CITY AM.
BUSINESS WITH PERSONALITY

BLAST FROM THE PAST
A NEW SUPERCHARGED £90K CLASSIC MINI P18

HEARTBREAK HOTEL WHEN HOLIDAYS GO WRONG P17

Gove points the finger at Brussels

CATHERINE NEILAN

THE UK has accused the EU of refusing to budge on Brexit negotiations and insisted the bloc “must change its stance” if a no-deal exit is to be dodged.

Ireland’s Leo Varadkar yesterday said he was confident a no-deal Brexit could still be avoided, despite Prime Minister Boris Johnson stressing the UK will leave the European Union “do or die”, come 31 October.

Varadkar added he had invited the UK’s new leader to Dublin for talks “on the basis of no pre-conditions”, and that he stood by that offer.

Michael Gove, who is overseeing no-deal preparations, argued that if the EU is serious about avertting a no-deal Brexit, talks must include the backstop.

He stressed the agreement struck under Theresa May had failed to win the backing of the Commons.

“We can’t have a deal that doesn’t command the confidence of the government, the parliament and the country and that is why we have been clear with the European Union that we need a new approach,” he responded.

“We stand ready to engage with the EU to negotiate in good faith... We will put all our energy into making sure we can secure that good deal.

“At the moment it’s the EU that seems to be saying they’re not interested, they are simply saying ‘no we don’t want to talk’. Well I think that’s wrong and sad. It’s not in Europe’s interest.”

Varadkar said earlier in the day: “There are many ways by which a no deal can be avoided, either through negotiation of no pre-conditions, or through the use of legal mechanisms to secure that good deal.

“Gove: The EU is ‘wrong and sad’ to not renegotiate

Our position is that the withdrawal agreement, including the backstop is closed, but there is always room for discussion... We can certainly make changes to the political declaration, and we have demonstrated before to offer clarifications as we did at the request of Prime Minister May in the past.”

Yesterday the pound hit its lowest level against a basket of currencies since August 2017, when a previous tussle over Britain’s “divorce payment” to the European Union had sparked a sell-off.

Meanwhile a group of MPs launched legal action designed to stop Johnson from forcing through a no-deal Brexit by shutting down parliament.

Liberal Democrat leader Jo Swinson, SNP MP Joanna Cherry and former Labour MP Heidi Allen are among the 75 politicians from both houses putting their name to legal papers lodged at the Court of Session in Edinburgh.

Beijing hits back after US Treasury labels China a currency manipulator

HARRY ROBERTSON

CHINA’s central bank has hit back at Washington’s move to officially call Beijing a currency manipulator, saying it would “severely damage international financial order and cause chaos in financial markets”. The People’s Bank of China (PBoC) said it “has not used and will not use the exchange rate as a tool to deal with trade disputes”.

The rebuttal came after the US Treasury on Monday night accused China of currency manipulation, saying it had taken “concrete steps to devalue its currency” to “gain unfair competitive advantage in international trade”.

The US’s statement followed a severe drop in the value of China’s currency the remnimbi to the seven-per-dollar level not seen since the financial crisis. It climbed 0.3 per cent against the dollar yesterday as China stemmed its fall.

Last week the US slapped 10 per cent tariffs on $300bn (£246.5bn) of Chinese goods, meaning almost all Chinese exports to the US are nowtariffed. China then said its companies are to stop buying US agricultural products in retaliation.

Chinese tariffs on the US’s valuable soybean exports have already caused the US to spend tens of billions of dollars compensating farmers.

Yesterday the Chinese central bank said China “advised the United States to rein in its horse before the precipice, and be aware of its errors, and turn back from the wrong path”. US and European stocks also had a rocky day yesterday following a sharp equities sell-off on Monday in favour of safer assets.

Disney’s earnings per share hit $1.75, excluding some items, below analysts’ expectations of $1.75, according to data from Refinitiv.

Earlier this year Disney bought 21st Century Fox’s TV and film assets for $71bn, earning it a large catalogue of films for its new streaming site, which will charge $2 less than Netflix. Revenue rose 33 per cent to $20.3bn, while analysts had been expecting $21.5bn.

Disney’s earnings per share hit $1.35, excluding some items, below analysts’ expectations of $1.75, according to data from Refinitiv.

AUGUST GRAHAM

RECORD $8bn (£6.6bn) box office takings did not spare Disney investors from taking a hit last night as the company missed expectations.

Shares dropped five per cent in after-hours trading as operating losses widened its $553m from $168m a year ago. It comes as the firm increased spending on ESPN Plus and built Disney Plus, a streaming service to rival Netflix.

AUGUST GRAHAM

DISNEY’S STREAM DREAM: P11

© DISNEY’S STREAM DREAM: P11

© THE DEBATE: P15

© DISNEY’S STREAM DREAM: P11

© THE DEBATE: P15

© DISNEY’S STREAM DREAM: P11

© THE DEBATE: P15

© DISNEY’S STREAM DREAM: P11

© THE DEBATE: P15

© DISNEY’S STREAM DREAM: P11

© THE DEBATE: P15
IT’S TIME FOR ASHLEY TO TAKE HIS FIRM PRIVATE

THE RELATIONSHIP between the City and unpredictable retail tycoon Mike Ashley has been on the rocks for a while. Shares in Sports Direct are down 45 per cent since last year following a spate of questionable acquisitions and corporate governance blunders. Last month the retailer’s repeatedly delayed release of its full-year figures was widely regarded as an utter shambles. When the results finally emerged after the market closed, they featured a shock £605m tax bill from Belgian authorities. Sports Direct also abandoned all guidance for 2020 as it admitted that buying beleaguered department store House of Fraser in August last year could have been a mistake. The retailer, which Ashley once declared he would transform into the “Harrods of the high street”, was facing “terminal” problems. “If we had the gift of hindsight we might have made a different decision,” the company conceded.

Shareholders can only hope that Ashley will not be saying the same thing about his most recent acquisition in a future set of results. The retail mogul bought Jack Wills out of administration on Monday, adding the high-end brand to his rapidly expanding empire that also includes video games, bicycles and soft furnishings. He has made failed bids for Debenhams and online retail group Findel. “Imagine if I was private, I’d be uncontrollable,” Ashley said following the publication of the company’s results last month. The irony will not have been lost on shareholders. Responsible investment campaign group Share Action yesterday said “the list of leadership failings at Sports Direct is endless.” The company has been a corporate governance headache for years, from lack of independence to poor workforce practices,” it said. A spokesperson for the UK Shareholders Association added that Sports Direct and Mike Ashley have become “poster boys” for lax corporate governance.

Meanwhile, as Sports Direct’s acquisitions stack up, Ashley’s ultimate master plan remains a mystery. The logic behind buying up the high street is unclear as he juggles bargain brands with high-price fashion. The businessman has always liked a flutter – and there is nothing wrong with that – but he is gambling with shareholders’ money. Despite shooting down the suggestion that the eventual goal is to delist Sports Direct, the firm is still not behaving like a public company. Little wonder some in the City feel that Ashley’s experiment would be better conducted in private.

