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NOT GOING QUIETLY
CARNEY CUTS GROWTH FORECASTS AND WARNS OF ‘INSTANTANEOUS SHOCKS’ FROM NO-DEAL BREXIT

HARRY ROBERTSON

The Bank of England yesterday painted a gloomy outlook for the UK economy and suggested that growth ground to a standstill in the second quarter of the year. The Bank’s rate-setters also unanimously agreed to hold interest rates at 0.75 per cent.

In its latest inflation report, Thread-needle Street downgraded its forecast for second quarter growth to zero from the 0.2 per cent predicted in May due to unwinding Brexit stockpiling and car plant shutdowns. The Bank lowered its growth forecast for both 2019 and 2020 to 1.3 per cent respectively forecast in May. It added there was a 30 per cent chance of a recession at the start of next year.

Aside from one-off factors, the economy was held back by “weaker global demand and more entrenched uncertainty about Brexit,” outgoing BoE governor Mark Carney said yesterday.

The predictions were based on Britain leaving the European Union with a deal, however. The Bank raised eyebrows by not providing a forecast for a no-deal Brexit, the chances of which have increased with a deal, however. The Bank’s monetary policy committee (MPC) unanimously chose to hold the main interest rate at 0.75 per cent, while it has stood since August 2018.

The Bank said in a no-deal scenario, “the sterling exchange rate would probably fall, CPI inflation rise, and GDP growth slow”. It gave little detail, however, saying the government’s policy was to seek a deal with the EU.

“We thought we had a deal with China three months ago, but sadly, China decided to re-negotiate the deal prior to signing,” Trump tweeted.

The President said the US will start “putting a small additional Tariff of 10 per cent on the remaining 300 Billion Dollars of goods and products coming from China into our Country” at the start of September.

US and Chinese negotiators met for a round of trade talks earlier this week, but hopes of any deal between the two sides soon faded amid mutual criticism in recent days.

Firms relying on trade with China sank, with Apple falling from a gain of 1.4 per cent to a loss of 2.2 per cent.

Chocs away: Hotel Chocolat goes into meltdown over missing ‘Chocmobile’

JAMES WARRINGTON

LUXURY chocolate retailer Hotel Chocolat has appealed for help in finding a missing van, nicknamed the ‘Chocmobile’.

The chocolatier said the “beloved” van had been stolen from its Hertfordshire headquarters earlier this week, and called on the public for help in tracking it down. The distinctive black van was famed for selling sweet treats, including hot chocolate, coffee, brownies and ice cream, and even starred in a recent BBC documentary. Hotel Chocolat has said any information leading to the recovery of Chocmobile would be rewarded with an invitation to its top secret chocolate factory.

“Anyone who has seen the Chocmobile, or has any other information leading to the recovery of our beloved Chocmobile will be rewarded.” Customers rallied behind the chocolate maker, with one Twitter user quipping that rival Thorntons could be behind the theft.

Hertfordshire Constabulary is on the scent, and told reporters three males were spotted breaking their way into the van before stealing it.

“Any information leading to the recovery of our beloved Chocmobile will be rewarded.”

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THE CITY VIEW

Bailey’s watchdog is in need of a remit reboot

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everal months ago it felt as if the top job in Britain’s banking system was Andrew Bailey’s to lose. A veteran of Threadneedle Street who is at ease among top City bosses, the head of the City watchdog had been the bookies’ favourite to replace Mark Carney as governor of the Bank of England as it prepares to navigate through potentially choppy waters in post-Brexite Britain. But over recent months Bailey’s chances of running the Old Lady seem to have been dented amid mounting scrutiny over his current role as head of the Financial Conduct Authority (FCA). From the suspension of Neil Woodford’s flagship fund to the collapse of London Capital & Finance (LCF), as well as the fallout from the Royal Bank of Scotland’s controversial Global Restructuring Group (GRG) unit, a spate of controversies has blighted the reputation of both Bailey and the FCA. Successive scandals have sparked criticism that the FCA lacks either the appetite or the tools to enforce financial rules. Yet while these scandals are new, the underlying issue of enforcement is not; one of Bailey’s primary challenges when taking over the FCA in 2016 was how to bolster a regulator that was largely regarded as a junior to both the Treasury and the Bank of England.

All the more reason to welcome a new report released today by the Treasury Select Committee (TSC), which has called for the FCA to be given more formal powers. The committee’s main concern centres on the FCA’s so-called ‘perimeter of regulation’ which determines what the FCA can and can’t regulate and is defined by parliament. With the TSC highlighting that the current informal system is “insufficient,” it has said that the FCA needs formal powers to be able to recommend changes to its own perimeter of regulation. Bailey and the Treasury may have had their reported differences in the past, but if the recent scandals of mortgage prisoners, so-called mini-bonds and crypto-assets have shown anything, it is that the FCA should be more proactive in setting the scope of the activities it regulates to adapt to a rapidly-changing environment. The FCA has been very good at establishing the right kind of environment for new ventures and ideas to flourish in London, making the City a hub for startups and fintech. But as these groups grow and diversify, the grey area between regulated and non-regulated activities needs to be addressed, regardless of whether Bailey is still steering the ship next year.

Barclays bosses confirm job cuts as profits surge

Barclays slashed 3,000 jobs over the last quarter, its bosses revealed yesterday, as it vowed to hit profit targets following a challenging three months for the banking giant. Pre-tax profit in the first half of the year soared to £3bn, rising 82 per cent compared to the same period last year, marking its best performance since 2010. Yet the surge was partly due to a lack of misconduct charges compared with the previous year when the lender had been hit with settlement costs.

Barclays, which employs 82,000 people, also axed several thousand jobs over the most recent quarter as it looked to cut costs below £13.6bn amid a competitive mortgage market and political uncertainties.

The firm reported a 25 per cent rise in second-quarter income in its fixed income, currencies and commodity trading division. It is hoping to hit its main profitability target of gaining a return on tangible equity of more than nine per cent.

Chief executive Jes Staley said dividends would rise by a fifth, in a sign of the “confidence” the board has in the firm’s ability to generate cash.

The results come in the wake of attempts by activist investor Edward Bramson to persuade the firm to abandon its investment arm. But in May Bramson’s efforts were dealt a blow when he lost a bid for a board seat at the annual meeting.

Staley said yesterday that he had not spoken to Bramson since the lender’s dramatic meeting in May.

Nicholas Hyett, Hargreaves Lansdown analyst, said: “These are a really mixed, and pretty messy set of numbers. The lack of PPI compensation and US mortgage fines mean that on the face of it this half has been a big step forward on last year, however, the underlying numbers are less rosy.

“Margin pressure in the UK mortgage market has dented income at home, while the corporate and investment bank has done better than a relatively pessimistic market had expected.”

The bank announced a dividend for the first half of 3p per share, up from 2.5p per share last year.

Follow us on Twitter @cityam
London Stock Exchange seals $27bn purchase

LONDON Stock Exchange Group (LSE) said yesterday it had sealed a deal to buy data business Refinitiv in a transaction worth $27bn (£22.3bn).

LSE is buying the business in an all-share transaction from Thomson Reuters and a consortium led by private equity firm Blackstone, which includes an affiliate of Canada Pension Plan Investment Board and an affiliate of Singapore’s sovereign wealth fund GIC.

The deal will result in Refinitiv’s shareholders holding an approximately 37 per cent interest in LSE and voting rights of less than 30 per cent.

The deal is subject to approval by LSE’s shareholders, and if it fails to go through LSE has agreed to pay a termination fee of £198.3m to Refinitiv.

The deal also needs to be cleared by competition authorities, with EU regulators expected to review the transaction.

The combined business is expected to generate revenue of over £6bn annually. It will be chaired by LSE’s chairman Don Robert and led by its chief executive David Schwimmer.

Refinitiv chief executive David Craig will continue in his role and also join LSE’s executive committee.

Schwimmer said: “We have announced a proposed transaction to acquire Refinitiv, a leading global provider of data, analytics and financial markets solutions.

“This transformational acquisition creates a multi-asset class capital markets business and brings world class data content, management and distribution capabilities to [the group], accelerating our strategy and expanding our global footprint.”

In its half-year results yesterday LSE said total revenue was up seven per cent to just over £1bn.

Five-a-side operator Goals facing the boot from alternative market

City sources told Sky News, which first reported the potential delisting last night, that it was “almost inevitable” that Goals would have to restate its financial accounts going back to 2009.

Goals will reportedly not be ready to prepare audited accounts by the end of September and will therefore miss a six-month deadline in order for shares to resume trading.

The news is another blow for billionaire retail tycoon Mike Ashley, who currently controls an 18 per cent stake in Goals and has been putting pressure on its board over recent audit troubles.

Goals had a market value of about £20.5m when shares were suspended in March, after a revelation that it had misdeclared its VAT bill over several years.

Goals declined to comment yesterday evening.

Three-freeports

TRUSS FUND Government to establish Freeports panel to boost post-Brexit trade

PLANS to bolster Britain’s international trade by creating up to 10 major tax-free zones are being drawn up by the government. International trade secretary Liz Truss has created a Freeports Advisory Panel to advise on the establishment of up to 10 Singapore-style Freeports aimed at offsetting post-Brexit tariffs.

US investment helps Babylon

US HEALTHCARE giant Centene Corporation is said to be investing tens of millions of pounds in British startup Babylon Health.

The US firm, which has a market capitalisation of more than $21bn (£17bn), will inject $50m into the tech firm as part of a fresh funding round, Sky News reported.

Babylon’s services include a chatbot designed to detect symptoms of illness, which is used by the NHS

Bezos cashes in from Amazon

AMAZON founder and chief executive Jeff Bezos has sold roughly $1.8bn (£1.5bn) worth of shares in his company over the past three days.

Filings to the US Securities and Exchange Commission revealed Bezos offloaded more than 900,000 shares in the last three days of July.

Bezos, the richest person in the world, retains a 12 per cent stake in Amazon, worth roughly $109bn.

