, accusing him of a "clear destruction of shareholder value".
Nearly 20 per cent of Stobart investors voted against the re-election of remuneration committee chairman John Coombs at Stobart's annual meeting yesterday, while just under 18 per cent voted against Stobart's pay report.
The report recommended that Brady receive a £30m bonus if Southend airport, which Stobart owns, is sold for £2.1bn. There are no current plans to sell the airport.
There have since been changes to the pay report and Brady will now pick up £23m if the airport hits the £2.1bn valuation mark.
Brady’s bonus over the long term has also been capped at 75 per cent of his £457,500 base salary, down from an initial 150 per cent.
Yesterday over 90 per cent of shareholders voted for him to remain in the top job.

IN BRIEF

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Our bioenergy is growing

We are proud to announce BP Bunge Bioenergia, which will be a new force in renewable energy. A world-class company capable of producing more than 2 billion litres a year of bioethanol, a renewable alternative to ordinary fuels.

At BP it’s #NotBusinessAsUsual
Home purchases crash on Brexit ‘ball and chain’

ALEX DANIEL
@atsmndaniel

HOUSE sales crashed 16.5 per cent in June as the property market took a “wait and see” attitude to transactions amid Brexit uncertainty. Monthly HM Revenue and Customs (HMRC) figures showed that British residential property sales fell to 84,490, more than six dozen on the same period last year. The figure represents a 9.6 per cent monthly drop between May and June this year.

Analysts pointed out that the figures are reported with several months’ lag, meaning the transactions relayed are those that took place in March.

Benham & Reeves director Marc von Grundherr said: “With many of us, perhaps foolishly, believing we would be exiting the EU at the end of March, it is no surprise that the vast majority of buyers may have refrained from a sale until this event had passed.

“Therefore any dip in transactions should be viewed as a momentary stutter and with many other market indicators suggesting a return to form and growing levels of buyer demand over the last few months, we should start to see the number of properties being sold climb from here on in.”

Joseph Daniels, founder of modular developer Project Euphoria, added: “Sales volumes have walked off a cliff, crashing hard as the Brexit deadline becomes the ball and chain fixing the housing market to the spot.

“What you’re seeing is a wait-and-see attitude among sellers and many buyers becoming endemic.”

Springbrook Properties founder Shepherd Ncabe added: “Homebuyer appetite is alive and well and while many may not want to fill up on bread until the main course of Brexit is finally served, we are on course to see a healthy level of properties transact this year regardless.”

MURDOCH MERGER

Media mogul gets green light for pooling of newspaper titles

CULTURE

Jeremy Wright has given the go-ahead for a partial merger between BSkyB and News Corp’s Fox. Rupert Murdoch’s News UK empire will now be able to share resources between the two titles, though the papers will remain separate entities.

Global industry slump hits UK manufacturing

ALEX DANIEL
@atsmndaniel

BRITISH manufacturing output shrank at the fastest pace since the financial crisis over the last three months, according to research. Nineteen per cent of manufacturers reported that output rose, while 30 per cent said it fell.

This gave output a minus 11 per cent balance for the three months to mid-July. The CBI published the figures yesterday in its quarterly industrial trends survey.

The survey has not registered such a low balance score since 2009, when the UK was struggling to escape the recession caused by the global financial crisis.

Manufacturers have suffered as a result of Brexit uncertainty combined with slowing global growth in the industry.

Economist Rain Newton-Smith said: “As the tailwind from stockpiling weakens, clouds are gathering above the manufacturing sector.

“It’s being hit by the double-blow of Brexit uncertainty and slower global growth.”
Investors expect total annual returns, net of inflation, of 10.7% over the next five years, according to a major new global study.

Regionally, returns expectations were highest in the Americas, at 12.4%. In Asia, investors expect 11.5% and the figure was lowest in Europe at 9.9%.

The returns include growth in their money, as well as any income paid out in the form of dividends and interest from a variety of investments including cash, bonds, property funds and equities.

The findings were part of the Schroders Global Investor Study (GIS) 2019, which measured the views of over 25,000 investors in 32 countries. The expectations are higher than in the 2018 study, when the investors’ forecast was for 9.9% a year.

Investors’ expectations appear optimistic. For instance, in the last five years global stocks, as measured by the MSCI World Index, have returned 6.7% annually. The historic performance of markets does not offer a guide to future returns.

How age affects expectations

Younger generations also have bolder expectations for their investments than older generations.

Millennials believe they can get an annual return of 11.5% over the next five years, slightly more than the 11.0% they forecast in the 2018 study.

The expectations decrease with each generation: Generation X (ages 38 to 50) expect 10.8%; those aged 51 to 65 expect 9.9%; those aged 66 and over, expect total annual returns of 7.8%.

Alarming expectations for income

Investors were also asked about their expectations for income, with some surprising results.

As the chart at the bottom of the page shows, globally, the average investor expects income of 10.3% over the next 12 months. This is only marginally lower than their average total return expectations. Income expectations were highest in the Americas (10.8%) and lowest in Europe (9.6%).

By generation, Millennials had the highest expectation for income, at 11.7%, while the “Silent Generation” (people born between 1925 and 1945) had the lowest, at 6.2%.