MC DONNELL’S SCOTTISH PLEDGE Labour shadow chancellor says party is open to second bash at Scottish independence vote

Labour will not get in the way of a second referendum on Scottish independence, shadow chancellor John McDonnell said yesterday, contradicting the position of Labour’s leader in Scotland. McDonnell’s comments, said at the Edinburgh Fringe Festival and reported by the BBC, come after first minister Nicola Sturgeon said there is “growing urgency” for independence.

HSBC eyes ex-Deutsche man for asset unit

HSBC is preparing to appoint a former Deutsche Bank and Axa UK executive as head of its £50bn (£41bn) asset management arm. Nicolas Moreau, who left Deutsche subsidiary DWS last year, will be named for the role today.

It comes two days after HSBC ousted its chief executive John Flint after just 18 months.

Yesterday the company agreed to pay out almost £300m (£275m) following a settlement with Belgian prosecutors over a tax-dodging case.

The lending giant’s Swiss private banking branch reached a deal which committed it to halt certain offshore services, bolster transparency and draft in an anti-fraud director.

Woodford sells stake in Eurocell

SEBASTIAN MCCARTHY

Neil Woodford has sold off his entire stake in Eurocell as the underfire stockpicker battles to shore up the health of his own troubled Equity Income fund.

The former star investor dropped his 16 per cent holding in the plastic window and door firm Eurocell last week, ramping up his sell-off spree after a torrid two months.

Woodford’s sale came on the same day as Eurocell reported a narrowing of pre-tax profits, as costs grew in the wake of acquisitions and new store openings.

Eurocell’s share price tumbled three per cent on its latest financial report, capping off a year which has seen shares in the group fall by more than 20 per cent in value.

One source told City A.M. the majority of Woodford’s stake had been purchased by existing shareholders.

Woodford has been dumping shares in a swathe of businesses as part of a fire sale to raise cash for his flagship Equity Income fund, which was suspended in June after becoming overwhelmed by investor withdrawals.

According to the Telegraph, which first reported Woodford’s move to drop his stake yesterday, the investor’s asset fire sale has now risen above £800m. Online estate agent Purple-bricks has been among the unsuccessful listed investments Woodford has released in recent months.

Late last month the administrator of the Woodford Equity Income Fund, Link Asset Services, warned that it would likely take a further four months before the investment vehicle would reopen.

Woodford Investment Management and Eurocell declined to comment.

FOLLOW US ON TWITTER @CITYAM

WHAT THE OTHER PAPERS SAY THIS MORNING

Facebook has filed a lawsuit against two Asian app developers for advertising fraud, the social media network said yesterday, signalling a move to crack down on abuse of its platform.

The company said that it had filed the suit against Lionmobi and Jedimos for so-called “click injection” fraud that infected users’ phones with malware that would create fake clicks on mobile ads on Facebook.

Mastercard has announced a $3.2bn (£2.63m) purchase of the real-time payments unit of Denmark-based Nets Group. The deal, the biggest acquisition in Mastercard’s history, gives the card network the infrastructure for real-time payments between bank accounts in Europe.

Pakistan’s army has said it is “prepared and shall go to any extent” to support Kashmir after India imposed direct rule on the state, threatening a new crisis that could destabilise the region.

The US Food and Drug Administration said “data manipulation” took place during company studies of Zolgensma, the world’s most expensive drug, which is used to treat spinal muscular dystrophy, but officials said the gene therapy product should be available.

China is growing impatient with Hong Kong protests

China’s top office for Hong Kong affairs signalled Beijing’s warning patience with protesters in Hong Kong, warning them not to underestimate the strength of the central government and urging the local police to punish those who break the law.

AUGUST GRAHAM AND SEBASTIAN MCCARTHY

@AugustGraham @SebMcCarthy

AUGUST GRAHAM

Facebook has filed a lawsuit against two Asian app developers for advertising fraud, the social media network said yesterday, signalling a move to crack down on abuse of its platform.

The company said that it had filed the suit against Lionmobi and Jedimos for so-called “click injection” fraud that infected users’ phones with malware that would create fake clicks on mobile ads on Facebook.

Mastercard has announced a $3.2bn (£2.63m) purchase of the real-time payments unit of Denmark-based Nets Group. The deal, the biggest acquisition in Mastercard’s history, gives the card network the infrastructure for real-time payments between bank accounts in Europe.

Pakistan’s army has said it is “prepared and shall go to any extent” to support Kashmir after India imposed direct rule on the state, threatening a new crisis that could destabilise the region.

The US Food and Drug Administration said “data manipulation” took place during company studies of Zolgensma, the world’s most expensive drug, which is used to treat spinal muscular dystrophy, but officials said the gene therapy product should be available.

China is growing impatient with Hong Kong protests

China’s top office for Hong Kong affairs signalled Beijing’s warning patience with protesters in Hong Kong, warning them not to underestimate the strength of the central government and urging the local police to punish those who break the law.
Rolls-Royce still cannot call time on engine issue

ALEX DANIEL
@alexmdaniel

ROLLS-ROYCE boss Warren East was yesterday unable to predict when he will draw a line under a long-running engine problem which has grounded hundreds of passenger jets and already cost the firm billions of pounds.

The blue-chip engineer has announced a further £1bn loss on the Trent 1000 engine, which powers the popular long-haul Boeing 787 Dreamliner jet, bringing the total cost of the jet turbine’s issues to £1.6bn.

“I hope that we’ll be able to [draw a line under it] with the next set of results, but I can’t guarantee that,” East told City A.M.

“It is still possible that there will be some other issue. These engines are complex interactive systems ... You really are pushing the physics to the limit and there are always going to be some uncertainties.”

The aerospace engineering giant’s market value yesterday fell 6.9 per cent, more than £1bn, despite swinging back to a slim first half profit of £83m, up from a £737m loss at the same point in 2018.

Revenue rose five per cent to £7.9bn. Rolls-Royce has in recent years been dogged by the Trent 1000 engine problems, in which turbine blades deteriorate faster than expected.

The headache intensified when the problem re-emerged in two Singapore Airlines jets earlier this year.

British Steel lender: Find a new buyer or close Scunthorpe plant

AUGUST GRAHAM
@AugustGraham

The government has been urged to find a new buyer or close its Scunthorpe plant, where 3,000 people work.

One of the company’s lenders, White Oak ABL, has been pushing for a swift sale as losses mount, Sky News reported.

The asset-based lender, which provided £90m funding for British Steel a year ago, is concerned over the losses, estimated at around £15m per week. It worries that returns to creditors are being eroded.

White Oak declined to comment to City A.M.

The government has been desperately seeking new buyers to save the steel mill’s jobs which form the backbone of Scunthorpe’s economy.

Snapchat owner to raise $1bn through convertible bonds as user numbers rise

JAMES WARRINGTON
@j_a_warrington

SNAP, the firm behind messaging app Snapchat, has said it will raise $1bn ($673bn) through convertible bonds to fund investment in its platform and potential acquisitions.

The social media firm posted a surge in revenue and user numbers in the second quarter after investing in mobile gaming and augmented reality features.

The figures marked a turnaround in Snap’s fortunes after a tough 2018, when a string of executive departures and an unpopular redesign drove down the company’s share price.

The bonds will mature on 1 August 2026, at which point Snap will choose to pay investors in cash, equity, or a combination of both.