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Standard Chartered hikes earnings despite US-China trade war impact

JOE CURTIS
@joe_c_curts
STANDARD Chartered boosted its profit in the first six months of 2019, but warned of the impact of the US-China trade war on its global market sentiment.

Underlying profit before tax increased 11 per cent year on year to $2.6bn (£2.1bn) for the six months to the end of June. Statutory profit before tax climbed three per cent to $2.4bn. Underlying revenue rose 0.6 per cent year on year while underlying costs fell 2.9 per cent. Return on tangible equity rose 88 basis points to 8.4 per cent, staying on target to hit over 10 per cent by 2021.

The bank received a boost from a $1bn stock buyback it announced in April, and said it has now completed around $700m of it. However, the bank warned that “trade tensions are affecting sentiment”. Trade protectionism is bad for the global economy, and fears concerning this matter continue to affect sentiment across global markets and on the ground in many of our locations,” the bank added.

“However, we stand to benefit over time as China continues to open and places more emphasis on trade corridors radiating through Asia and connecting it with our markets in Africa and the Middle East.”

It also pointed to an easing of the monetary policy cycle as possible risks at the Asia-focused bank.

Kier shares soar as it takes back control of debt

ALEX DANIEL
@alexdaniel
KIER Group investors rejoiced yesterday as they were treated to a rare piece of good news: that the firm is regaining control of its debt.

The firm also said it had attracted “significant interest” in its house-building arm, which it is trying to sell to reduce its debt.

The outsourcing, which has been severely under the cosh for the best part of a year, enjoyed a 40 per cent boost to its market value this morning. Shareholders were boosting its average monthly net debt for the financial year falling to £422m.

The figure is right at the bottom end of forecasts, which predicted it could be as much as £30m more than that. Furthermore, the firm said its debt at the end of June was just £167m.

For a company which has struggled to control its debt pile since last summer and has been likened to collapsing outsourcing giant Carillion, the news could indicate that it has turned a corner.

New chief executive Andrew Davies announced a major strategy overhaul earlier this summer, which included laying off 1,200 people and selling off parts of the business.

One of these parts, housebuilding arm Kier Living, has attracted “significant interest,” allowing the company to start the sale process in earnest. Kier revealed this morning.

Davies has also tapped finance boss at packaging giant RPC Group Simon Kesterton as his new chief financial officer. He will take over from incumbent Bev Dew on full year results day in September.

Davies said: “Simon... has played a key role in implementing programmes which focus on the disposal of non-core assets, the reduction of overheads and cost control.”

Shares closed up 33.33 per cent.

Insurer RSA hails a ‘solid’ first-half as it seeks to re-energise

JAMES BOOTH
@JamesBooth1
INSURER RSA said yesterday it had improved its underwriting performance in the first half of 2019, as it looks to re-energise its business following a slump in 2018.

Underwriting profit fell from £171m in the first half of 2018 to £153m in the first half of 2019. RSA said this was due to its planned exits from certain less profitable lines of business.

Chief executive Stephen Hester said: “RSA has reported a solid first-half performance. Our mission for 2019 is to sustain momentum in the large parts of our business that did well last year, whilst successfully improving the areas that disappointed.”

He added: “Results from current year underwriting are up strongly versus [the first half of] 2018 and our best in the last 10 years. Progress is even more marked versus [the second half of] 2018. Within these totals, attritional loss ratios have improved,” he said.

Schroders chief optimistic despite profit drop and continued outflows

ANNA MENIN
@annamenin
PEIER Harrison, the chief executive of Schroders, has said he thinks the firm is in a “pretty reasonable place” despite reporting a 14 per cent drop in profit yesterday.

The firm’s pre-tax profit fell to £319.3m for the six months to the end of June. Assets under management climbed nine per cent year on year to a new peak of £4.44bn, while net outflows remained unchanged at £1.2bn.

Harrison told City A.M. that the retirement of two of Schroders’ significant fund managers had contributed to the firm’s first-half outflows, and that cautious investors had been another contributing factor.

Weak investor sentiment has also hurt rivals such as Jupiter Fund Management and Janus Henderson. Schroders also expects to receive around £45m of assets from Lloyds in the second half of the year. The pair agreed a joint venture in October, combining Schroders’ offering with Lloyds’ 27m customers.

Harrison said the collaboration will produce a “new force” of financial advisers backed by “good technology” to streamline the support they can offer consumers.
Westfield owner hurt by UK retail restructurings

JESS CLARK
@jclarkjourno

RETAIL landlord Unibail-Rodamco-Westfield (URW) reported a drop in UK rental income in the first six months of the year as the property giant’s two London sites were hit by store closures and leasing delays.

Like-for-like net rental income was down 3.1 per cent compared to the previous year as tenants – struggling in a challenging retail market – shuttered stores and demanded rent cuts. Brexit uncertainty has also deterred new market entrants, causing delays in leasing at the expanded Westfield London in Shepherds Bush, URW said.

The company’s vacancy rate was 8.7 per cent in the first half of the year. The drop in rental income comes at a tough time for the UK retail industry, which has seen a raft of shopping centre giants close branches and demand rent cuts.

Despite the challenges, Paris-headquartered URW reported that footfall in a multichannel world.

Christophe Cuvillier, group chief executive, said URW had “delivered solid results, despite the challenging retail environment”.

On Wednesday, retail landlord Intu cancelled its dividend as it announced it fell to an almost £900m loss in the first six months of the year, sending shares down as much as 30 per cent.

The share price decline continued yesterday and the stock closed almost seven per cent down.

The Trafford Centre owner has been hit hard as retailers shutter stores and launch company voluntary arrangements (CVAs) to slash rents and restructure their portfolios.

Shopping centre stalwarts such as Boots and New Look have closed stores and Sir Philip Green’s Arcadia, which owns Topshop and Dorothy Perkins, recently agreed a raft of rent cuts under a CVA.

Intu chief executive Matthew Roberts said on Wednesday: “The first half of 2019 has been challenging for Intu.

We have experienced further downward pressure on like-for-like net rental income and property values resulting from a higher level of administrations and CVAs as some retailers struggle to remain relevant in a multichannel world.”

The designer brand said net revenue increased two per cent

Prada revenue lifts despite ban on end-of-season discounting

JESS CLARK
@jclarkjourno

The Italian company reported net income of €155m after the company benefited from the Patent Box tax relief scheme, which allows businesses to seek a lower tax rate on patented inventions.

Prada chief executive Patrizio Bertelli said in a statement yesterday: “Our strategic decision to stop seasonal markups and to rationalise the wholesale channel has been well received by the market.

“Full-price retail sales increased across the main geographies and product categories, reflecting the soundness of our choice.”

Shell profit slips to lowest point since 2016 as weak oil and gas prices take toll

ALEX DANIEL
@alexmdaniel

SHELL shares dropped 5.01 per cent yesterday as it reported its lowest second-quarter profit since 2016, as earnings slumped more than 25 per cent to $3.6bn (£2.9bn) on a year-on-year basis for the second quarter.

The oil and gas major suffered from lower energy and fuel prices. Shell’s failure to meet analyst expectations comes in stark contrast to rival BP on Wednesday, which exceeded estimates.

The difference was partly because BP counteracted low oil and gas prices by ramping up production seven per cent. Shell also increased its production volumes, but only by four per cent.

Brewin Dolphin investment manager David Barclay said the results “will be a concern for many watchers of the company – cash flow and gearing have also gone in the wrong direction and will be the other major areas to keep an eye on in the months ahead”.

Chief executive Ben van Beurden said: “We have delivered good cash flow performance, despite earnings volatility, in a quarter that has seen challenging macroeconomic conditions in refining and chemicals as well as lower gas prices.”

He added that the 2020 outlook remained unchanged.

Low prosecution figures hit money laundering cases

JAMES BOOTH
@jamesboothl

THE SERIOUS Fraud Office (SFO) has received 153 reports concerning an allegation of money laundering since 2014, but prosecuted just four cases.

SFO figures, which were a response to a freedom of information request by law firm Greenberg Traurig, show the SFO received 41 reports containing money laundering allegations in 2018, but did not prosecute any cases during that year.

In 2015 and 2016, there were a combined 87 reports but no prosecutions. Barry Vitou, co-chair of white collar defence and special investigations at Greenberg Traurig, said: “The SFO has a dedicated proceeds of crime division and the low prosecution figures over many years will come as a surprise to many.”

An SFO spokesperson said: “The SFO receives a large number of referrals each year, however, the vast majority of these do not fit the agency’s specialist remit to investigate.”

When water isn’t enough
Rio Tinto announces a $1bn special dividend as first-half profit crashes

ANNA MENIN

RIO TINTO announced a bumper dividend of $1bn (£825m) yesterday after reporting a drop in first-half, pre-tax profit, despite red-hot iron ore prices boosting revenue.

The Anglo-Australian mining firm’s pre-tax profit for the first half of the year was almost $5.2bn, representing a 23 per cent drop compared with the same period a year earlier.

Iron ore prices have risen over 60 per cent this year after a series of disruptions to production. Rio Tinto has cut its forecast for annual iron ore shipments three times since April following disruption caused by a cyclone at the firm’s Pilbara hub in western Australia.

The forecast now stands at between 320m and 330m. Nevertheless, revenues from the steel-making commodity boosted the firm’s results.

However, it was forced to take an $800m impairment loss on the value of its massive Oyu Tolgoi copper project in Mongolia’s Gobi desert.

The miner increased its interim dividend 19 per cent to 151 cents per share, as well as announcing a special dividend of $1bn – equivalent to 61 cents per share.

Manufacturing output in UK at seven-year low

JOE CURTIS

THE UK’s manufacturing sector is “suffocating” from a poisonous mix of lower global economic growth and Brexit uncertainty, a closely-followed economic measure found yesterday.

Production volumes nosedived to a seven-year low in July, IHS Markit’s UK manufacturing purchasing managers’ index (PMI) showed.