Rupert Rucker, Head of Income Solutions at Schroders, said: “The findings are startling. Investors not only have exceptionally high hopes for the total returns they will receive but they also believe they can get a level of income that almost matches that figure.

“There’s a number of things to note. In regions where domestic interest rates are much higher than global averages, it is no surprise expected returns are some of the highest in the world.

“There’s also a point to make on the answers offered by different generations. It would seem that less experienced investors – those in their 20s and 30s – are far more optimistic than, say, more experienced Baby Boomers.

“But even the typical boomer investor’s hope of 7.5% income over the next 12 months is a bold ambition. The problem is that too many investors have been conditioned to expect the high levels of income that have been the norm for decades – but we’re now in an era of persistently low interest rates.

“The reality is that long-term stock market returns have exceeded what you might get from the likes of bank deposits and government bonds. We think this situation persists for the foreseeable future.”

David Brett is a Investment Specialist at Schroders

Please remember that past performance is not a guide to future performance. Your capital is at risk.

For grocers was not unexpected, due to record sales during last summer’s heatwave and football World Cup. “The main factor behind the sales drop-off is shoppers heading out to stores less often,” said Fraser McKevitt, head of retail and consumer insight at Kantar.

“Last year shoppers took more frequently and closer to home as they topped up the cupboards while enjoying the sunshine and the men’s football World Cup. This year households are making one fewer trip, which may not sound like much but is enough to tip the market into decline.”

The tough yearly comparison was evident in key summer markets, such as alcohol and ice cream.

Sales at the big four supermarkets dropped at least two per cent, while discount German challengers Aldi and Lidl boosted their market share, continuing the trend of the last few quarters.

Aldi reached a new record, with an 8.1 per cent share of the market, and rival Lidl was the fastest growing brick and mortar supermarket.

Although sales at the big four grocers fell collectively by 2.1 per cent, they continue to account for two thirds of all supermarket sales and there are bright spots for all the retailers,” said McKevitt.

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CLOTHES store Joules yesterday announced a double-figure spike in profits, despite tough high street trading conditions.

The full-year results will be the first for outgoing chief executive Colin Porter, who said the retailer was “well-positioned for continued success”.

Pre-tax profit rose 14.9 per cent to £12.9m for the year ending 26 May. Revenue increased 17.2 per cent to £218m.

The firm reported a net cash position of £5.8m. It also proposes a final dividend of 1.35p a share, taking the year’s total to 2.1p, up from 2p the previous year.

Clothing retailers have faced torrid trading conditions in recent years. Joules’ results fly in the face of struggling competitors such as Asos. Joules said its women’s clothing ranges were its top sellers, along with footwear and accessories.

E-commerce sales make up 58 per cent of the company’s retail revenue, reflecting the sector’s shift to online shopping.

Emma Montgomery, analyst at Fidelity Personal Investing, said Joules had “cashed in on the British obsession with all things weather-related, making its mark with its range of coloured wellies and macks”.

The firm had “stylishly side-stepped not just the British weather, but the UK, ecopolitical climate too,” she added.

Porter said: “We are pleased with the group’s performance to date in the early stages of our new financial year, with trading in line with our expectations.”

But this was offset by disappointing trading in the UK, which is the firm’s largest market and accounts for roughly half its business.

Joules shares fell nearly 10 per cent yesterday after it said poor weather put a damper on first-half growth.

Revenue increased 13 per cent to £17.3m in the six months to the end of June, while pre-tax profit bubbled up from £3.6m to £34.8m.

However, the firm’s shares later recovered to close 1.4 per cent higher at 217p.

“Gross margin has performed below last year’s strong comparative period, impacted by unusually high supply levels,” chairman Mark Morris said.

This margin pressure is expected to result in Motorpoint reporting a profit for the six months ending 30 September 2019 below the same period last year.

Revenue rose over the first three months of the financial year, Morris added, “despite the challenging consumer environment and ongoing uncertain political backdrop”.

Motorpoint had strengthened in July so far, and it was maintaining its full-year outlook. The retailer said it will take more market share throughout the year as the wider market declines.

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Fever-Tree shares lose some fizz as poor weather hits sales

JAMES WARRINGTON
@_a_warrington

SHARES in car dealership Motorpoint fell 6.5 per cent in early trading yesterday after it warned that half-year profit would fall below last year’s strong comparative period, impacted by poor weather.

The FTSE-listed retailer blamed “unseasonably poor weather” for the six months ending 30 September 2019 below the same period last year.

Revenue grew 13 per cent to £217.3m in the six months to the end of June, while pre-tax profit increased from £3.6m to £34.8m.

Motorpoint’s chairman Mark Morris, who was previously finance boss at drilling contractor Seadrill, will join the outsourcing on 1 September.

Last year, he helped the firm through a major restructuring to keep the driller afloat.

Interserve is a former FTSE 250 contractor which delisted after it went into administration in March. This came after shareholders rejected a plan designed to save it from £630m of debt. After this, its lenders bought up the debt.

Interserve chief executive Debbie White said: “It is a pleasure to welcome Mark to Interserve. His significant experience will be a valuable addition to the company’s leadership team.”