“We will continue to focus on developing our content, gaming, and augmented reality platforms to enhance the Snapchat experience for our community,” Snap chief executive Evan Spiegel said in a memo to employees seen by Reuters.

Spiegel said current low-interest rates give Snap a good opportunity to complete the offering. In a statement, Snap said the funds would be used for “general corporate purposes”, but added it may also consider acquisitions or stock repurchases.

Convertible bonds have proved a popular option for tech firms looking to shore up their cash flow.

PM’s team taps former IoD man for City outreach job

AUGUST GRAHAM
@AugustGraham

THE FORMER chief economist at the Institute of Directors has been tapped by one of Boris Johnson’s top aides to help Downing Street liaise with decisionmakers in the City of London.

James Sproule has been brought into Number 10’s revamped business unit, headed by former top Sky executive Andrew Griffiths.

Sproule was a signals officer in the Royal Navy before entering finance. He ran for parliament in 2005.

The Prime Minister hired Griffiths as a top business adviser late last month in a bid to rebuild trust with a City worried by past statements.

Sources said last month that Johnson will beef up the business team.
The value of merger and acquisition (M&A) deals in Europe slumped during the first six months of 2019, as geopolitical concerns took their toll on the continent’s financial services industry.

In the UK investors completed 97 deals totalling £6.3bn over the first half of 2019, plunging by more than half from £13.5bn when 103 deals were signed in the same period last year.

Activity across Europe in the first-half of 2019 also slumped year-on-year, with deals falling from 251 to 238 and the value of those deals crashing by £15bn to £23.8bn.

Global tensions have been blamed for waning M&A enthusiasm in recent months, with investors holding off on potential deals amid Britain’s planned departure of the EU and a trade war between China and the US.

According to the data, produced by Big Four accountancy firm EY for CityAM, there was a small uptick in deals from the first quarter to the second quarter in the UK, perhaps reflecting the Brexit extension.

While the drop in deals in volume terms is not that significant, in value terms it is,” warned Tom Groom, EY’s UK financial services transactions leader.

Groom added that the UK’s situation was mirrored across Europe, “as geopolitical concerns and equity market volatility take their toll”.

While volumes and values are down on last year, all sectors have been active in M&A.

The banking industry has seen an increased interest in consolidation concerning challenger banks and higher levels of activity around the payments segment.

Meanwhile, insurance M&A has been supported by a few large deals and the UK broking sector has continued to experience consolidation, mainly driven by demand for specialist franchises.

Wealth and asset management deal activity has also remained buoyant, driven by a number of deals across different segments, according to EY.

Business pessimism rises over trade tensions and Eurozone slowdown

HARRY ROBERTSON

Pessimism among global businesses has risen sharply in the third quarter of the year as US-China trade tensions, the slowing Eurozone economy, and the rising chances of a no-deal Brexit spook firms.

The quarterly global risk survey from Oxford Economics, released yesterday, showed that 19 per cent of companies think a deterioration in the global economy is highly likely, compared to seven per cent in the second quarter.

Oxford Economics said 56 per cent of companies now think a trade war hitting global growth is the top risk to the economy, up from around 25 per cent in the second quarter.

The survey spoke to over 200 businesses. Around three-fifths of respondents cited protectionism as a very significant risk to the global economy over the next five years, up from just below half in the previous quarter.

Firms were also troubled by a limp growth in the Eurozone, which has suffered under trade tensions, Brexit and weak demand from China.

It was the second most cited risk behind trade tensions, with 40 per cent of firms naming it as a top three risk to the global economy.

Global tensions batter values of financial deals

SEBASTIAN MCCARTHY

The value of merger and acquisition (M&A) deals in Europe slumped during the first six months of 2019, as geopolitical concerns took their toll on the continent’s financial services industry.

In the UK investors completed 97 deals totalling £6.3bn over the first half of 2019, plunging by more than half from £13.5bn when 103 deals were signed in the same period last year.

Activity across Europe in the first-half of 2019 also slumped year-on-year, with deals falling from 251 to 238 and the value of those deals crashing by £15bn to £23.8bn.

Global tensions have been blamed for waning M&A enthusiasm in recent months, with investors holding off on potential deals amid Britain’s planned departure of the EU and a trade war between China and the US.

According to the data, produced by Big Four accountancy firm EY for CityAM, there was a small uptick in deals from the first quarter to the second quarter in the UK, perhaps reflecting the Brexit extension.

While the drop in deals in volume terms is not that significant, in value terms it is,” warned Tom Groom, EY’s UK financial services transactions leader.

Groom added that the UK’s situation was mirrored across Europe, “as geopolitical concerns and equity market volatility take their toll”.

While volumes and values are down on last year, all sectors have been active in M&A.

The banking industry has seen an increased interest in consolidation concerning challenger banks and higher levels of activity around the payments segment.

Meanwhile, insurance M&A has been supported by a few large deals and the UK broking sector has continued to experience consolidation, mainly driven by demand for specialist franchises.

Wealth and asset management deal activity has also remained buoyant, driven by a number of deals across different segments, according to EY.

Millions of UK pension savers at risk from retirement scammers

SEBASTIAN MCCARTHY

More than 5m pension savers across the UK are at risk from common scamming tactics, underlining fears over fraudsters targeting people’s retirement cash pots.

A new report from two of Britain’s top financial bodies has found that 42 per cent of pension savers, which equates to over 5m people, could be in danger of losing out on criminal tricks such as cold calls and time-limited offers.

According to the Financial Conduct Authority (FCA) and the Pensions Regulator (TPR), which are joining forces to warn the public against retirement fraud, the chance of being drawn into one or more scams soared to 60 per cent among those who said they were actively looking for ways to boost their retirement income.

Nearly a quarter of the 2,000 adults surveyed said they were likely to pursue offers of high returns in exotic investments such as overseas property, biofuels and storage units.
IWG announces £100m buyback in dividend rise

JESS CLARK
@jalorjourno

Office space provider IWG yesterday launched a £100m share buyback, as it increased its dividend.

The company, which operates under the Regus brand, increased its interim dividend 10.3 per cent to 2.15p per share as it announced it would repurchase £100m worth of shares by 5 August next year.

In its first-half results published yesterday morning, the company reported total pre-tax profit of £53.4m. Revenue increased 10 per cent to £1.16bn in the first six months of last year.

“We look forward to the remainder of the year with confidence,” said IWG chief executive Mark Dixon. “Even in this period of global, political and economic uncertainty, we expect the positive momentum to continue in our business and this is reflected in the increased proposed dividend and £100m share repurchase programme.”

IWG sold off its Japanese business for £320m in April as it launched a new franchise model to accelerate growth.

The company said it had signed franchise agreements with multiple partners and had seen strong interest from third parties seeking to operate IWG brands.

IWG said it would provide an update on partnerships later in the year. Shares rose 2.4 per cent yesterday.

---

Glencore to halt production at world’s biggest cobalt mine after price halve

AUGUST GRAHAM
@AugustGraham

Glencore is planning to stop production at the world’s largest cobalt mine after prices for the metal plummeted.

The miner has told staff that Congo’s Mutanda mine is “no longer economically viable” in a letter seen by the Financial Times.