Meanwhile, the sector was stuck in a contraction, with July’s PMI score of 48 flat on June’s figure and at a 6.5-year low.

Anything below 50 represents a contraction.

Rob Dobson, director at IHS Markit, warned the industry is “suffocating under the choke-hold of slower global economic growth, political uncertainty and the unwinding of earlier Brexit stockpiling”.

“Clients delayed, cancelled or re-routed orders away from the UK, leading to a further decline in new work intakes from both domestic and overseas markets,” he added.

While he predicted that a short-term bounce before the 31 October Brexit deadline is possible, he ruled out a quick recovery.

“The weak, highly competitive environment makes a sustained revival highly unlikely in the coming months,” Dobson said.

Chartered Institute of Procurement and Supply (Cips) director Duncan Brock said the manufacturing sector had been battered by “a killer combination of economic uncertainty and the weakest production levels for seven years”.

Chief economic adviser at EY Item Club Howard Archer said: “A further delaying of the UK’s exit from the EU past 31 October would be a worrying development for manufacturers due to the prolonging of uncertainties.”

Thomas Pugh, economist at Capital Economics, said: “Some of the weakness can be blamed on Brexit but it seems more plausible that a weaker global economy should take most of the blame.

“Indeed, manufacturing PMIs in the Eurozone and the US both fell in July as well.”

‘Sea of red’: Eurozone confidence sinks to lowest level since 2012

JOE CURTIS

GERMANY deepened the Eurozone’s downturn as confidence in the area’s manufacturing sector hit its lowest level since December 2012 last month, fresh data yesterday revealed.

Economists warned the Eurozone was treading in a “sea of red” as Germany’s manufacturing output plunged to an 84-month low, and Ireland’s to a 79-month low.

France’s 49.7 measure represented a four-month low but none was worse than Germany’s 43.2 measure on IHS Markit’s Manufacturing purchasing managers’ index (PMI).

Germany pointed the finger at its suffering auto sector and dwindling global demand for business equipment. Anything below 50 represents a contraction. Only Greece and the Netherlands presented scores above that level.

The economic area experienced its sharpest fall in output and orders for 6.5 years for July, IHS Markit said.

Employment also fell at its steepest rate in over six years.

Leading the electric charge

Announcing an exciting partnership between two leading mobility companies.

BP, the owner of the UK’s largest vehicle charging network, is teaming up with Didi, the world’s largest mobility platform, to roll out a network of charging hubs in China.

Didi have 550 million customers and 600,000 electric vehicle drivers.

It’s part of our drive for cleaner transport, at home and abroad.

At BP it’s #NotBusinessAsUsual

Iron ore accounted for around three-quarters of Rio Tinto’s first-half earnings.
The City is a meritocracy but that only works if everyone's given a go

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AJD. Javid has been culture secretary, business secretary, home secretary and now chancellor. In all that time I’ve only ever heard him give one great speech. It was, as luck would have it, the 2015 City AM Awards. In Westminster and on matters of policy and politics, Javid’s delivery is invariably uninspiring – even if his own life story is uplifting and impressive. But back in November 2015, he was speaking in the City – a place he knows well and to a room full of bankers, deal makers and investors. He spoke that night with a genuine warmth, affection and appreciation for the City – hailing it as a true meritocracy. It wasn’t like that when he first looked for a job after graduating, and he told the room about the difficulty of getting his foot in the door of stuffy merchant banks that wanted to know which (public) school he went to. He had to approach a US bank – Chase Manhattan – to find somewhere that didn’t care about his school tie and he revelled in the diversity of backgrounds, religions, upbringings and ethnicities that made up his new world. By the time he returned to the City in 1997, things were beginning to change and the attitude to recruitment was better still when he left to go into politics in 2009. Today, great work is being done across the City’s sectors to widen access and broaden the teams of talent. Over the next few weeks, more than 400 students from low-income backgrounds (and from across the UK) will start their internships with the likes of JP Morgan, Clifford Chance and KPMG. This is organised each year by the Social Mobility Foundation, and it complements other programmes run directly by employers and industry groups such as the Investment Association. At this year’s City AM Awards, we’ve introduced a new category to recognise the people and places that are on the right trajectory. Javid’s delivery and his approach to life as a whole, is a testament to the City’s promise to anyone who is open to trying. It’s an inspiration to others. And he told the room about the happiness that comes from making the world a better place. He quoted the example of a business he met recently which had (peacocks roaming around its reception) and he read Javid’s claim that “stuff really does not bring happiness”.

This time last year, my wife and I were on honeymoon. We stayed at Richard Branson’s hideout in the Atlas mountains and he was there at the time. Like being lectured on materialism by the owner of, among other things, a hedonistic private island. Branson a great deal, but I don’t know that the London mayor at that heady night. Pundits and home secretary and now secretary, business secretary, and he told the room about the difficulty of getting his foot in the door of stuffy merchant banks that wanted to know which (public) school he went to. He had to approach a US bank – Chase Manhattan – to find somewhere that didn’t care about his school tie and he revelled in the diversity of backgrounds, religions, upbringings and ethnicities that made up his new world. By the time he returned to the City in 1997, things were beginning to change and the attitude to recruitment was better still when he left to go into politics in 2009. Today, great work is being done across the City’s sectors to widen access and broaden the teams of talent. Over the next few weeks, more than 400 students from low-income backgrounds (and from across the UK) will start their internships with the likes of JP Morgan, Clifford Chance and KPMG. This is organised each year by the Social Mobility Foundation, and it complements other programmes run directly by employers and industry groups such as the Investment Association. At this year’s City AM Awards, we’ve introduced a new category to recognise the people and places that are on the right trajectory. Javid’s delivery and his approach to life as a whole, is a testament to the City’s promise to anyone who is open to trying. It’s an inspiration to others. And he told the room about the happiness that comes from making the world a better place. He quoted the example of a business he met recently which had (peacocks roaming around its reception) and he read Javid’s claim that “stuff really does not bring happiness”. Well, his stuff certainly brought a lot of happiness to a couple of newly-weds in July. 2018. The Virgin billionaire’s pseudo-Marxist philosophy is disappo
Demand for e-cigarettes boosting sales for British American Tobacco

JESS CLARK
@jclarkjourno

DEMAND for e-cigarettes boosted first half sales for British American Tobacco (BAT), with the tobacco giant’s New Categories products, which includes its Vype e-cigarette, reported adjusted revenue growth of 27 per cent to £311m. Tobacco heating product revenue was up four per cent to £301m as customers select heating rather than burning products, which could potentially be safer.

BAT said there is “much more to be done”, adding that growth would accelerate in the second half due to new product launches and the impact of a full year of additional investment.

Boss Jack Bowles said: “In 2019, we are on track to be around the middle of our guidance range of 30 to 50 per cent New Categories revenue growth per annum, excluding the impact of translational foreign exchange.”

Shares closed up at 3,155.50p.
**Alex Daniel**

BMW AND Ford have become the latest manufacturing giants to warn Prime Minister Boris Johnson about the perils of a no-deal Brexit.

Speaking to journalists yesterday, BMW boss Harald Krueger said a no-deal would be a “lose-lose” scenario for the UK and the EU. When asked if he had anything to say to Johnson, he said: “Listen to the economy and listen to the people. He needs to be in a dialogue with business, I would visit Johnson to tell him this.”

Meanwhile, Ford’s president of automotive Joseph Hinrichs told the BBC: “It’s a bit of a rocky road. The odds of a no-deal Brexit certainly have increased in recent months…”

**Jess Clark**

**Alex Mandev**

THEME park operator Merlin Entertainments yesterday reported weaker trading at Legoland in the first half of the year due to poor weather and a lack of visitor momentum from the latest Lego film release.

Revenue rose in the 26 weeks to 29 June to £763m – up from £706m the previous year. Underlying profit before tax was down 24.4 per cent to £34m from £43m.

Merlin said the release of The Lego Movie 2 had not delivered the momentum it was expecting in the first half. Wet weather in May and June also dampened Merlin’s results. However, the company reported improvement at its London attractions, which includes Madame Tussauds, the London Eye and the London Dungeons.

Merlin, which received a £448m takeover offer from the family behind Lego and Blackstone in June, also warned that the opening of its largest Legoland site in New York could be delayed.

The park is expected to open in 2020. However, this morning the Alton Towers owner said that on-site accommodation provision has been pushed back until 2021.

“Timetable and costs are under pressure given the scale and complexity of the project,” Merlin said.
Inmarsat ditches dividend ahead of $3.4bn private equity takeover

JAMES BOOTH
@Jamesbooth1

SATELLITE company Inmarsat yesterday ditched its dividend despite narrowing losses.
The UK firm said it was not declaring an interim dividend, having distributed a dividend of eight cents per share in the same period last year. The company said it was cutting its dividend after the announcement on 25 March of its proposed $3.4bn (£2.8bn) acquisition by private equity firms Apax Partners and Warburg Pincus.

In the six months to 30 June Inmarsat said revenue was $731.3m, up 2.2 per cent from $717.2m in the same period the previous year. The company lost $125.2m in the period, an improvement on the $131.8m last year. Chief executive Rupert Pearce said: “Inmarsat produced a robust performance in the first half of the year, supported by continued traction with Global Xpress, as we continue to focus on building and defending market share in our target markets.”

Global Xpress is the company’s high-speed, mobile satellite broadband.

Inmarsat’s proposed takeover is scheduled to complete in the fourth quarter of 2019. It is subject to a probe by the Competition and Markets Authority, which has until “until midnight on 17 September 2019 to complete and submit this report to the secretary of state,” a government statement said.

Facebook urged to explain data use discrepancy

JAMES WARRINGTON
@ja_warrington

AN INFLUENTIAL parliamentary committee yesterday demanded that social media giant Facebook explain alleged contradictions in its testimony about the Cambridge Analytica data scandal.