How To Start A Cellar

Tuesday 30th July
6.30pm – 8.30pm
The Pickering Cellar, Berry Bros. & Rudd
3 St. James’ Street, London SW1A 1BG

Join the City AM Club for an exclusive evening with our partner – Berry Bros. & Rudd.

An expert host will talk guests through how to lay down wine for future drinking and investment whilst sampling 5 wines.

Guests will leave the event with a greater understanding of how to build an enviable cellar of wines with Berry Bros. & Rudd, along with a complimentary bottle of Good Ordinary Claret to take home.

Free for City AM Club members. Non members: £25

If you are interested in attending, please RSVP to events@cityam.com
Regulators push back tough new derivative rules

JAMES BOOTH

GLOBAL regulators have delayed the implementation of new rules that would require smaller fund managers to set aside cash to cover their derivatives transactions.

The Basel Committee on Banking Supervision (BCBS) and the International Organisation of Securities Commissions (IOSCO) said yesterday the new rules would be implemented from September 2021, a delay of one year.

Phase five of the rules would mean that institutions with derivatives with a notional value of more than €8bn (7.1bn) would have to comply with the new tougher regulations.

The delay to the implementation of the rules follows warnings from industry bodies of a bottleneck as the rules follow the warning from the new tougher regulations. The delay "agreed to this extended timeline in the interest of supporting the smooth and orderly implementation of the margin requirements".

The rules are intended to ensure institutions have the cash to cover derivatives trades if they go wrong. Scott O’Malia, chief executive of the International Swaps and Derivatives Association, said: "The decision by BCBS/IOSCO to split the phase five implementation over two years will reduce the risk of a compliance bottleneck in September 2020, and will help ensure smaller firms will have longer to get the necessary systems and processes in place."

Apple in ‘advanced talks’ to buy Intel’s smartphone chip division

JAMES WARRINGTON

Apple is said to be in advanced talks to buy Intel’s smartphone-modem chip business in a deal worth at least $1bn (£804m).

The tech giant is discussing the purchase with the chip maker and a deal could emerge in the next week, the Wall Street Journal reported.

Intel announced earlier this year that it would exit the 5G chip market after Apple settled a two-year legal dispute with Qualcomm, a key supplier of iPhone chips.

A sale would grant Apple access to a range of staff and products, while Intel would be able to offload a loss-making part of its business.

Intel's smartphone chip division

Wavelength applies data science, technology and design to law. Its chief executive Peter Lee said Wavelength describes itself as "a range of staff and products, while Intel would be able to offload a loss-making part of its business."

Will Britain’s TV streaming masses take to BBC and ITV’s Britbox?

BROADCAST giants ITV and the BBC have joined forces to create a subscription service to rival the likes of Netflix and Amazon Prime Video.

Britbox will cost £5.99 per month and launch later this year, hosting archives of major BBC and ITV shows such as Love Island and Doctor Who. They will also start making their own exclusive new content.

"We are making a start to make sure that the British public has access to their own content," said Billorod, chief executive of the BBC.

"We have a clear vision: to create a new streaming service that brings together the best of the BBC and ITV in a single subscription platform," he added.

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"We are focused on creating a service that offers a wide range of content, from classic programming to the latest films and series," he said.

The service is expected to be launched in September 2020, with a range of programming available for £5.99 per month.

Britbox will be available on a variety of devices, including TVs, set-top boxes and mobile devices.

It will also be available through a dedicated app, allowing viewers to access content on the go.

The BBC and ITV have been working together for several years to create a streaming service that would offer a range of programming, from classic shows to the latest films and series.

"Our new streaming service will make it easy for people to watch their favourite programmes on the go," said Billorod.

"With Britbox, we are focused on creating a service that offers a wide range of content, from classic programming to the latest films and series," he added.

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"With Britbox, we are focused on creating a service that offers a wide range of content, from classic programming to the latest films and series," he added.
Brito's leading shares hit their highest level in more than two weeks yesterday, helped by a combined of generally positive corporate result from Wall Street and Europe, and bets that major central banks would cut interest rates soon.

The main index jumped 0.6 per cent as internationally exposed stocks gained on a weak sterling after Boris Johnson won the Conservative party leadership, clearing the way for him to become Prime Minister.

Asian-focused banks HSBC and Standard Chartered rose one per cent, while oil majors also boosted the index. The FTSE 250 defied the drop in the pound and rose 0.5 per cent.

Shares in UK supermarkets were down as data from market researcher Kantar showed that sales at the big four fell in the latest 12-week period. Tonic water maker Fever-Tree slumped 9.6 per cent after its growth in Britain slowed, while passport printer De La Rue tanked 16 per cent to a 16-year low after a probe by the Serious Fraud Office.

The European Securities and Markets Authority (ESMA), which is 100 per cent to £477m, falling from operating profit to £194m.

Pressures for a 31 per cent slip in the pound and rose 0.5 per cent as internationally exposed stocks gained on a weak sterling after Boris Johnson won the Conservative party leadership, clearing the way for him to become Prime Minister.

The mid-cap firm said its number of active clients had fallen nine per cent, while oil majors also boosted the index. The FTSE 250 defied the drop in the pound and rose 0.5 per cent.