Glencore plans to cut costs at new regulations in Congo, which hiked taxes and removed exemptions for mines that were already operating.

“They were signed into law last June. “Unfortunately due to the significant decrease in the cobalt price, increased inflation across some of our key input costs (mainly sulphuric acid) and the additional taxes imposed by the mining code, the mine is no longer economically viable over the long term,” the letter said.

Glencore declined to comment, but the company may expand on the decision in its half-year report, due out today.

Cobalt is a vital component in batteries, setting it up to be one of the world’s most important commodities as electric vehicles take off.

Last week Glencore said that it will take a $350m (£288m) hit after the price of cobalt halved. It has begun to review its African business.

The company said it had signed franchise agreements with multiple partners and had seen strong interest from third parties seeking to operate IWG brands.

IWG said it would provide an update on partnerships later in the year. Shares rose 2.4 per cent yesterday.

---

German weakness holds back euro building growth

HARRY ROBERTSON
@harrygrobertson

The German weakness holds back euro building growth.

Despite the positives and the ray of hope for Germany, factory orders were shown to be risk as 32 stores and 177 concessions were made following the deal.

The online retailer said it made relaxing its administration out in 2022.

Boohoo has snapped up fashion brands Karen Millen and Coast online business for £18m.

---

In Brief

CARLYLE HIRES BANK TO REVIEW PA CONSULTING

PA Consulting Group’s US private equity backer has reportedly drafted in two banks to weigh up the historic management consultancy firm’s future direction. HSBC and JP Morgan have been hired by Carlyle to begin a strategic review of its 51 per cent stake in the business, according to reports by Sky News yesterday.

TP ICAP ON TRACK FOR £75M SAVINGS, SAYS BOSS

Broker TP Icap said yesterday it is launching a new joint venture in China with a local conglomerate as it showed lower profits in the first half of the year. Profits before tax fell 3.6 per cent year-on-year to £134m, the company revealed. Meanwhile, revenue was up 2.5 per cent, from £630m in the first six months of the 2018 financial year.

Nicolas Breteau revealed that the company was on track to reach a £75m savings target from synergies from the merger of Tullet Prebon and Icap.

MEGGITT SHARES RISE TO DEFY BOEING 737 WOES

Engineering firm Meggitt enjoyed a three per cent spike in its share price yesterday after upping prediction for annual revenue growth to between four per cent and six per cent. The FTSE 250 defence contractor has taken a significant hit in recent months, after plane maker Boeing suspended its 737 Max jet earlier this year in the wake of two crashes which killed 346 people.

---

Boohoo buys Karen Millen and Coast online business for £18m

JESS CLARK
@jalorjourno

FAST fashion company Boohoo has bought the Karen Millen and Coast brands out of administration for £18.2m, putting more than 1,000 jobs at risk as store closures loom.

The online retailer said it made the acquisition after Karen Millen entered administration yesterday.

Online retailer Boohoo has snapped up fashion brands Karen Millen and Coast for £18m.

Boohoo buys Karen Millen and Coast online business for £18m

JESS CLARK
@jalorjourno

FAST fashion company Boohoo has bought the Karen Millen and Coast brands out of administration for £18.2m, putting more than 1,000 jobs at risk as store closures loom.

The online retailer said it made the acquisition after Karen Millen entered administration yesterday.

Online retailer Boohoo has snapped up fashion brands Karen Millen and Coast online business for £18m.

Boohoo buys Karen Millen and Coast online business for £18m

JESS CLARK
@jalorjourno

FAST fashion company Boohoo has bought the Karen Millen and Coast brands out of administration for £18.2m, putting more than 1,000 jobs at risk as store closures loom.

The online retailer said it made the acquisition after Karen Millen entered administration yesterday.

Online retailer Boohoo has snapped up fashion brands Karen Millen and Coast online business for £18m.

Boohoo buys Karen Millen and Coast online business for £18m

JESS CLARK
@jalorjourno

FAST fashion company Boohoo has bought the Karen Millen and Coast brands out of administration for £18.2m, putting more than 1,000 jobs at risk as store closures loom.

The online retailer said it made the acquisition after Karen Millen entered administration yesterday.

Online retailer Boohoo has snapped up fashion brands Karen Millen and Coast online business for £18m.
Firms told to go ‘above and beyond’ law to co-operate with fraud office

ALEXANDRA ROGERS
@city_amrogers

THE FRAUD watchdog has told firms they will need to go “above and beyond what the law requires” if they want to fully cooperate with its investigations.

Guidance of corporate co-operation released by the Serious Fraud Office (SFO) states that firms need to be willing to identify any individuals suspected of wrongdoing “regardless of their seniority or position”, and preserve hard copy evidence to pass on to the authorities.

SFO chief Lisa Osofsky, a former FBI lawyer, has already warned firms that it was not enough for a company to “call in a team of lawyers”, only for them to cover incriminating material with legal privilege – a device that protects information from being disclosed without the permission of a client.

Ben Morgan, a partner at the law firm Freshfields, said: “While there will be some businesses that will not want to co-operate with the SFO, it does have a customer base of companies that do want options in how they control their corporate criminal risk. This gives companies a clear understanding of what they need to do.”

Bond sale delay sends shares at Sirius plunging

ALEX DANIEL
@alexmdaniel

SIRIUS Minerals shares plummeted 28.8 per cent yesterday as the FTSE 250 firm announced it had suspended a planned $500m (£411m) bond sale intended to finance a mine on the North York Moors.

The offering was an important part of the company’s financing package for the polyhalite mining project.

Sirius gave very little detail to investors yesterday as to why it had suspended the sale, only saying it was down to “current market conditions”.

The $500m sale was part of second stage financing for the North Yorkshire-based project. The financing also included a $2.5bn credit facility, a $425m equity raise and a $507m convertible bond issue.

The mining company hopes to build a giant fertiliser project on the North York Moors, but could be hamstrung if it cannot sell bonds to pay for it.

Mine, is one of the largest civil construction jobs in the UK. It could provide employment for as many as 1,000 people when it is completed.

Analysts at Liberum said the work on site will continue, adding they expected Sirius to try again at the start of September.

Polyhalite can be used as a fertiliser, but it is a largely untested product.

Fitch Ratings last month signalled it expected to assign the bond issue a ‘B’ rating, citing a number of risks surrounding the project.

Users of a troubled Overground line get one month of free travel

ALEXANDRA ROGERS
@city_amrogers

THE FRAUD watchdog has told firms they will need to go “above and beyond what the law requires” if they want to fully cooperate with its investigations.

Guidance of corporate co-operation released by the Serious Fraud Office (SFO) states that firms need to be willing to identify any individuals suspected of wrongdoing “regardless of their seniority or position”, and preserve hard copy evidence to pass on to the authorities.

SFO chief Lisa Osofsky, a former FBI lawyer, has already warned firms that it was not enough for a company to “call in a team of lawyers”, only for them to cover incriminating material with legal privilege – a device that protects information from being disclosed without the permission of a client.

Ben Morgan, a partner at the law firm Freshfields, said: “While there will be some businesses that will not want to co-operate with the SFO, it does have a customer base of companies that do want options in how they control their corporate criminal risk. This gives companies a clear understanding of what they need to do.”