Facebook executives chief technical officer Mike Schroepfer and vice president of policy solutions Lord Richard Allan told the Digital, Culture, Media and Sport Select Committee (DCMS) they had learned that user data had been misused for political advertising following a Guardian report in December 2015.

However, a complaint filed by the US Securities and Exchange Commission (SEC) last week stated employees at the tech giant raised concerns about Cambridge Analytica several months previously.

DCMS committee chair Damian Collins has written to the company asking for clarity over these “discrepancies” in the evidence.

In a letter to Facebook vice president Sir Nick Clegg – the former Liberal Democrat leader and deputy prime minister – he also raised concerns about why senior management had ignored “continuous red flags” raised by employees over the issue.

According to evidence in the SEC complaint, Facebook boss Mark Zuckerberg was not aware of the scandal until it emerged again in the US press in March 2018. “We believe this to be particularly egregious given that we have been told that these issues should have been reported through senior management and that the buck ultimately stopped with Mr Zuckerberg himself,” Collins wrote to Clegg in the letter.

The DCMS committee has urged the government to crack down on the Silicon Valley firm over concerns about data misuse, user safety and misinformation. Collins has repeatedly called on Zuckerberg to appear in front of MPs, but the tech boss has yet to accept the invitation.

Netflix last week released its eagerly-anticipated documentary The Great Hack, which explores the Cambridge Analytica scandal, to mixed reviews.

Facebook said it will respond to the committee’s letter “in due course”.

Qualcomm shares tank as China weakness chips away at figures

JAMES WARRINGTON
@ja_warrington

QUALCOMM has warned of a sharp drop in revenue for the fourth quarter as it battles against a slowdown in the smartphone market and difficulties in China. The chipmaker cautioned against “continued weakness” in China demand, and blamed the growing market share of tech giant Huawei.

Qualcomm also pointed to sluggish smartphone sales, as consumers hold on to their devices for longer and the market prepares for the transition to 5G spectrum. The US semiconductor firm said it expected fourth-quarter revenue of between $4.2bn (£3.3bn) and $5.1bn, a decline of up to 26 per cent year-on-year. The bleak outlook left investors reeling, with shares in Qualcomm dropping more than seven per cent in pre-market trading. However, shares recovered some of the losses to close at 2.68 per cent.

The warning came as Qualcomm reported a 73 per cent rise in revenue to $9.6bn in the third quarter.

Mobile provider Three posts a drop in revenue amid its 5G investment

JAMES WARRINGTON
@ja_warrington

MOBILE provider Three UK yesterday posted a slight slip in revenue for the first half as it gears up to launch its 5G network.

The firm reported a two per cent decline in revenue to £1.2bn in the first six months of the year, while total margin dipped one per cent to £721m.

It comes as the operator prepares to launch its new high-speed network this month, with plans to reach 25 towns and cities across the UK by the end of the year.

Three’s active customer base rose one per cent to 20.2m customers over the period, while average monthly data usage per customer jumped 29 per cent to 9.1GB.

“The second half of 2019 will see the most important and exciting milestone in our history since we launched the UK’s first 3G network in 2003,” said chief executive Dave Dyson. “Against this backdrop of huge investment in network and IT infrastructure and some dual running costs as we reach this milestone, I am pleased with the underlying strength of the business.”

The firm previously announced that all its existing customer tariffs will include 5G at no extra cost.

In brief

SUBSCRIBER GROWTH BOOSTS VERIZON PROFIT
Verizon has posted better than expected profit for the second quarter thanks to strong growth in phone subscriptions. The US telecoms provider said yesterday it added 245,000 phone subscribers over the quarter, compared to 199,000 in the same period last year. It comes a week after the US Justice Department approved a merger between Sprint and T-Mobile USA. The deal is set to create a new competitor close to the size of Verizon and rival AT&T.

PIRELLI CUTS REVENUE GUIDANCE AGAIN
Italian tyre maker Pirelli cut its revenue guidance for the second time this year, joining a string of suppliers hit by a broader auto industry downturn during the last quarter. Pirelli, which makes tires for Formula One racing teams, yesterday cited prolonged weakness in the new vehicle market and the tougher competitive environment. It now expects its revenue to grow between 1.5 and 2.5 per cent this year, versus an already-lowered guidance of between three and four per cent set after releasing first-quarter results.

KELLOGG RESULTS BEAT ANALYSTS’ FORECASTS
Corn flakes and Pringles-maker Kellogg beat Wall Street forecasts for quarterly sales and profit yesterday, as investments in marketing and product development drove higher demand for snacks, frozen waffles and meatless burgers in North America. The firm has been developing new products to suit changing consumer preferences for healthier food, premium products and smaller portions.
Mandarin Oriental reports profit fall despite Hyde Park hotel reopening

JESS CLARK
@jclarkjourno

MANDARIN Oriental Hotel Group reported a slump in profit yesterday despite the reopening of its Hyde Park hotel.

The five-star hotel was badly damaged in a fire in June 2018 and was re-opened in April following a £130m renovation. Mandarin Oriental, which owns the eponymous hotel in Knightsbridge, posted an eight per cent slump in profit to $641m (€529.27m) in 2019, from $700.2m the previous year following the closure of Hong Kong’s The Excelsior and the ongoing renovation at Mandarin Oriental Bangkok.

In its half-year results to 30 June, the company said earnings at the London hotel, which included insurance coverage for loss of profits due to the fire, were higher than venues elsewhere.

Mandarin Oriental said it expects the reopening of its Hyde Park venue, as well as four new hotels and two new management contracts, to continue to improve its financial performance going forward.

Chairman Ben Keswick said: “The closure of the Excelsior and the renovation in Bangkok have led to reduced earnings in the first half of the year, while overall results for the rest of the group were broadly flat. “Elsewhere, Mandarin Oriental will benefit from its reopened hotel in London as well as the growing pipeline of new developments.”

Bonds bounce back as equity funds lose out

ANNA MENIN
@annammin

BONDS are back in favour with UK investors but equities have continued to struggle amid ongoing political uncertainty.

Around £2.4bn flowed into bonds during June – taking this year’s total inflows to almost £6bn – according to figures released yesterday by the Investment Association (IA).

This included net retail sales of £1.3bn for UK strategic bond funds – the largest inflows since November 2017.

Net retail sales experienced a third consecutive month of inflows, as savers ploughed £2.3bn into funds during the month. This means that net retail sales for the second quarter have now topped £5.3bn.

June was not so kind to equity funds, however, with net outflows totalling £744m. This marks a return to an ongoing trend for outflows after a brief blip in May saw the first net inflows for two years.

IA chief executive Chris Cummings blamed high “political uncertainty” in the UK for equity funds’ poor performance in the last six months. “[This year] has so far been a game of two halves in the fund market. Following £900m of outflows in the first quarter, savers returned in the second quarter to place £5.8bn into funds,” he said.

“Bond funds in particular saw a dramatic bounce back following the sell-off in the fourth quarter of last year, with net inflows of £4.8bn in the second quarter of 2019.”

A Bell analyst Laura Suter echoed Cummings’ assessment of the reasons behind equity’s decline. Clearly, the ongoing debate in June about who was going to be our next Prime Minister and the increased prospect of no-deal Brexit spooked investors, who once again shunned investing in the UK, she said.

Suter added that it was unsurprising that investors were seeking out the “perceived ‘safe haven’ of bonds” amid this turmoil.

However, Suter warned: “Investors need to be careful as a significant number of bonds are now delivering negative yields, while others are failing to beat inflation, meaning that they need to be realistic about the returns they are likely to get.”

Two-thirds fear that artificial intelligence will take their jobs

ANNA MENIN
@annammin

THE PUBLIC is concerned about the impact of artificial intelligence (AI) will have on their jobs and personal data, while some fear the technology could ultimately be responsible for the end of humankind, a new survey today revealed.

Two-thirds of UK adults worry that AI will result in machines taking peoples’ jobs, according to a study commissioned by AI firm Fountech.ai and shared with City A.M.

Around a quarter think AI could bring about the end of humankind, though 62 per cent believe it will do more good than harm.

“People tend to fear what they don’t understand, and today’s research is an example of this,” said founder and chief executive of Fountech.ai Nikolas Kairinos.

BBC gets green light from Ofcom to keep its series on iPlayer for a year

JAMES WARRINGTON
@j_warrington

BBC TV programmes will now be available on iPlayer for a year, after Ofcom approved proposals to expand the on-demand platform.

The broadcaster submitted a request to extend the availability of catchup series from 30 days after broadcast to 12 months, with some available for even longer.

Ofcom yesterday approved the changes, which it said could deliver “significant public value over time”.

“They could increase choice and availability of public-service broadcast content, and help ensure the BBC remains relevant in the face of changing viewing habits,” the regulator said in a statement. But Ofcom warned the move could create competition issues for the on-demand services of other public service broadcasters, and said its approval was subject to conditions. The new rules could even have an impact on Britbox, the joint ITV-BBC streaming service that is set to launch in the coming months, Ofcom warned.

Losses widen at Seeds as deal sizes still grow

ANNA MENIN
@annammin

EQUITY crowdfunding platform Seedrs has reported a record operating loss as it focuses on expansion, but saw a significant increase in average deal size over the past year.

Last year’s net operating losses climbed £4.33m, a 12 per cent increase on 2017. This marks a return to increasing losses after the platform decreased operating losses by seven per cent between 2016 and 2017.

Revenues rose substantially, however, with the investment platform bringing in £4.8m – 56 per cent up on 2018. Despite only a modest increase in the total number of deals made through the site of five per cent, their average size rose 63 per cent over the year, and now stands at £870,000.

In a statement released alongside the results today, Seeds chief executive Jeff Kelisky said that both 2018 and 2019 were “planned investment years” for the company, during which “we will continue our emphasis on expanding the current roadmap while investing on next-level features for our customers.”

Seedrs has raised a total of £6.1m over the last three years, with investors including the troubled Woodford Investment Management and London-listed fund Augmentum Fintech.