Pladis, the snack company, has appointed Sridhar Ramamurthy as chief financial officer. Sridhar will join next month and report to chief executive Salman Amin, who said: “Sridhar is a seasoned and respected financial executive who brings a deep and wide ranging array of consumer product expertise and experiences to Pladis as we continue our strategic transformation to grow our company. “Sridhar built a strong track record at Unilever across three decades. He held key leadership positions in emerging and mature markets, including India, Singapore and the UK. He was finance controller for Unilever’s largest region (Asia/Africa) and chief financial officer for Hindustan Unilever Limited, the largest fast-moving consumer goods company in India. In the UK, Sridhar held senior finance responsibilities for Unilever, including group treasurer and executive vice-president, enterprise solutions, where he was responsible for shared services, covering finance, HR, supply-chain and workplace. He also has a proven record of developing and building talented management teams. “I’m excited to join Pladis at a time of transition. The company’s strong portfolio of heritage brands has unlimited potential.”

Beazley in the pink as premium rates raised

Beazley has raised its outlook to profit more than doubled in the first half of its financial year, with the insurer hailing higher policy rates after years of expensive payouts for natural disasters.

Chief executive Andrew Horton said: “Beazley achieved strong premium growth of 12 per cent in the first half of the year. Claims concentrated large in our marine and reinsurance divisions, but our combined ratio improved to 100 per cent, but premium rates have adjusted accordingly and margins in many lines of business now look healthier than they have in some years. We expect to achieve double digit growth over the full year, while continuing to reserve prudently.”

Coke quenches Wall St thirst

The US corporate earnings season is off to a strong start, with nearly 80 per cent of 104 S&P 500 companies topping earnings expectations so far in the second quarter, according to Refinitiv I/B/E/S data.

Coca-Cola surged 6.1 per cent to a record after the drinks maker beat expectations and raised its full-year organic revenue forecast. Fellow Dow component United Technologies gained 1.5 per cent after raising its full-year profit and sales outlook.

The Dow Jones Industrial Average rose 0.5 per cent to end at 27,349.19, while the S&P 500 gained 0.8 per cent to 3,005.47. The Nasdaq Composite added 0.58 per cent to 8,251.40.

The European Securities and Markets Authority (ESMA), which is the securities watchdog for the EU, brought in a ban on selling “binary” options to retail customers last July, saying that there were still concerns about the risks of the products.

The reported fall “reflected the impact of the ESMA measures and the less favourable market conditions throughout [2019], particularly in the second half of the financial year”, IG Group said.

Chief executive June Felix, who took the reins as IG’s first female boss last year, said: “We have developed our strategy to position the business so that it will continue to deliver for our clients, our shareholders and our other stakeholders under a more restrictive regulatory environment in the UK and EU.

IG Group, which brands itself as a world leader in derivatives trading, also posted a two per cent drop in total operating costs to £284.5m.

The board also reiterated yesterday that it was expecting to maintain its 4.2p per share dividend “until the group’s earnings allow the company to resume progressive dividends”.

The mid-cap firm said its number of active clients had fallen nine per cent to 178,500 in the 2019 financial year.

Beazley recorded profit before tax of £166.4m (£134m), an increase of 39 per cent on the £137.5m it posted in June 2018. The shares rose more than five per cent to 656.5p.

Profit outperformed last year’s figures despite a rise in insurance claims from $549.5m to $693.1m, as gross written premiums rose 12 per cent to $1.48bn. The board increased its interim dividend to 4.1p per share, up from 3.9p, to be paid on 29 August.

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THE HEATWAVE is the worst time of year for the office worker. It’s that awful, sweaty season when resolve – and deodorants – fail en masse. Lethargy permeates the building, work and life slows, and you curse your paycheck for not being able to afford a balcony on your box flat’s window.

Not that you’re keen to get home. At least the office has air conditioning (if only Mike in facilities could get off his backside and fix the rattling). The nights pass in a haze of sleepless moisture as you lie, gazing at the ceiling, desperate for the embrace of sleep or death – whichever comes first.

It’s been six months since you vowed to get in shape, and now you curse your pallid, podgy self. Damn your laziness – if only you hadn’t been so lax before, the heat wouldn’t be preventing your lumbering body from hoisting itself about now.

And that’s before you all remember that Boris Johnson is becoming Prime Minister today, which I’m sure is going to do wonders for the temperament of London’s hot-and-battered classes.

I’m working from home this week, which means I’ll be riding out the heat bare-chested, with nothing but tiny, tiny tennis shorts to hide my shame, windows cast open and unfettered access to the freezer. For the rest of you, it’s going to be a rough couple of days.

There are some things you can do to make life a little easier, though. The first is to avoid the inferno of the commute, which, as we all know, is caused by the early morning rush and crush as everyone tries to get the Tube at the same time.

Intelligent life is meant to learn from its mistakes, and it is perhaps a sign of how backwards we are as humans that commutes aren’t already staggered to ease congestion. Getting the Tube 15 minutes earlier – before the rest of the fetid workforce has clambered aboard the Northern Line – can save you a lot of hassle. The early morning is cooler, and you’ll be calmer. Though don’t all follow this advice at the same time, obviously.