BATTERSEA Power Station has unveiled its redeveloped Coaling Jetty, which is open to the public for the first time ever. The Grade II*-listed jetty will host live music, wellness sessions and family activities during a string of riverside events this month.

PIER PRESSURE
Battersea Power Station opens Coaling Jetty to public after revamp

BATTERSEA Power Station has unveiled its redeveloped Coaling Jetty, which is open to the public for the first time ever. The Grade II*-listed jetty will host live music, wellness sessions and family activities during a string of riverside events this month.

Users of a troubled Overground line get one month of free travel

ALEXANDRA ROGERS
@city_amrogers

USERS of a London Overground line that has been beset by delays and setbacks have been given a month of free travel as compensation.

London mayor Sadiq Khan requested free travel for the users of the Gospel Oak to Barking line, which will now be in place from 31 August to 1 October.

The line, which is used by 30,000 people on a daily basis, is now served by four new electric trains which arrive at the station every 15 minutes. Commuters were told a number of times that the electric trains, built by Bombardier, would come into service only to be disappointed by repeated delays caused by software issues.

Heidi Alexander, deputy mayor for transport, said: “The month’s free travel, which was requested by the mayor, is a well-deserved thank you to passengers for their patience, and we have made it as simple as possible for people to benefit from this offer.”
Problems pile up for UK asset managers

Woodford, Brexit and liquidity have the makings of a perfect storm, says Anna Menin

It’s been a tough year for the UK investment industry, and things could get worse before they get better. Fallout from the Woodford saga and increasing fears of a no-deal Brexit are continuing to pummel asset managers as they try to stem outflows. And with regulatory pressure ramping up, they are facing questions not only about how they should advertise their funds to investors, but how they should be constructing them in the first place.

Woodford

Ongoing turbulence in Neil Woodford’s investment empire has been the focus of much attention on the sector. The suspension of the stockpicker’s Equity Income fund in June has raised questions about how open-ended funds should balance liquid and illiquid assets, and about regulators’ alertness to the issue.

We won’t find out the real impact of the suspension on the fund itself until it is unlocked – due to happen in December – but the toll it is taking on the rest of the sector is starting to become clear.

Head of Hassium Private Wealth, Yogi Dewan, says that there has been some “contagion” as a result of the suspension, with some fund managers hit by capital outflows.

Liquidity

Questions have also emerged about whether maintaining daily liquidity is a reasonable goal.

The head of Europe’s largest asset manager says the “sacred cow” of daily liquidity “must be changed”. Pascal Blanque of Amundi told the Financial Times: “This is the issue that is keeping me awake at night.”

As well as the potential need to rethink where they invest, managers are also facing calls to rethink how they communicate with investors about liquidity. Russ Mould, a director at AJ Bell, says “transparency and communication” with clients over the trade-off between liquidity and returns is “absolutely critical”.

BREXIT

With the 31 October deadline looming and no signs of a deal being struck, UK funds may lose the passporting rights afforded by key EU regulation. Under UCITS rules, retail funds based in one member state are allowed to be sold across all members of the bloc.

Although it is not yet certain what will happen to UK funds in the event of a no-deal Brexit, Mould cautions “loss of access to European markets would be an unwelcome complication”.

With no indication of whether these questions are going to be addressed before October, Dewan warns: “All this uncertainty is putting off international investors putting money into the UK.”

Lacklustre results

Unsurprisingly, UK asset managers’ performance has taken a hit as a result of this turbulence. Jupiter, Schroders, and Janus Henderson all reported lacklustre results last week. The three investment houses continue to struggle with outflows. Janus Henderson’s outflows for the first half of 2019 were over $17bn (£13.99bn) – close to its total for the whole of 2018.

What next?

As storm clouds continue to gather over the sector, there’s not much prospect of things improving for asset managers any time soon.

“It’s hard to see how too many of these trends are going to ameliorate in the short term,” says Mould, “although we should at least find out what Brexit is going to mean within a couple of months”.

“If faith in monetary policy ebbs or a global slowdown starts in earnest, that could be the next major challenge for asset managers.”

Some couples’ biggest money problem?

Not talking about it.

It’s good to talk about money

Search: M Word

By your side

Lloyds Bank plc. Registered Office: 25 Gresham Street, London EC2V 7HN. Registered in England and Wales no. 2065. Lloyds Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under registration number 169670. Information correct as of July 2020.
DOMINO’S CHIEF TO QUIT AS GLOBAL ARM TAKES A SLICE OUT OF EARNINGS

JOS CURTIS
@joe_r_curtis
THE CHIEF executive of Domino’s is set to step down, the pizza chain said yesterday, as it revealed that profit had plunged in the first half of 2019.

David Wild informed the board that he will “retire from his role”, with the retailer kicking off a search for his successor.

The pizzeria pointed the finger at its international business for weighing down profit as income before tax dropped 27 per cent year on year to hit £30.5m for the six months to June.

Group sales climbed 4.7 per cent, however, to land at £645.8m. Revenue rose 3.5 per cent to £295.6m, while UK and Ireland like-for-like sales climbed 3.9 per cent compared to 2018.

Domino’s added over £50m onto its debt pile for the period, though, bringing net debt up 31 per cent to £238.8m and guiding to a year-end target of £220m to £230m. Basic earnings per share plummeted 26.4 per cent to just 5.3p.

However Domino’s still raised its interim dividend 3.7 per cent year-on-year to 4.2p per share.

Wild’s departure comes as Domino’s is embroiled in a war with franchisees who want a bigger slice of its profit.

LV PROFIT NEARLY TRIPLES IN FIRST HALF DESPITE FALL IN LIFE INSURANCE REVENUE

JAMES BOOTH
@JamesBooth1
INSURER LV nearly tripled profit before tax in the first half of the year it said yesterday, despite a slump in its life insurance and pensions business.

LV said profit before tax for the six months to 30 June rose to £30m, up from £12m in the same period the previous year.

LV benefited from short-term investment fluctuations of £84m, up from £2m the previous year, as investment markets recovered from their late 2018 falls.

Its life business posted an operating loss of £11m, compared to £37m operating profit in the first half of 2018.

LV said trading conditions “remain tough” for its life business with sales slipping to £710m from £970m in the same period in 2018.

Retirement sales fell to £250m from £382m, which the company said was due to the “continued decline in the pensions market”.

LV is moving to become a life insurance and pensions business, focused on the “low risk, advice led, mass affluent market”. It agreed to sell its shareholding in its general insurance business to Allianz for up to £365m in May.

DOMINO’S CHIEF TO QUIT AS GLOBAL ARM TAKES A SLICE OUT OF EARNINGS

JOS CURTIS
@joe_r_curtis
THE CHIEF executive of Domino’s is set to step down, the pizza chain said yesterday, as it revealed that profit had plunged in the first half of 2019.

David Wild informed the board that he will “retire from his role”, with the retailer kicking off a search for his successor.

The pizzeria pointed the finger at its international business for weighing down profit as income before tax dropped 27 per cent year on year to hit £30.5m for the six months to June.

Group sales climbed 4.7 per cent, however, to land at £645.8m. Revenue rose 3.5 per cent to £295.6m, while UK and Ireland like-for-like sales climbed 3.9 per cent compared to 2018.