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Hit series Killing Eve racked up 42.5m iPlayer requests last year

CRAFT-Y MOVE
Republican Party donor chosen as new US envoy to United Nations

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The new rules could even have an impact on Britbox, the joint ITV-BBC streaming service that is set to launch in the coming months, Ofcom warned.
Shell and Fed’s action weigh on blue-chips

The FTSE 100 ended flat yesterday despite a profit miss from Shell and dampened hopes of big US interest rate cuts, while the mid-cap FTSE 250 index slipped after Brexit worries led the Bank of England to cut its growth forecasts.

The FTSE 100 dipped 0.03 per cent, to 7,584.87 points. Losses were contained by British American Tobacco and London Stock Exchange surged 6.3 per cent to an all-time high after a deal to buy financial information firm Refinitiv.

The FTSE250 fell 0.2 per cent to 19,634.31, as the BoE’s actions overshadowed results from other blue-chip producers. The index’s fate was sealed after Brexit fears sparked a 260-point gain on the Dow Jones yesterday, turning a 300-point gain into a 280-point fall.

Having spent most of the session on track for their best day since June, all three major US stock indices took a beating on a string of profit warnings and as investors quickly turned into sellers after the tweet. The Dow Jones Industrial Average fell 280.85 points, or 1.05 per cent, to 26,583.42, the S&P 500 lost 26.82 points, or 0.9 per cent to 2,953.36 and the Nasdaq Composite dropped 64.30 points, or 0.79 per cent, to 8,111.12.

“Brexit didn’t do the trick for investors to reverse their views that this is a systemic risk,” said Michael O’Rourke, chief market strategist at JonesTrading in Greenwich, Connecticut. “The market should not appreciate that.”

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Hang on tight – populism is back, and the Democratic candidates are veering left

Kate Andrews

There's the sense from this new team that they could even be prepared to look at fresh ideas

When that election does happen, Brexit will still dominate. But beyond that, we are at least starting to get the very slightest sense from this new team that, instead of rebating the old and offering the same old lines, they could be prepared to look at fresh ideas – ones that might even be radical.

In today’s polarising political landscape, this is radical. For the last three years, many in the main parties have retreated to attacking people who dare to vote for them, rather than asking themselves why.

If you don't support Jeremy Corbyn's socialist vision, Labour doesn't want your vote anyway, as seen by the glee of the left when Tony Blair's former spinner Alastair Campbell announced that he no longer felt the party was his home.

And if you're not white and have no influence over national politics, the morality argument (“vote for me because you're right, the other side is wrong, and you're unethical if you don't”) may finally be shifting, with the realisation that you vote for us because we've looked at the evidence and designed policies that work.

We are, alas, unlikely to see much progress on housing, cannabis, or free trade, until after Brexit is sorted, though there is more of a chance for freeports and a sensible approach to immigration.

Until then, the least Prime Minister could do if he wants an easy victory is to drop the anti-feline dogma and let parliament get a cat or two.
The SUCCESSFUL economies of the future will be those that effectively seize the potential of digital technology. It is particularly important that we in the UK take heed of this message, as businesses face ongoing uncertainty in the approach to the government’s Halloween Brexit deadline.

So what progress is being made to realise this potential? Well, all four UK mobile operators are launching 5G networks this year, providing a platform for new digital services that will leave no industrial sector untouched by the positive and transformational impact offered by this new technology.

Mobile connectivity is well on the way to eclipsing fixed connectivity in its importance to the economy. That eclipse could be complete by 2026. It has been encouraging to see our new Prime Minister repeatedly state his commitment to deliver full-fibre broadband to every UK home by 2025. However, that timescale is challenging – only seven per cent of UK properties so far have full-fibre broadband – and it will cost about £30bn.

The good news for the government is that there is a plan already on the table that will deliver more powerful results, at a quicker pace, for a fraction of the cost.

The Shared Rural Network (SRN) is a programme of mobile digital infrastructure development and investment, put together collaboratively by the UK’s four mobile operators. Its objective is to improve mobile coverage massively in rural areas across the UK.

Mobile coverage has already improved a great deal in recent years – funded and delivered by the mobile industry. 4G coverage is now provided in almost all locations where there is a business case for doing so, including 99 per cent of properties.

However, only 67 per cent of UK landmass receives 4G coverage from all four operators, and about seven per cent of the UK receives no 4G coverage at all. That is why all four operators put together the SRN to transform and expand our respective rural digital infrastructure into a single network asset that we can all use and share.

But if the SRN is to achieve its fullest impact, the government must fund a programme of infrastructure expansion in rural areas by reducing the £200m annual spectrum licence fees paid by the industry.

This measure should replace the regulator Ofcom’s original intention to offer discounts of between £700m and £800m on certain licences in the next spectrum auction in exchange for immediate payment.

Only 67 per cent of UK landmass receives 4G coverage from all four operators.

The implementation of the SRN can then begin to lift all-operator 4G landmass coverage from its current level of 67 per cent to 92 per cent.

If the government truly believes that mobile connectivity is an essential service, it must take the decisions that are required to enable its delivery.

To do otherwise would deprive businesses and consumers in rural Britain of better mobile coverage, and discourage the investment needed to deliver widespread connectivity, 5G leadership, and a successful economy.

Mark Evans is chief executive of O2.

Debate

Is it fair to consider ITV’s Love Island the biggest advertising opportunity of 2019?

Whether the show was the “biggest advertising opportunity” depends on what that brand was trying to achieve. While the women’s World Cup earlier this year, for example, had a much larger audience, its demography was far less specific and loyal.

For brands chasing the millennial pound – especially in the fashion and beauty industries – Love Island was undoubtedly fruitful.

It’s not just the show itself, but its network effect.

Start from the basic premise that everything on the show is an ad. You run a TV ad campaign, your product appears in the show, the contestant’s millions of followers see it on Instagram, your social media team jumps on the right hashtags, and consumers engage with it.

At that point, there’s barely a person vaguely interested in the show who hasn’t seen your message. That’s some opportunity.

It’s little wonder that ITV has announced a winter series which, at Christmas, may prove very successful.

Dave Lawrence is planning partner at creative agency Brave.

There’s no denying that Love Island is an advertiser’s dream. The final received 3.6m viewers – that’s 3.6m chances to engage customers through product placement, sponsorship deals, and advertising spots.

But to claim that it was the biggest advertising opportunity of 2019 is an overstatement, and perhaps myopic.

Other big advertising opportunities are manifest, yet often overlooked.

Take the women’s World Cup, which drew in 8.2m viewers, or the last season of Game Of Thrones, which had 3.4m UK eyeballs for the final episode.

Love Island’s viewing figures are high but not an anomaly – Coronation Street averages more viewers, and Love Island has a sell-by-date.

Dave Lawrence
WHERE TO LIVE FOR THE BEST COMMUTE

This outer London borough has just been named London’s ‘most commutable,’ says Helen Crane

Sweaty summer mornings on the Northern line getting you down? Been apologised to over a tannoy one too many times? Sick of travelling with a lower level of comfort than someone’s handbag?

You might want to consider a move to Richmond Upon-Thames, which despite all of its train and tube stations being in zones three to six, comes out top in a survey of the best London boroughs when it comes to commuting.

The survey, carried out by estate agent LiFE Residential, asked more than 700 residents across all of the 33 boroughs not just about the time it takes to get from A to B but also the cost, how friendly their fellow commuters are and how ‘satisfied’ they are with their commute as a whole.

‘Richmond station has fast train connections to London Waterloo in as little as 21 minutes, while most other train stations in the borough can reach it in less than 30. Many are also on the District Line or London Overground,’ while Merton in South West London is rock bottom on the overall index, owing largely to it having the longest average commute time at an agonising 62 minutes.

It also had the second-highest monthly cost at £137, topped only by Havering’s £147. Unsurprisingly Kensington & Chelsea has the shortest commute at 26 minutes, and this contributes to it coming second in the overall ranking. The average London commute lasts a fairly reasonable 39 minutes and costs £96 per month.

The overall top five is completed by Islington, Sutton and Southwark, while Kingston upon-Thames, Hillingdon, Harrow and Bexley languish in the bottom five.

Sutton’s commuters are the friendliest, with a rating of 66 per cent, while Redbridge’s have the most room for improvement at 48 per cent.

West Londoners are generally a friendlier bunch than East, with Hillingdon and Richmond also scoring highly at 63 per cent. Residents of Hackney and Newham could probably do with a refresher on their public transport etiquette, having both scored a fairly low 51 per cent.

ARE HOUSE PRICES IMPACTED?

But how much do people take the commute into account when it comes to deciding where to live – and can the prospect of an easy journey increase the price of homes?

Jonathan Worth, managing director of LiFE Residential, says that ultimately it is one of many factors.

“House price increases are really controlled by supply and demand. But when you look at individual locations, that supply and demand dynamic is definitely affected by factors like the ease of the commute,” he says.

For example, he says people who have a stress-free journey to work tend to stay in their property for longer, resulting in “not as much movement” in areas that are particularly well-connected.

This can mean that prices are driven up when a property does come on the market – something that has definitely been the case in desirable Richmond.

Worth adds that areas on the Crossrail line could become more popular once the stations open – particularly in the boroughs of Tower Hamlets and Newham which will be home to the Canary Wharf and Custom House stations. Developments here will benefit from being the first places commuters see when they come out of the tunnelled section of the route, he says.

If you are reading this halfway through a gruelling 62 minute journey from Merton, take note – it doesn’t have to be this way.
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FOCUS ON

HACKNEY’S FIELDS OF DREAMS

Homeowners who bet on London Fields 20 years ago are some of the canniest in the capital. Then, homes in the leafy-for-Hackney neighbourhood were worth 17 per cent more than the London average, according to Hamptons International – but today that has jumped to a huge 52 per cent, translating to £240,000.

“Once an unloved suburb of Hackney, today London Fields has become the new home for families, young couples and professionals,” says Marsh & Parsons’ Simon Vaughan.