In terms of attire, shirtsleeves are acceptable, but short-sleeved shirts remain verboten. And sorry chaps, linen trousers, rather than shorts. You aren’t at prep school.

The next thing, and I cannot stress this enough, is the importance of hygiene – and, perhaps controversially, it is aimed just as much at women as at men, maybe more so. A 2015 study suggested that four in five women in the UK don’t shower every day.

Now, far be it from me to tell women what to do with their lives. It is 2019. All I’m saying is, the seasons don’t care about your empowerment. The sun will simmer you like it cooks everyone else, unleashing a wave of biological warfare upon the world the likes of which hasn’t been seen since… well, last year’s heatwave.

Mellifluous odours may be a potent weapon against creeps on the Tube, but they will also take the lives of your coworkers and clients with them. In the heat, showers and deodorant are your friends.

Now, work will be slow. No one has the energy to do anything, so while you’ll be slower to get stuff done, that’s fine, as others will be slow too. So that fear you have? Yes, it’s misplaced. No work is getting done today. Trust me. Now, just avoid the news for the rest of the week, and, you never know, it might be rather pleasant.

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Benedict Spence is a freelance writer.
Boris won the Number 10 key – now he must win an election

Olivia Utley

Building a broader coalition of Tory supporters might be the trickier of the challenges facing our new Prime Minister

needs to do it with policies based on something other than Brexit.

Obviously, given the tight time frame, any vaccines made now will be little more than just that: prom- ises. But for Boris – a natural social liberal despite how certain sections of the media have painted him as a dangerous, right-wing, Trumpian populist – policy wows which re- mind young people of the London mayor they knew and loved could go a very long way.

One option he may consider is put- ting his weight behind the legalisa- tion of recreational cannabis. Since the partial legalisation of medical cannabis last year, the drugs has been in the news pretty much every week, and the middle-class, metropolitan liberals – and fast.

If, on the other hand, the giddy ex- citement generated by the new PM’s will might win a slightly higher share of the vote than a Re- main-supporting Labour (if indeed that’s what is now the case) might be translating those votes into the kind of thumping parliamentary majority necessary to push through a controversial Brexit policy would prove very tricky indeed.

As we learned in 2017, a Conserva- tive party which caters for “citizens of somewhere” – rural, elderly, Brexit-border – is bound to make big dents in Labour heartland strongholds, but if it can’t also ap- peal to young urban liberals in places like Battersea – or, indeed, the new Prime Minister’s own con- stituency of Uxbridge & South Ruislip – it will get egg on its face in parliament.

In order to achieve a majority, Boris will have to win back metro- politan voters for whom “Tory” is once again, a dirty word. And he

CITIZENS’ assemblies have become the height of fash- ion. The London borough of Camden is currently holding one on how to reduce carbon emissions in the area. This month, Nicola Sturgeon an- nounced plans to set one up to con- sider constitutional issues in Scotland. The Irish government’s one on abortion featured in the 2018 referendum on the matter.

The basic idea is that small num- bers of citizens, reflecting the socio- demographic characteristics of the population, are selected at random.

The assembly considers a particu- lar topic. Members get the chance to discuss the matter in much more depth than they would usually do. At the close, recommendations are made to the political authority which set the assembly up.

It all sounds plausible. But eco- nomic theory gives us good reasons to be very suspicious of the concept.

One feature of the assemblies is that they are addressed by “ex- perts”, who can be questioned by members. This is intended to raise the level of debate and under- stand the different perspectives of the people who make up the assembly.

Imagine, however, that a citizens’ assembly had been used in 2016 in- stead of the Brexit referendum to decide the UK’s position in Europe.

The overwhelming majority of UK economists were opposed to Brexit. The socialized experts would have spoken on the Treasury’s economic forecasts in Project Fear. The hap- less assembly members would have been assured that a deep and im- mediate recession would follow any decision to leave the EU.

Of course, after the event, every- one now knows that this expertise was misplaced.

But an important concept in be- havioural economics, supported by a lot of empirical evidence, is that of “authority bias”. People in authori- tative positions tend to be trusted. It would have been very difficult for assembly members to go against the

Paul Ormerod

expert advice in a Brexit assembly.

A famous experiment by Stanley Milgram in 1963 showed that many people were willing to administer painful electric shocks to others when instructed by a doctor. The shocks, of course, were imaginary, but the participants supposedly ad- ministering them to an unseen stranger did not know this. The find- ings have been repeated many times.

Experts in the social sciences in- creasingly shun the “metropoli- tan liberal values”, is it these experts who will be presented to assemblies. Economic theory is in essence about how agents – people, firms, governments – decide to allocate scarce resources. An assembly would simply not be properly equipped to consider many policy issues without first of all understanding the underlying principles of economics.

One major reason, namely oppor- tunity cost, is essential. When an op- tion is chosen, this is the “cost” incurred by not enjoying the bene- fit associated with the best alterna- tive. The concept would have to play a major role in any discus- sion of climate change, for example.

Strangely as it may seem, the Queen hasn’t invited him to form a government yet.

This is French for “bring it on, Bojo”.

Boris Johnson is #NotMyPM. “But only because the Queen hasn’t invited him to form a government yet.”