Domino’s added over £50m onto its debt pile for the period, though, bringing net debt up 31 per cent to £238.8m and guiding to a year-end target of £220m to £230m. Basic earnings per share plummeted 26.4 per cent to just 5.3p.

However Domino’s still raised its interim dividend 3.7 per cent year-on-year to 4.2p per share.

Wild’s departure comes as Domino’s is embroiled in a war with franchisees who want a bigger slice of its profit.

LV PROFIT NEARLY TRIPLES IN FIRST HALF DESPITE FALL IN LIFE INSURANCE REVENUE

JAMES BOOTH
@JamesBooth1
INSURER LV nearly tripled profit before tax in the first half of the year it said yesterday, despite a slump in its life insurance and pensions business.

LV said profit before tax for the six months to 30 June rose to £30m, up from £12m in the same period the previous year.

LV benefited from short-term investment fluctuations of £84m, up from £2m the previous year, as investment markets recovered from their late 2018 falls.

Its life business posted an operating loss of £11m, compared to £37m operating profit in the first half of 2018.

LV said trading conditions “remain tough” for its life business with sales slipping to £710m from £970m in the same period in 2018.

Retirement sales fell to £250m from £382m, which the company said was due to the “continued decline in the pensions market”.

LV is moving to become a life insurance and pensions business, focused on the “low risk, advice led, mass affluent market”. It agreed to sell its shareholding in its general insurance business to Allianz for up to £365m in May.

THE FORMER Labour MP for Peterborough Fiona Onasanya (pictured, right) was struck off as a solicitor yesterday. Onasanya was found guilty of perverting the course of justice in December and has since lost her seat in the House of Commons.
M&S’ grocery arm links up with Ocado to deliver the goods to British foodies

ONLINE grocer Ocado and retail giant Marks & Spencer have this week announced a joint venture offering an online food delivery service.

YouGov data suggests that the partnership has potential to be a success as customers of both supermarkets have similar shopping habits. Customers of M&S and Ocado spend similar amounts on their weekly food shop, with a quarter (25 per cent) for M&S customers and 24 per cent for Ocado customers) spending between £40 and £60 per week. Similarly, both customer profiles are also more willing to pay extra for good quality products (77 per cent for M&S, 74 per cent for Ocado) compared to the national average (69 per cent).

Ocado’s audience is generally affluent despite being younger (10 per cent have a gross household income between £70,000 and £100,000) compared to the national average for M&S, 74 per cent for Ocado). YouGov data suggests that the partnership has potential to be a success as customers of both supermarkets have similar shopping habits.

Ryanair’s passenger count increases to 14.8m in July

RYANAIR’S passenger numbers grew to 14.8m in July, a nine per cent increase on the same period last year.

Ryanair carried 14.2m passengers, while Lauda, the low-cost Austrian airline acquired by Ryanair, carried 600,000.

Despite the traffic growth, Ryanair has entered turbulent territory, having issued a number of profit warnings. Last week Ryanair boss Michael O’Leary warned staff that hundreds of jobs could be lost as the airline reels from a decline in earnings and the grounding of the Boeing 737 Max aircraft.

In a video sent to workers and seen by Bloomberg, the airline chief executive told staff that Ryanair needs 900 fewer pilots and cabin crew than initially planned due to the airline’s poor financial performance and the continued grounding of the Boeing 737, which has hurt its growth and cut flight numbers.

Earlier in July Ryanair revealed that profit had nosedived by 21 per cent in the first quarter, which the airline blamed on hikes in the cost of fuel and staff. Airfares also dropped considerably, as competition increased in Germany after Lufthansa bought Air Berlin.

Universal enters talks to acquire stake in Universal Music Group

JAMES WARINGTON

THE FRENCH media conglomerate behind Universal Music Group (UMG) is in talks to sell a chunk of the music company to Chinese tech giant Tencent.

Vivendi said the deal, which would give Universal a total equity value of €30bn (£27.6bn), will help boost the firm’s presence in Asia.

Tencent also mentioned that it will give the music company a one-year call option to buy a further 10 per cent stake at the same price.

Ryanair has entered turbulent territory, having issued a number of profit warnings. Last week Ryanair boss Michael O’Leary warned staff that hundreds of jobs could be lost as the airline reels from a decline in earnings and the grounding of the Boeing 737 Max aircraft.

In a video sent to workers and seen by Bloomberg, the airline chief executive told staff that Ryanair needs 900 fewer pilots and cabin crew than initially planned due to the airline’s poor financial performance and the continued grounding of the Boeing 737, which has hurt its growth and cut flight numbers.

Earlier in July Ryanair revealed that profit had nosedived by 21 per cent in the first quarter, which the airline blamed on hikes in the cost of fuel and staff. Airfares also dropped considerably, as competition increased in Germany after Lufthansa bought Air Berlin.

Universal enters talks to acquire stake in Universal Music Group

JAMES WARINGTON

THE FRENCH media conglomerate behind Universal Music Group (UMG) is in talks to sell a chunk of the music company to Chinese tech giant Tencent.

Vivendi said the deal, which would give Universal a total equity value of €30bn (£27.6bn), will help boost the firm’s presence in Asia.

Tencent also mentioned that it will give the music company a one-year call option to buy a further 10 per cent stake at the same price.

Ryanair has entered turbulent territory, having issued a number of profit warnings. Last week Ryanair boss Michael O’Leary warned staff that hundreds of jobs could be lost as the airline reels from a decline in earnings and the grounding of the Boeing 737 Max aircraft.

In a video sent to workers and seen by Bloomberg, the airline chief executive told staff that Ryanair needs 900 fewer pilots and cabin crew than initially planned due to the airline’s poor financial performance and the continued grounding of the Boeing 737, which has hurt its growth and cut flight numbers.

Earlier in July Ryanair revealed that profit had nosedived by 21 per cent in the first quarter, which the airline blamed on hikes in the cost of fuel and staff. Airfares also dropped considerably, as competition increased in Germany after Lufthansa bought Air Berlin.
A SUMMER SPECTACULAR OF SHOWS THROUGHOUT AUGUST PAYING TRIBUTE TO:

THE BEATLES | QUEEN | PINK FLOYD | THE ROLLING STONES
ELTON JOHN | ROD STEWART | DAVID BOWIE | AMY WINEHOUSE

WED - THU 7 & 8 AUG
THE ROLLING STONES

FRI 9 & 30 AUG
THE OVERTURES: 60s SPECTACULAR
“THE BEST BAND OF THEIR KIND IN THE WORLD” SIR ELTON JOHN

SAT 10 AUG
ROD STEWART

MON 12, 19, TUE-WED 27 & 28 AUG
GREAT BRITISH JUKE BOX

THU 15 & 29 AUG
QUEEN
FRI-SAT 16 & 17 AUG
DAVID BOWIE
TUE-THU 20 & 22 AUG
AMY WINEHOUSE

FRI 23 AUG
NORTHERN SOUL LIVE
SAT 24 AUG
PINK FLOYD
SAT 31 AUG
THE REAL THING - THE ORIGINAL BAND

TICKETS: BOISDALE.CO.UK   T: 020 7715 5818
BOISDALE OF CANARY WHARF, CABOT PLACE, LONDON, E14 4QT
Disney is coming and Netflix will be afraid, writes James Warrington

N 2017 Dana Brunetti, the producer behind hit Netflix series House of Cards, declared that appointment-viewing TV was dead. Gone were the days of scheduled programming, he said. On-demand binge-watching was here to stay. Brunetti’s show helped propel Netflix to the forefront of the streaming landscape and, two years later, on-demand TV is now the favoured format for many viewers. Figures out today from Ofcom reveal roughly half of all UK homes subscribe to a streaming service, while broadcast TV viewing continues to decline.