It’s not hard to see why. The area boasts an 11-minute commute to Liverpool Street via London Overground, and prime streets such as Albion Square and Lavender Grove are home to some of the prettiest housing stock second-steppers wanting to stay local might need to “look a little further east for the value and the space that they want,” according to Suter. Prices have dropped off a little in the last year, with the all-property average falling by £40,000 to £785,547 in the 12 months to April 2019, according to Savills – but this is broadly in line with the fall experienced across the capital as a whole.

The most prominent new build in the area is Union Developments’ industrial-style Monohaus apartment block on Mare Street, where eight three-bed apartments and two duplex penthouses are still available, with prices starting at £799,000 and £1.05m respectively. The development is home to London’s first POPfit fitness studio, which was co-founded by actress Kate Hudson.

You won’t feel quite as smug as those who took a punt on the area 20 years ago – but there are still plenty of reasons to buy in London Fields.

DUCT ON

LONDON FIELDS

in Hackney. The heated London Fields Lido and eponymous park are a draw for families, and Broadway Market is the perfect place for the hipster crowd to get their Saturday morning sourdough.

Flats account for around two-thirds of the housing available in London Fields, with the remainder largely made up of Georgian and Victorian terraces.

“Once people find London Fields, they tend not to want to leave,” says Bradley Suter of Savills’ Hackney office, adding that buyers pay a premium of 30 per cent against the wider Hackney market to secure a home there. The average flat will set you back around £506,000 according to Zoopla, and those seeking a terraced house will need to double that, paying an average of £1.02m. This means that

London Fields’ green spaces, lido and Victorian and Georgian terraces make the area attractive to families

in Hackney. The heated London Fields Lido and eponymous park are a draw for families, and Broadway Market is the perfect place for the hipster crowd to get their Saturday morning sourdough.

Areas

in Hackney.

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FOCUS ON

LONDON FIELDS

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It’s not hard to see why. The area boasts an 11-minute commute to Liverpool Street via London Overground, and prime streets such as Albion Square and Lavender Grove are home to some of the prettiest housing stock second-steppers wanting to stay local might need to “look a little further east for the value and the space that they want,” according to Suter. Prices have dropped off a little in the last year, with the all-property average falling by £40,000 to £785,547 in the 12 months to April 2019, according to Savills – but this is broadly in line with the fall experienced across the capital as a whole.

The most prominent new build in the area is Union Developments’ industrial-style Monohaus apartment block on Mare Street, where eight three-bed apartments and two duplex penthouses are still available, with prices starting at £799,000 and £1.05m respectively. The development is home to London’s first POPfit fitness studio, which was co-founded by actress Kate Hudson.

You won’t feel quite as smug as those who took a punt on the area 20 years ago – but there are still plenty of reasons to buy in London Fields.

in Hackney. The heated London Fields Lido and eponymous park are a draw for families, and Broadway Market is the perfect place for the hipster crowd to get their Saturday morning sourdough.

Flats account for around two-thirds of the housing available in London Fields, with the remainder largely made up of Georgian and Victorian terraces.

“Once people find London Fields, they tend not to want to leave,” says Bradley Suter of Savills’ Hackney office, adding that buyers pay a premium of 30 per cent against the wider Hackney market to secure a home there. The average flat will set you back around £506,000 according to Zoopla, and those seeking a terraced house will need to double that, paying an average of £1.02m. This means that

London Fields’ green spaces, lido and Victorian and Georgian terraces make the area attractive to families

in Hackney. The heated London Fields Lido and eponymous park are a draw for families, and Broadway Market is the perfect place for the hipster crowd to get their Saturday morning sourdough.

Areas

in Hackney.

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FOCUS ON

LONDON FIELDS

H

omeowners who bet on London Fields 20 years ago are some of the canniest in the capital. Then, homes in the leafy-for-Hackney neighbourhood were worth 17 per cent more than the London average, according to Hamptons International – but today that has jumped to a huge 52 per cent, translating to £240,000.

“Once an unloved suburb of Hackney, today London Fields has become the new home for families, young couples and professionals,” says Marsh & Parsons’ Simon Vaughan.

It’s not hard to see why. The area boasts an 11-minute commute to Liverpool Street via London Overground, and prime streets such as Albion Square and Lavender Grove are home to some of the prettiest housing stock second-steppers wanting to stay local might need to “look a little further east for the value and the space that they want,” according to Suter. Prices have dropped off a little in the last year, with the all-property average falling by £40,000 to £785,547 in the 12 months to April 2019, according to Savills – but this is broadly in line with the fall experienced across the capital as a whole.

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You won’t feel quite as smug as those who took a punt on the area 20 years ago – but there are still plenty of reasons to buy in London Fields.
This West End pad gets you a pass to a secret garden, says Helen Crane

Where luxury homes are concerned, Mayfair pretty much has it all. A quick scan of current property listings reveals homes complete with built-in pizza ovens, spa treatment rooms and their own chauffeur-driven Bentleys.

There is one area where most of its premium pads fall short, though – access to a garden. Not a roof terrace, not a balcony, but a proper patch of grass.

But now there is a rare chance to buy a home with its own back yard, in a block with access to one of Mayfair’s three ‘secret’ gardens.

Nestled just behind Park Lane, Warburton House is a redbrick neo-Georgian mansion which was redeveloped in the early 2000s to provide seven luxury apartments – one of which has just come on the market with Wetherell for £4.5m.

It is located on Dunraven Street: one of four streets which back on to the private Green Street Garden.

The square includes lawns, fountains, a lily pond and even its own resident ducks. Because it is bounded by homes on all sides, it offers a level of seclusion that you might not expect a stone’s throw from the madding crowd of Oxford Street.

Green Street is one of just three secret gardens in Mayfair, the others being at South Street and Culross Street. The buyer will have to share it with 75 other residents, but compared to nearby Hyde Park it is still very much a relaxing oasis.

The 1,795 sq ft, three-bed property at Warburton House is accessed by a private lift. Its double reception room overlooks the gardens, and two of its three bedrooms have an ensuite bathroom. It also has a utility room, and if the garden wasn’t enough, benefits from its own 330 sqft roof terrace.

Built for a wealthy couple in the early 1900s, it was used from 1917 to 1919 as a military hospital called The Garland Home, which had beds for 36 wounded soldiers from the Great War. Later it was occupied by Sir Eric Hambro, part of the Hambro merchant banking dynasty and a former Conservative politician, and it has also been used as office space.

Peter Wetherell, chief executive of Wetherell, says: “If you are walking in Mayfair, you would never know that behind these grand buildings there lies a secret garden. Given the location and exclusive access to the gardens, we anticipate very high demand for this exquisite property.”
OFFICE POLITICS

Al could solve our productivity puzzle

Business leaders must act now if they want to harness the power of artificial intelligence

At a time of technological innovation and low unemployment, why is UK productivity close to 16 per cent behind other advanced economies in the world?

Experts disagree on the causes of the UK’s “productivity puzzle” – but they, the government, and technology companies like ours agree that artificial intelligence (AIA) will form a crucial part of the solution.

Much has been said about AI’s potential to increase business productivity by cutting costs, saving time, and supporting innovation. Accounting firm PwC has predicted that the UK’s gross domestic product will be up to 10.3 per cent higher in 2030 because of AI.

Meanwhile, Microsoft research has revealed that organisations already on the AI journey are outperforming those that are not by five per cent on factors like productivity, performance, and business outcomes.

By taking on mundane tasks, AI frees up time for people to be more productive and adds more value to their roles. What’s more, the growing use of AI in back-office systems – to scan documents or autofill forms – gives employees time to focus on the more “human” requirements of their job, like critical thinking, empathy, and creativity, which leads to potentially greater job satisfaction.

AI also has the potential to help companies adapt their business models to compete more effectively globally. But leaders must act now, because according to our research, four in 10 UK companies don’t think that their business models will exist in five years’ time.

ACT NOW TO IDENTIFY HOW AI CAN BOOST THE BOTTOM LINE

Business leaders and employees are enthusiastic about AI’s potential – the majority of leaders (67 per cent) and employees (59 per cent) say that they are open to experimenting with AI to do new things at work.

However, for positive transformation to truly take place, every organisation requires a clear roadmap for change – one that gives its people the tools and training to understand how, when, and why to incorporate AI into their jobs, and considers the ethical implications of merging human and machine.

UK businesses should act now by: identifying what problems they want AI to solve; determining how ready their organisation is to build, manage, and support AI applications; and developing a manifesto for using the technology responsibly.

Leaders can then encourage a workplace culture in which employees can experiment with AI solutions, evaluate them, and suggest iterative improvements.

IT’S NOT WHAT AI CAN DO, BUT WHAT IT SHOULD DO

AI must be designed responsibly to unlock its extraordinary value for good. Microsoft’s data shows that this will positively affect the bottom line, with companies that approach AI ethically outperforming the competition by nine per cent.

Amid widespread public concern about how personal data is handled, it’s clear that we need an ethical framework for this technology. As Lord Clement-Jones, chairman of the House of Lords Select Committee on Artificial Intelligence, noted in a Microsoft report: “Today the UK enjoys a position of AI innovation, so as we enter a crucial stage in its development and adoption, the country has a clear opportunity to be a world leader.”

Poor productivity has blighted the UK for too long – and AI presents a huge opportunity, when approached in an ethical way, to significantly improve it. The technology’s potential is bigger than most of us can imagine – but success tomorrow requires action today.

Clare Barclay is chief operating officer at Microsoft UK.
THEATRE

THE WORST WITCH
VAUDEVILLE THEATRE
BY SIMON THOMSON

The Worst Witch is a nice musical for nerdy pre-teens. Based on Jill Murphy’s popular series of children’s books, and adapted by Emma Reeves – who is also responsible for the current series on CBBC – this lively production brings gentle humour and mild peril to the Vaudeville theatre.