I feel like Britain is about to learn why Willy Wonka didn’t select Augustus Gloop to run the chocolate factory.

Finally, a Turk is leading Great Britain. Big thanks to Brexit supporters who made this happen.

Olivia Utley is deputy editor at TheWeek.
The Liberal Democrats have a new, young, energetic, female leader and are riding high in the polls. So with the two main parties in disarray, even now one of them has finally changed managers, can the Lib Dems break through the electoral system and overcome the political duopoly we have been cursed with for decades?

The opportunity looks better today than it has for a considerable time. Does the party have what it takes to succeed? Here are some suggestions of what it might take.

The first is about mentality. For a long time the Lib Dems have thought of themselves, and behaved, as the third party; the party of protest; the party of “none of the above”.

Can Jo Swinson change that mentality so that they start seeing themselves as a party of government, behaving with the boldness, self-confidence, swagger and showmanship that requires? And will the self-satisfied, stuck-in-its-ways, internal bureaucratic which, in the name of “party democracy”, tends to suffocate at birth any new, bold leadership initiative (as it did with Sir Vince Cable’s proposed reforms) allow it to happen?

Second, the party needs to answer one fundamental question: what emotions does it want voters to feel as they walk into the polling booth and overcome the political duopoly we have been cursed with for decades?

What emotions does the party want voters to feel as they walk into the polling booth?

What comes next?

Which brings us to another question: is the party to be a liberal party or a social democrat one? Ever since the SDP merger with the Liberals, both these wings have coexisted side by side, making it difficult for a clear political position to emerge. It’s time that this was confronted.

The party has always developed well thought-out and detailed policy positions. Many of these ideas have ended up being stolen by Labour or the Conservatives. But what has rarely been addressed is that policies are a second or third order issue.

They should not be the tail that wags the dog. Rather they should flow from and reinforce the overall narrative and political space that the party wishes to occupy.

The Lib Dems also need clear and punchy communication – not that which simply appeals to policy nerds. Crude as it may be, “bollocks to Brexit” might serve as a good example. Finally, can the party and its new leader break out of its tendency to focus on narrow issues of victimological politics to present bold, distinctive and radical positions on the economy, constitutional reform, immigration, health, defence, security and foreign policy, revitalisation of left behind areas, education, and so forth? Can a convincing position on environmental issues, rather than a merely virtue-signalling one, be developed and effectively communicated?

Success will come from challenging the status quo with big, bold, new ideas; a willingness to take on vested interests; and a vision for the country that is rooted in the opportunities and challenges of the 21st century. Timidly tinkering around the edges of the current system will not cut it.

In short, can the party break free of their unwieldy and conservative internal party machine and evolve beyond the tendency to believe that success comes from boring earnestness, tactical electioneering and vote counting, and being seen as the “sensible”, intellectual party of the status quo?

Today’s opportunity lies in energising voters with a new, distinctive, bold vision capable of making the blood boil. Success beckons if the Liberal Democrats can move beyond past ways and find the self-confidence and boldness truly to become a party of the radical centre. All power to Jo Swinson to drive that change.

In Han’s day, the left wanted to use industry to help the worst off in society. The “de-growth” agenda that some now pursue would be economic and environmental self-flagellation. Economic growth is driven by using natural resources more efficiently. Innovation and entrepreneurship have allowed us to farm and manufacture more with less use of natural resources. This free-market magic has pulled billions of people out of poverty in recent decades. It has meant that we are living longer, happier, and more connected lives. A “de-growth” agenda would threaten this progress and lock us in a system that doesn’t even have our wellbeing at the centre of policy.

And why go to such lengths to preserve a system that doesn’t even have our collective best interests at heart? The de-growth movement isn’t promoting a recession or reduction to quality of life. Rather, it questions the supremacy of economic growth, putting social and environmental wellbeing at the centre of policy.

Social and environmental injustice are two sides of the same coin. The dogged pursuit of economic growth undermines both, and it is this that the de-growth movement seeks to unpick.

Marina Smith is founding director at Interlabor, and chief curator of the 2013 Oslo Architecture Triennale.
While researching Lee Olesky, the co-founder and chief executive of the fixed-income market platform Tradeweb, I came across an article comparing him to Amazon's founder Jeff Bezos. Both started their companies in the nineties. Both set out to use the internet and ecommerce to disrupt their respective industries at a time when the idea of buying things online was an alien concept. And both businesses have proven successful – volume on Tradeweb reached $100 trillion last year, and all of us have likely bought something from Amazon.

It's a comparison that Olesky is not unfamiliar with.

"We came from the same era of innovation," he says. "Obviously Amazon is a vastly bigger business, but we share the same concept – using electronic commerce to make the process of searching and finding whatever it is you want to do more efficient and streamlined. I guess our mistake was focusing on the bond market instead of everything else," he jokes.

Tradeweb enables people to buy and sell bonds, derivatives, and other financial instruments electronically. It's used by a number of different types of institutional investor, such as asset managers, insurance firms, and central banks.

Olesky set up the company in 1996, and it launched its first online marketplace for US Treasuries two years later. Since then, it has grown massively: according to its first quarter results, the volume of daily trades averaged $646bn, and the business generated revenue of $186m.