But now it is Disney Plus – a new family-focused platform from the world’s largest entertainment company – that could have Netflix execs hiding behind the sofa. Disney has enjoyed rocketing box office figures thanks to investment in franchises such as Avengers, the Lion King and Toy Story, and subscribers to Disney Plus will enjoy on-demand access to all of these hits.

The company has also beaked up its TV offering, bagging the rights to The Simpsons following its $71bn acquisition of 21st Century Fox. “Given the deep library of high quality and in-demand content, Disney Plus is in pole position to take on other streaming providers,” says Christian Polman, chief strategy officer at media consultancy Eutiquity.

Disney has long dominated the streaming landscape, but its reign may be starting to falter. In its latest quarterly results, the Silicon Valley giant disappointed investors by missing targets for subscriber growth.

But Netflix is fighting a war on all fronts. Not only is it facing fresh competition, it’s also losing some of its most popular shows – including Friends and the US version of The Office – as new rivals reclaim their content.

The company will now have to double down on original programming, taking advantage of a huge trove of data from its 150m subscribers. But the question remains of whether Netflix will be overshadowed by newcomer Disney.

“Even though there has been a huge number of recent successes on the Netflix original programming side, my fear is that they can’t commissio... [omitted text]

James Warrington

WEDNESDAY 7 AUGUST 2019
NEWSCITYAM.COM

INTERACTIVE INVESTOR: SUMMER IS A GREAT TIME TO REVIEW YOUR PORTFOLIO

Moira O’Neill, head of personal finance at interactive investor, says if you want to create a balanced portfolio away from UK equities by including overseas, UK investors can diversify their income sources, thereby reducing risk.

It’s important for all types of investors to have a broad global spread. Even if you have a few so-called ‘global’ funds, it’s worth looking at the underlying holdings because you might find that you have more UK exposure than you bargained for.

“Diversifying your portfolio away from UK equities by including overseas markets and different asset classes such as commercial property and bonds is a sensible investment strategy that lowers your risk and can lead to less bumpy returns over the long term. And the easy way to do this is by using quality funds, investment trusts or exchange traded funds (ETFs).”

For this reason, interactive investor is offering customers commission free online trading in its Super 60 from 1st to 30th August 2019. This applies to any trading in the ii Super 60 rated investments (including real time trades, regular investments and DRIP).

Both the beginner and more experienced investors should find the Super 60 proposition attractive; it includes options to suit starter investors as well as experienced investors looking to diversify. The list includes straightforward options that can potentially represent the majority of an investor’s portfolio: core, low-cost and income holdings. It also includes investments designed for more experienced investors or those looking to add some higher-risk diversification to a balanced portfolio.

READ MORE ONLINE
For terms and more information, go to: www.ii.co.uk/ii-super-60
ON London’s FTSE 100 closed sharply lower yesterday, its sixth straight session in the red, bringing its losses to more than five per cent since US President Donald Trump announced more tariffs on Chinese exports, while poor results sent Rolls-Royce tumbling.

The FTSE 100, which suffered its worst day this year in the last session, lost 0.7 per cent to end the session below its 200-day moving average – a technical support level – for the first time since late May. A handful of strong corporate earnings from industrial firms capped losses on the mid-cap FTSE 250.

The index closed 0.1 per cent lower.

Engine maker Rolls-Royce slumped seven per cent, its biggest one-day fall since 2015, after it raised its annual organic revenue growth forecast.

Further weighing on the main index were oil majors BP and Shell, as well as internationally-exposed stocks on the back of a very slight recovery in the pound.

On Monday formally tagged China a currency manipulator for the first time since 1994, responding to Beijing allowing the yuan to weaken past seven per dollar for the first time in a decade.

Until last week’s renewed escalation of the trade tensions, the FTSE 100 had recovered from a slump in May to post back-to-back monthly gains, helped by a fall in the pound.

The latest trade friction has erased all of the index’s July gains and has placed the index on course for its steepest monthly fall in four years.

On the FTSE 250, industrial group Rotork jumped eight per cent after half-year results, while engineering firm Meegjott advanced three per cent after it raised its annual organic revenue growth forecast.

Food retailer Booths added 4.1 per cent after sealing a deal to buy the online businesses of fashion chains Karen Millen and Coast.

Engine maker Rolls-Royce saw sharp losses of 7 per cent yesterday.

Engineer Jackson will also be in charge of the company’s compliance and infrastructure teams, and will oversee the portfolio of technology projects and programmes across the business. Jackson is a leading expert in building high-volume e-commerce applications. He recently completed a data-first transformation of Gocompare, where he developed analysis, data science, machine learning and data engineering capabilities to personalise the experience for over 25m customers. Jackson also serves as an adviser for several companies including Bloom & Wild, a British florist, Kindred Capital, a venture-capital firm, and Hubble, an online platform for flexible office space.

Land and property regeneration company Harworth announced the appointment of Jason Atlas as its chief technology officer (CTO). Jason will bring his expertise in intelligent software systems and security from his long track record at Microsoft. He has served as the CTO of Microsoft in the US and UK since 2006, and previously spent time as the company’s head of data intelligence. During his long stint at the company, Jason was responsible for Microsoft’s abuse and safety program, and for enhancing a large-scale system that traces malware, bots, spammers, and other abusers of privacy and internet safety. He also formerly served as the CTO of Adbrain, a customer engagement startup. Jason’s appointment at Adarga follows the company’s recent £15m fundraising venture which will be used to continue the expansion of Adarga’s data science and software engineering teams.

To appear in CITYMOVES please email your career updates and pictures to citymoves@cityam.com.
EVEN Donald Trump, for once, didn’t appear to believe what he was saying. “Mental illness and hate will kill all the time, not just the gun,” opined the President in his prepared statement from the White House on Monday, in response to the latest mass shootings on US soil in El Paso and Dayton which have claimed 31 lives.

The President appeared so rattled by what he was – unusually – reading from a teleprompter that he managed to get the latter Ohio city’s name wrong, substituting that of Toledo.

In retrospect, it would have been better for him to have stumbled over his key statement instead, and in so doing recognized the moral fulcrum of deferring a position that should long ago have been borne away by the weight of evidence.

For the reality is that while every country in the developed world has a share of the mentally disturbed, racists, haters, and socially inept, only the US allows almost untrammelled access to guns.

It should therefore be of little surprise that it is also only the US where largescale gun-related mass murder fatalities take place on a regular basis, with no apparent difference in the number of times people have been killed in such incidents. And yet somehow, this obvious connection has failed to translate into political action, with only the most cursory of checks performed on those seeking to purchase arms in many states.