The setting, Miss Cackle’s Academy, is introduced as ‘The oldest magical school in Britain; the original, you might say.’ This is the first of many sly digs at Harry Potter, with quick-fire gags favoured over substance or structure. Considering the target audience, this isn’t a bad strategy. Moving into spy movie pastiche is a well-trodden path for animated sequels, but it works, and originality is not high on the list of priorities here. Not every gag is a winner (a riff on ‘Crazy Rich Aztars’ already feels dated), but there’s enough personality in the writing to make even the most obvious jokes forgivable.

The all-women cast is strong, with standout performances from Rosie Abraham as the snobby, vindictive Ethel, and Polly Lister, who gamely ‘Gollums’ her way through the roles of both Miss Cackle and her evil twin, Agatha. The sets are minimal, and the cats that act as the witches’ familiars are crude glove puppets served up with such conviction that it’s easy to suspend your disbelief.

The sequel to 2016’s surprise hit, based on the app everyone played about a decade ago, once again manages to avoid being as eyeball-meltingly terrible as you’d be more than entitled to expect.

Jason Sudeikis returns as the voice of Red, the now not-so-angry bird who must team up with his sworn enemies, The Pigs, to defeat a maniacal purple bird named Zeta (Leslie Jones) who wants to destroy their home.

The first film succeeded by never taking itself too seriously. The same approach is used this time around, with quick-fire gags favoured over substance or structure. Considering the target audience, this isn’t a bad strategy. Moving into spy movie pastiche is a well-trodden path for animated sequels, but it works, and originality is not high on the list of priorities here. Not every gag is a winner (a riff on ‘Crazy Rich Aztars’ already feels dated), but there’s enough personality in the writing to make even the most obvious jokes forgivable.

Sudeikis’ fellow Saturday Night Live alumni Bill Hader is on fine form as the leader of The Pigs, joined by new addition Rachel Bloom as a bird named Silver. Most impressive, however, is Leslie Jones as Zeta. Sequels tend to only be as good as their villains, and Jones strikes the right tone as a preening recluse.

Arriving just in time for school holidays, The Angry Birds Movie 2 is a decent fallback if your younger siblings already know Toy Story 4 off by heart. It may not live long in the memory, but it will make you smile for an hour and a half.

FILM

THE ANGRY BIRDS MOVIE 2
DIR. TURDOP VAN ORMAN
BY JAMES LUXFORD

The idea of The Rock using his absurd muscles to anchor a 4x4 to a mid-flight helicopter get you hot under the collar? If not, there’s nothing for you here, because this spin-off from the Fast and Furious universe is vitally spilling over with the kind of silly stunts that would make your nan tut with disapproval.

The setting, Miss Cackle’s Academy, is introduced as ‘The oldest magical school in Britain; the original, you might say.’ This is the first of many sly digs at Harry Potter, with quick-fire gags favoured over substance or structure. Considering the target audience, this isn’t a bad strategy. Moving into spy movie pastiche is a well-trodden path for animated sequels, but it works, and originality is not high on the list of priorities here. Not every gag is a winner (a riff on ‘Crazy Rich Aztars’ already feels dated), but there’s enough personality in the writing to make even the most obvious jokes forgivable.

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**THE PUNTER**

Bill Esdaile previews day four of the Qatar Goodwood Festival

**W**e have already seen some incredible horses at Goodwood this week and this afternoon Battaash gets the opportunity to match Stradivarius’ feat by winning at this meeting for a third straight year. Last two years he has easily been suited to this downhill track and as long as he doesn’t boil over in the preliminaries, the Group Two King George Qatar Stakes (3.25pm) looks his for the taking.

He has comfortably landed the last two and today’s opposition don’t look particularly strong, so it’s no surprise the bookmakers are offering a best price of 1/3.

This is a race to watch and enjoy rather than bet on, but there are plenty of other punting opportunities.

With a prize fund of £150,000, the Unibet Golden Mile (1.00pm) is one of Europe’s richest mile handicaps and Frankie Dettori fans will be out in force as he is riding hot favourite Mojito.

Trained by William Haggas, who won this race 12 months ago with the Queen’s Seniority, this five-year-old shrugged off an absence of 637 days to comfortably win the Coral Challenge Stakes (2.25pm) today.

There is also the dreaded bounce factor to consider, so at just 7/2 I’m happy to look elsewhere.

The draw is crucial in mile races at Goodwood with a low stall a major advantage – in the last decade, eight winners have come from a single figure berth.

Mojito has stall nine, which isn’t the worst, while last year’s runner-up, Luizito, is down in stall two.

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Mojito has stall nine, which isn’t the worst, while last year’s runner-up, Luizito, is down in stall two. It was hard not to be impressed with Frankel last month and I expect him to follow up in the Group Three Bonhams Thoroughbred Stakes (2.25pm) today.

Duke of Hazzard (3.00pm) and Beat Le Bon (3.30pm) are both strong chances for the day.

The only slight worry is that his Newmarket win was in first-time blinkers, so they will need to work again, but I think that’s a risk worth taking.

It’s a competitive race with the likes of King Ottokar, Turgenev and Biometric, but he looks the best bet at a general 9/2.

Sir Michael Stoute has won the last three editions of the Group Three L’Omarins Queen’s Plate Glorious Stakes (4.40pm) and he can make it four in a row with reigning champion Mirage Dancer.

This five-year-old son of Frankel is unbeaten in three starts over course and distance and can continue his fine record on the Sussex Downs.

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**POINTER TODAY**

Duke Of Hazzard  2.25pm  Goodwood

Beat Le Bon/e  3.00pm  Goodwood

What’s The Story/e  3.30pm  Goodwood

Mirage Dancer  4.40pm  Goodwood

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**GOODWOOD**
Bill Esdaile previews the final day of the Qatar Goodwood Festival

Fallon set for Raucous ride in his first Stewards’ Cup

B ACK in 1861 as many as 45 horses lined up for the Stewards’ Cup (2.40pm), though not all of them passed the starting tape due to a severe lack of competent jockeys.

The number of starters for tomorrow’s £250,000 six-furlong cavalry charge now stands at 28 and you can be sure that every member of the weighing room would love to have a ride in this famous race.

One rider who is extremely popular at the moment, and particularly in handicaps thanks to his 5lb claim, is Cieren Fallon.

Carrying the reputation of father Kieren, a six-time champion jockey and two-time Stewards’ Cup winner, on his 20-year-old shoulders hasn’t proved to be a problem thus far.

He’s ridden 22 winners already this season and is being praised from trainers, owners and fellow jockeys alike.

As was the case when Jason Watson landed this race 12 months ago on Gifted Master with a 5lb claim, Fallon’s weight allowance could prove the difference on RAUCOUS.

Robert Cowell’s six-year-old is a fairly classy individual with plenty of strong form in the book and is well worth a crack at 25/1.

Fourth in the Wokingham at Royal Ascot and then a comfortable winner at Yarmouth last time out, he looks spot on for this and Fallon all-but offsets his mount’s 6lb penalty.

His draw in 18 looks fine but it’s always worth picking one on each side of the track and 16/1 shot SUMMERG-HAND is the other selection in stall six.

Again, the jockey booking is eye-catching with Ryan Moore called in for the ride, while his four runs this season have all been solid efforts but he’s yet to get his head in front.

Connections will be pleased the ground has dried out and he looks like one that’s likely to land a big pot sooner or later.

The final day of Glorious Goodwood gets underway with the Qatar Stewards’ Sprint Handicap (1.50pm), or the Stewards’ Cup Consolation Race to you and me.

A field of 24 is set to line up and punters will get a chance to see if there is any draw bias ahead of the big one at 3.40pm.

Winners have come from all over the track in the past decade, although it has generally paid to be somewhere in the middle rather than directly out on each wing.

My first selection is BALLQUINN for the Andrew Balding stable who won this race two years ago with Scorching Heat.

The four-year-old has run twice this season, putting in two excellent performances with seconds at Ascot and Newmarket.

He looks to be improving quickly and James Doyle is a very interesting jockey booking.

There’s a chance that his draw in stall 19 might be a little high, but hopefully they’ll come up the middle which will reduce the effect of any bias.

I’m convinced this son of Acclamation is better than his handicap mark of 82 and he is worth backing each-way at 10/1.

I’ll take one on the other side as well and the safest option is Richard Hughes’ PUDS who has been so consistent this term.

In six outings since March, he hasn’t finished outside the first three and was a very good second to Lake Volta over course and distance two starts back.

He comes out of stall six and looks a fair price at 14/1.

Classy Skyline can give Elsworth more Goodwood success

A NUMBER of runners in tomorrow’s Qatar Summer Handicap (2.25pm) will have aspirations of taking part in the Sky Bet Ebor at the end of the month.

Like with many of Goodwood’s tricky handicaps, the market is headed by a Mark Johnston runner.

He saddles King’s Advice who bids for his trainer a second win in the race in the past five years.

Since moving to the Johnston yard, the son of Frankel has run eight times and incredibly has only been beaten once.

His most recent victory in the bet365 Trophy at Newmarket meant he has improved an astonishing 37lbs this season and it’s no surprise to see him head the market at 4/1 with Coral.

He’s three from three at this 1m6f trip and will almost certainly go well, but he’s got another 7lbs to deal with and instead I fancy the horse that chased him home on a number of occasions since.

I know he’s yet to get his head in front.

His start in the Northumberland Plate was his first in a handicap in over a year and he wasn’t disgraced in finishing 11th, beaten just over seven lengths.

He made up plenty of ground at Newmarket last time to finish third and given the handicapper has raised his class, he looks the best bet in the race at 10/1 with Coral.

@BillEsdaile

POINTERS TOMORROW

Desert Skyline e/w 2.25pm Goodwood

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The club's meteoric rise under the ownership of the so-called Class of '92 – the six ex-players own 10 per cent each, with the rest held by Singaporean billionaire Peter Lim – has been unprecedented, but manager Graham Alexander insists it's not all down to cash, it's about being optimistic. We're positive about what we can do in the future, but the one thing you can't do in football is hide away from the fact we have a good football team. We have to keep on improving and we'll see what this season brings us.