More importantly, Tradeweb is at the forefront of modernising the $50 trillion fixed income market, as remarkably much of it is still phone-based. Traders still need to pick up a phone, call several banks and institutions to get a price, find a buyer or seller, and organise the trade over the line.

Tradeweb provides an electronic, internet-based alternative to that traditional model – although getting people used to the idea of online trading was a challenge when Olesky started the business.

"We were the first company to use the internet to trade electronically in financial instruments back in the nineties. That was a big decision, to actually even use the internet. I know that's very hard for people to believe right now, but there was no one doing that at the time."

The fact that so many traders in the fixed income space still rely on phones, rather than using electronic systems like Tradeweb to quickly find the other side of a trade, means that even after 20 years there is still plenty of opportunity for the company.

"We're pretty fortunate that the space we're in – applying technology to financial markets – has a tremendous amount of room to grow. The markets trade $4 trillion a day. There are huge markets, but they are still not electronic, so there's still an opportunity to continue to move markets into a digital format."

When I speak to Olesky, the company is celebrating two major milestones. The first, and most important, is that Tradeweb has recently completed a successful listing on the US stock market in April. It raised $1.1bn in one of the largest US initial public offerings of the year, and it has proven a hit with the market: the share price has risen from $27 at the IPO to around $49.50 this week, valuing the company at $11bn.

But after more than 20 years as a private company, why was 2019 the year to IPO?

"We'd gotten to a point with the size of the company that it really suited us best to be a public company," explained Olesky.

"And also it lined up with our corporate strategy. We wanted to streamline our governance process as a fintech company, create the right incentive scheme for employees – both to retain and attract people – and reward people who've been around with me since the early stages 20 years ago."

Obviously, switching from a private to a public company comes with several new requirements, not least the need to produce earnings reports every quarter, and being held to account by more shareholders than before. However, Olesky doesn't foresee these demands becoming a problem.

"There's a certain amount of adjustment that you make in terms of what you're disclosing publicly and regulation."
WHAT'S YOUR EARLIEST FOOD MEMORY?

– WHAT DO YOU COOK?

YOU'RE DRUNK AND HUNGRY

NEW RESTAURANT

TELL US ABOUT YOUR

WHAT DO YOU DO?

WHO ARE YOU AND

straight from

and honeycomb

with labneh

Loganberries

small amounts of rare and un-

– They don’t realise chefs are

often told to make their recipes to fit a

single page, so a lot of important

information gets lost.

WHAT'S THE WORST THING YOU'VE EVER EATEN?

– A dish called “stinky tofu” (fermented
tofu), which is a street food in Taiwan. It
basically smells like a latrine.

WHAT SHOULD EVERYONE HAVE IN THEIR KITCHEN CUPBOARD?

– Amazing olive oil and Oglasiangi
anchovies.

YOU'RE MAYOR FOR A DAY – WHAT FOOD LAW WOULD YOU INTRODUCE?

– A system that puts all restaurants and
food operators on a level playing field
when it comes to staff pay. People who
work in restaurants are notoriously and
unfairly underpaid and this has to change.

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Controversial Chinese swimmer Sun Yang branded British rival Duncan Scott “a loser” in angry scenes at the World Aquatics Championship in South Korea yesterday after the Scot refused to join him on the podium for a medal ceremony. Sun, who served a drug ban in 2014 and faces a hearing in September into fresh allegations by the World Anti-Doping Agency which he denies, won the men’s 200m freestyle after Lithuanian Danas Rapsys was disqualified for a false start. Scott finished third and accepted his bronze but refused to join him on the podium for a medal ceremony. Sun, who served a drug ban in 2014 and faces a hearing in September into fresh allegations by the World Anti-Doping Agency which he denies, won the men’s 200m freestyle after Lithuanian Danas Rapsys was disqualified for a false start. Scott finished third and accepted his bronze but refused to join him on the podium for a medal ceremony.

Scott, who has won Olympic and world titles, said: “I don’t like him.”

Sun, who was booed by some spectators, later said: “I am here for the victory but not for the copper.”

Scott, who is favourite to win the 400m freestyle tomorrow, said: “I have the right to a voice. Duncan showed his voice and so did the crowd.”

Australian Mack Horton also refused to stand alongside Sun after the 400m on Sunday.

**SPORT DIGEST**

**RIDE WORLD CUP WAVE, ROOT URGES ENGLAND**

Captain Joe Root has called on England to carry the momentum from their recent 50-over World Cup win into today’s Test against Ireland and a home Ashes series starting next week. “We couldn’t be better placed in many ways,” said Root. “It is something we have to capitalise on going into what is a huge six Test matches.” James Anderson’s calf injury means that Warwickshire fast bowler Olly Stone is due to join Surrey opener Jason Roy in making a Test debut in the historic four-day match with Ireland at Lord’s.

**NEWCASTLE SPLASH £40M ON STRIKER JOELINTON**

Newcastle United have broken their transfer record for the second time this year by completing the £40m signing of Brazilian striker Joelinton from German side Hoffenheim.