OPTIMISTIC
While the club's ambitions are sky-high and given weight by the financial resources of their owners, Alexander is keen to temper expectations, if simultaneously buoyant at the prospect of taking this once small-time club to the top. “If people asked five years ago, ‘would Salford be in the Football League?’, people would be saying that was optimistic,” the 47-year-old says. “There’s nothing wrong with being optimistic. We’re positive about what we can do in the future, but the one thing you can’t do in football is hide away from the fact we have a good football team. We have to keep on improving and we’ll see what this season brings us.”

“MONEY DOESN’T ENSURE SUCCESS”
Former Scotland right-back Alexander, who played in the Premier League with Manchester United, has been busy bettering themselves with a number of additions this summer, signing Richie Towell from Brighton, Luke Armstrong from Middlesbrough, Martin Smith from Swindon Town and Cameron Burgess on loan from Scunthorpe, among others. They add to the quality signings made last summer, such as Adam Rooney, who joined from Aberdeen on a contract worth a reported £4,000 per week. It is the kind of business that has led to accusations of buying success, most publicly from outspoken Accrington Stanley owner Andy Holt, and also Salford become the pantomime villains of the National League, with Hartlepool boss Craig Hignett comparing their “frightening” spending capabilities to a League One side.

“Everyone is entitled to their opinion, whether it’s factually right or wrong is up for discussion, but listen, we never hide away from the fact we have a good competitive budget for the league we’re in,” Alexander says. “We don’t try to pull the wool over people’s eyes with that, but you still have to do an awful lot of work. Money doesn’t guarantee success.”

Although there has been a barrage of criticism, the owners have been on hand to offer Alexander all the support they need. Naturally, they have a say in all major decisions, but when it comes to footballing matters, the manager is left to his own devices.

“The main link I have is through Gary,” Alexander says. “We communicate most weeks and talk about the players, the games, we can improve – just normal manager-owner discussions.

‘They’ve brought me in to manage the football side and that’s what they allow me to do. They’re always there for support, that’s the biggest thing I noticed throughout last season.

“Through the good times, and especially through the bad times, there was great support from the owners and that means a lot, not just to me, but to my staff and players.’

City aiming to prolong their domestic dominance
Guardiola’s side to use Community Shield as part of a wider goal, writes Michael Searles

This year’s edition, which usually pits the Premier League winner against the FA Cup winner, sees domestic treble winners and current holders Manchester City face league runners-up Liverpool.

Both are anticipated to be the main contenders for major honours once again this season, and even if there is little more on the line than bragging rights, it is certainly a game that both sides would rather win than lose. It also presents an opportunity to start the season on a positive note and to instil or maintain a winning mentality. It is a tact that Jose Mourinho has been particularly fond of over the years, claiming multiple Community Shields and League Cups as stepping stones on the route to bigger honours.

Manchester City’s similar success under Pep Guardiola, winning this fixture last year on the back of a domestic double before sweeping all three English trophies, suggests he favours the same ethos. Liverpool boss Jurgen Klopp, meanwhile, last week bailed at talk of the match being a meaningless friendly.

Reflecting on City’s treble, Kyle Walker last week noted that his side “won three trophies and the Community Shield” – implying what many fans have come to believe, that the prize does not qualify as a trophy.

Yet at the same time, it was worth mentioning. The victory ensured there was no let up on their domestic dominance and may have helped to propel them to that unprecedented trophy haul. Or perhaps winning it was merely a consequence of their desire to win every single game.

While winning adds another notch to the belt of those involved, the Community Shield has proven itself to be an unreliable predictor of success for the season.

Guardiola won the Community Shield and a treble last year...
THE BEGINNING of a new season is special for every football fan, but for those at Brentford, tomorrow’s Championship fixture against Birmingham will hold extra significance. It will be the final time the Bees kick off their campaign at Griffin Park before moving on to pastures new - 0.5 miles up the road, to be precise, to the state-of-the-art Brentford Community Stadium for the 2020-21 season.

The man who has brought in to steer that project to completion is Jon Varney, who was appointed chief executive in March. There can be few better qualified to oversee an historic year for the club and the farewell to their home of 116 years than a life-long fan and season-ticket holder. “At first I was really quite apprehensive about taking the job because it’s my club, it was my escape at the weekends to come down to Griffin Park,” Varney tells City A.M. “But the more I looked at what the brief was – the football side of the business is in good shape – the focus was very much on trying to make a step change for the commercial business and that was in my sweet spot.”

With an array of experience in sports business from his time as commercial director of Premiership Rugby to founding marketing agency Pitch International, Varney appears well placed to bolster Brentford’s commercial success as they move to a new 17,250-seater stadium. But the first pri-
went on to play a number of games in the B team. He developed, he then Mepham, who we acquired and put in ready and into the first-team. valuable pathway of getting players year-old. “The B team has proved an in-
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phy implemented since Matthew Ben-
new stadium.”

DIFFERENT WAY

The long-term dreams are bigger, how-
ever, as Varney works to ensure Brent-
ford are Premier League ready.

The new chief executive is happy with the unique footballing philoso-
phy implemented since Matthew Ben-
ham took over the club in 2012, which includes the Bees favouring a B team instead of a traditional youth academy and expertly playing the transfer mar-
ket to turn a sizeable trading profit.

“We’re fiercely committed to doing things in a different way, because if we
don’t, we’re then just competing alongside everybody else,” says the 49-year-old. “The B team has proved an invaluable pathway of getting players ready and into the first-team.

A prime example was Chris Mepham, who we acquired and put in the B team. He developed, he then went on to play a number of games in our first team, became capped by Wales, and then we sold him on to Bournemouth for a significant profit.”

While there is little question that Brentford’s ability to consist-
tently finish in the top half of the Championship while making money from player sales is commend-
able, there has been room for improve-
ment in the other main revenue stream. “I think it’s fair to say the busi-
ness part of the club, what I would call the engine room, was underperforming. Not because they weren’t doing a good job, but the reality is this sta-
dium has been a handbrake for the business,” he adds.

“We are prob-
ably one of the lowest performing commercial operations [in the Championship] and clearly, the new stadium is the catalyst for change. The handbrake comes off and it gives us a significant oppor-
tunity to grow revenue.”

One of the changes Varney is already working on is integrating the different off-field teams at the club into one, open-plan office to create a more col-
laborative approach, as well as invest-
ing in the partnerships team, venue optimisation and digital and business communications. It will be equally im-
portant to ensure the club grow spon-
orship deals going into the new sta-
adium, which has already received naming rights interest, as well as get-
ting new partners on board.

“Our new stadium is located on what we call the Golden Mile, from Sega down to Fullers’ Brewery in Chiswick,” says Varney. “We can deliver [locally-based businesses] an unbelievable CSR [corporate social responsibility] plat-
form right in the heart of the commu-
nity they are embedded in.”

However, they remain committed to bringing current partners on the jour-
ney too, including shirt sponsor Fullers, which has long held a relation-
ship with the club. In another bid to boost revenue, the ground will become the home of rugby club London Irish and is open to hosting other “mid-tier” events that would not fill the likes of the Tottenham Stadium or Wembley, such as international, women’s and younger age group football.

The club’s ambition is clear, and in the last five years it has been heading on an upward trajectory, on and off the pitch, all with the aim of promo-
tion in mind. It would be some accom-
plishment for a club of their size in the notoriously competitive second tier.

“The Premier League is not a long-
term goal, it’s something we think is achievable,” says Varney. “Year on year we are building a better squad and bet-
ter business. It will happen when it happens, I’ve just got to make sure the business is ready for when it does.”
Smith's 144 helps Australia bounce back after Broad's onslaught on day one at Edgbaston, writes Felix Keith

Yesterday was a big day for Steve Smith. The first day of an away Ashes series and, more pertinently, the first Test match 16 months on from his very public shaming, lying, tears and grovelling.

The pressure was on at Edgbaston, but Smith didn't show it, blocking out the bow, with a patient, dogged and vitally important innings of 144 to ensure Australia moved from the brink of embarrassment at 122-8 and into the realms of advantage on 284.

Smith's unorthodox technique doesn't make him the prettiest to watch, but he's incredibly effective, forcing bowlers to deliver the ball where he wants it. Almost singlehandedly he tipped the scales, reaching a brilliant 100 before accelerating to inflict real damage on England.

The year way has done him no harm; the former captain is simply in a league of his own at the top of Test averages 62.18 in Test cricket but it was his subtle skill that was important, the performance of Broad meant the loss of the country's greatest ever fast bowler was softened.

Broad's most famous spell – his 8-15 to bowl Australia out for 60 at Trent Bridge in the 2015 Ashes – came with Anderson on the sidelines and with his partner in crime stricken and England's second most successful bowler stepped up to the plate again.

It didn't measure up to some of his former hot streaks – Broad has taken five wickets in a single spell seven times – and he enjoyed a chunky fortune, but he showed all his skill to take 5-86, move onto 100 wickets for the Ashes, but the performance of Broad meant the loss of the country's greatest ever fast bowler was softened.

Woakes's Skill
Joe Root lost the toss at Edgbaston, but after the first hour it looked a stroke of good fortune as England gave the crowd a chance to voice their opinions on the sandpaper three.

Broad sent David Warner and Cameron Bancroft on their way past

O Anderson injury leaves England with Ashes issue
O England face a nervous wait on the fitness of Jimmy Anderson after the fast bowler was forced from the field on day one of the Ashes with an injury. Anderson left Edgbaston to go to hospital and have a scan on his calf, which he felt tightness in after bowling his fourth over against Australia. The 37-year-old was passed fit to bowl Australia out for 60 at Trent Bridge in the 2015 Ashes – came with Anderson on the sidelines and with his partner in crime stricken and England's second most successful bowler stepped up to the plate again.

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