Joelinton scored 11 goals in 33 club games last season and adds much-needed firepower following the departures of Salomon Rondon and Ayoze Perez. “He is a smashing young player,” said Newcastle manager Steve Bruce of the 22-year-old, who eclipses £20m January arrival Miguel Almiron as the club’s costliest signing.

**HODSON-ODOI POISED TO CONFIRM CHELSEA STAY**

Chelsea and England winger Callum Hudson-Odoi, 18, is expected to end speculation over his future and sign a new five-year contract at the club. Hudson-Odoi – currently recovering from an Achilles injury – asked to leave in January amid offers from Bayern Munich and frustration over his first-team opportunities but now looks set to commit to a deal worth £100,000 a week before the new season, which starts next month.

**‘OUR MOMENT IN THE SUN’**

Cricket Ireland boss Warren Deutrom tells Felix Keith why today’s Test match is a symbolic occasion

Today is a significant day for Irish cricket: a third Test match in the country’s history, a first against England, at Lord’s, on television and amid a swell of interest in the sport thanks to the recent men’s World Cup and an approaching Ashes series.

For Cricket Ireland’s Warren Deutrom, it represents the fulfilment of years of work, having seen the organisation change beyond recognition since joining as chief executive in December 2006.

“You could probably say that my ride at that stage was grand, because actually I was chief and only executive of Cricket Ireland,” he tells City A.M. “The only other salaried employee was our national coach.”

Since the former International Cricket Council and England and Wales Cricket Board event manager took the helm, Cricket Ireland has expanded from two employees to around 100 and increased turnover from €260,000 to €10.5m.

“By any metric it has grown extraordinarily in 12 and a half years,” Deutrom says. “When you consider 8-10 of those years were in a devastating recession, I think you can say it represents impressive growth.”

For Deutrom, the growth started at the 2007 World Cup in the West Indies. Ireland made their debut – and a splash, drawing with Zimbabwe and beating Pakistan to reach the last eight. “It put Irish cricket in the shop window,” he says. “With visibility came interest, then revenue and the ability to invest back into the squad.”

Funding from the Irish Sport Council allowed governance reform, brought sponsorship from RSA Insurance and attracted Phil Simmons as coach. Improvement on the pitch continued before Ireland’s most famous victory改变了 things again.

**HUMBLE BEGINNINGS**

Ireland failed to qualify for the World Cup England so memorably claimed earlier this month, but while Deutrom would back expansion of the 10-team format, Test status has softened the blow of missing out.

“Previously for us the World Cup was the be all and end all, because we didn’t play that many fixtures in between,” he says. “Now we have the exact opposite scenario: we didn’t make the World Cup but we have the Future Tours programme.”

While the Lord’s Test shows how far they’ve come, the realities of Cricket Ireland’s position were underlined in October when Deutrom was forced to lend his organisation €100,000 of his own money after banks refused a loan to help resolve “short-term cash-flow issues” due to “two or three very significant debtors” not paying on time.

“When you become a Full Member it’s a simple decision, but it doesn’t flick in a switch in terms of permanent infrastructure coming up overnight,” he says.

Those problems are behind him now and Deutrom is focused on making the most of Ireland’s opportunity this week. He was due to host a reception at the Irish embassy yesterday in an attempt to forge links with London’s Irish business community before enjoying the fruits of his labour today, which, as he explains, is about exposure as much as history.

“Is Test cricket going to be the format which Cricket Ireland is going to focus on? No. But it provides an extraordinary opportunity to be in the sunlight a little bit,” he says.

“This is a powerful, symbolic moment. It’s Ireland, it’s who we’re playing against, there’s a rivalry and where we’re doing it. Nothing symbolises better the journey we’ve taken from small, humble beginnings to where we are today.”

**SPORT**

**MAKING A SPLASH**

British swimmer’s protest against world champion rival sparks row

Controversial Chinese swimmer Sun Yang branded British rival Duncan Scott “a loser” in angry scenes at the World Aquatics Championship in South Korea yesterday after the Scot refused to join him on the podium for a medal ceremony. Sun, who served a drug ban in 2014 and faces a hearing in September into fresh allegations by the World Anti-Doping Agency which he denies, won the men’s 200m freestyle after Lithuanian Danas Rapsys was disqualified for a false start. Scott finished third and accepted his bronze but refused to join him on the podium for a medal ceremony. Sun, who served a drug ban in 2014 and faces a hearing in September into fresh allegations by the World Anti-Doping Agency which he denies, won the men’s 200m freestyle after Lithuanian Danas Rapsys was disqualified for a false start. Scott finished third and accepted his bronze but refused to join him on the podium for a medal ceremony.

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Full membership

Kevin O’Brien’s brutal 50-ball century in defeat England in Bangalore at the 2011 World Cup set the wheels in motion for the decision which has allowed Ireland to reach Lord’s this week. “That was the moment which said to me ‘why can’t we chase Test status?’,” Deutrom says.

There were other staging posts on the way – 10,000 people turning up for a one-day international against England at Malahide in 2013, a win over West Indies at the 2015 World Cup – before Ireland finally became a Full Member of the ICC in 2017.

Tests against Pakistan and Afghanistan have followed, but Ireland arrive at Lord’s looking for their first victory in the format, albeit over four days rather than five.

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