To draw an absurd parallel, it is as if the US tobacco lobby had somehow managed to off the year with some bombshell evidence that cigarettes cause cancer by suggesting that the tobacco company is responsible for deaths from related diseases somehow excuses the medium of its culpability, therefore necessitating only limited restrictions on their sale.

Mercifully, the US has recognized the public health benefits of tobacco regulation. Gun control has not followed, because guns, unlike tobacco, have serious political power in the form of the lobbying behemoth that is the National Rifle Association (NRA).

A quick glance at the NRA’s website suggests it is: “America’s longest-standing, civil rights organization. Together with our more than five million members, we’re proud defenders of historic freedoms and fair regulations of the Second Amendment.”

This linkage of rights, numbers, and patriotism has proven to be a potent factor in US politics.

The constitutional right to bear arms continues a theme as a determining factor in the very creation of the nation in the face of the tyrants of British rule.

Latter day holders of the most advanced and savage form of assault weapon, mass shooters in the US, therefore somehow imagine themselves as analogous to the brave band of Founders seeing off the Redcoats with muskets and rifles.

This mythology has been utilised to great effect in order to repeat attempts to tighten up gun laws.

Defenders have been wary of coming out in favour of gun control ever since a snarling Charlton Heston – the NRA’s then president – took to the stage at the organisation’s 2000 Convention hoisting a rifle overhead while goading vice president Al Gore that it would have to be removed “from my cold, dead hands”.

Gore’s knife-edged defeat in gunning Florida in the presidential election that year seemed to confirm the folly of challenging a gun lobby that could turn out numbers as well as campaign contributions.

But with the NRA under pressure from the sheer volume of gun incidents, and internal splits having – even if only temporarily – diluted its customary effectiveness, perhaps this time it will be different.

Usually, once the outcry falling away from mass shooting subsides, Congress finds any number of reasons to block even the most basic of options like the one proposed by the Senate that requires 60 senators to break it.

However, a bipartisan move now appears to be taking shape to provide nationwide funding for states that wish to invoke “red flag” laws which allow police, with a judge’s consent, to seize an individual’s weapons if they are deemed to be a threat to themselves and others.

In any other society, the idea that the incremental changes being proposed might amount to much would be – and is – laughable.

But America’s love affair with guns has been long and deep, and it will take time and patience to wean Americans away from the idea that every form of weapon should be available to everyone.

Democratic presidential candidate Joe Biden is falling over themselves to declare that they will legislate. The President’s tweeted hints that he might be willing to offer a modicum of gun control in exchange for immigration reform could offer another route forwards, even if he resiled from that idea when facing the nation.

It is not possible to legislate evil away from the world, as the NRA often likes to point out. But it is certainly possible to make it more difficult to turn an evil or the mentally ill from obtaining the ability to enact wickedness.

As the USponds its response to the latest atrocities, it should consider this equation carefully. Lives depend on it.

Alan Mendoza is executive director of the Henry Jackson Society.

---

The online shopping revolution isn’t going anywhere – retailers need to up their game

Paul Ormerod

A NOTHER week, another retailer biting the dust. The baked potato specialist Spudulike has closed all 17 of its branches, with a loss of nearly 380 jobs.

Shopping centres are undergoing a sudden and dramatic squeeze, with many retailers only able to stay in business if granted dramatic rent reduction.

Last week, Intu Properties, owners of the prestigious Lakeside and Trafford centres, announced a loss of £840m, a 38 per cent fall from last year. Their value has since dropped by 52 per cent.

Shopping centres are undergoing an online activity in the past few years. The basic idea is that people buying are innovators. Then, other buyers follow suit. If they grow big, they can be used to rid the House of larger vermin.

---

Pest control

[Re: A radical and pragmatic Prime Minister would let parliament get a cat]

If you wish to clear parliament of mice, don’t use pussy cats. Use hungry pythons which are really effective. When they grow big, they can be used to rid the House of larger vermin.

Nigel Bennett

---

Letters to the editor

No influencer is an island

[Re: What Love Island can teach us about toxic office relationships]

A parliamentary inquiry into reality TV has revealed that this time of the year, the Island contestants applied to the show, with the majority headed through social media. Many who enter the villa do so to boost burgeoning careers as influencers and can expect to benefit financially from brand deals upon their exit. However, while it TV is making small moves to support this transition – releasing a social media ‘survival kit’ in partnership with the Advertising Standards Authority – it has done little to shape the influencer industry. Arguably, the broadcaster benefits directly from the online presence of former contestants linked to the show and create a virtuous cycle of awareness. As a youth agencies which work with the influencer industry, we believe that TV must do three things to ensure the category is co-creating rather than exploiting for profit. First, champion pay transparency, ensuring that influencers are paid fairly regardless of whether they can expect to benefit directly from the online presence.

Rani Patel-Williams, business director, The Digital Fairy

---

BEST OF TWITTER

“Britain is desperate. You don’t quit your job before you get a new one, which you’ve done. There is no chance of you making up for what you lose with Brexit.” Larry Summers, former US trade secretary @Andrew Adonis

Love a lecture from Larry Summers. Then you’ve got to nip Gintis’ catastrophic wrong-headed advice on financial regulation and derivatives, playing a starring role in creating the conditions for the financial crisis. @iainmartin1

Larry is a bit confused. The UK cannot do any trade deals with other countries until it has left the EU, because (guess what?) the EU is much more interested in the matter of Brexit (something that a lot of Americans struggle with). @MrRioubou

Me: I can’t believe the stupid British public voted to leave and then made Boris Prime Minister. Someone from a different country: yeah, you’re right. Me: Excuse me, what the *ck? You don’t understand the first thing about Brexit. Boris Johnson @Ultra_Aria
Curtain Up: Introducing the new Downing Street cast and crew

HE DUST is beginning to settle: Boris Johnson is Prime Minister, and the Whitelhall machine has been stripped and refashioned. A new team has been installed to run his Downing Street operation – but who are they, and what does it mean?

Even the Prime Minister’s most vocal advocates would not describe him as a "details man". He’s a bold chairman with a flamboyant vision, but he needs a carefully crafted team to translate that flair into policy and execution.

At the top of the official tree are two contrasting figures. The chief of staff, Sir Edward Lister, is a local government veteran who was Boris’ right hand at City Hall, and before that led Wandsworth Council for nearly 20 years. Nicknamed “Steady Eddie”, he is a reassuring, grandfatherly presence, and will serve only long enough to set up a functioning machine.

The second key figure is “senior adviser” Dominic Cummings, formerly director of the Vote Leave campaign, and before that an aide to Michael Gove at the Department for Education, he is abrasive, iconoclastic, and a Brexitite to his core.

Cummings has a nose for appealing to the electoral base and rejects received wisdom wherever he finds it. David Cameron described him as a “career psychopath”. Expect him to pro-fuse the government’s cutting-edge and fundamental narrative: hard Brexit, pro-business, sceptical on immigration, and resolutely anti-socialist.

Two politicians complement these bureaucratic appointments. Dominic Raab is both foreign secretary and de facto deputy to the PM. Raab is a lawyer by trade and thinks himself bold and swashbuckling. Former colleagues doubt his grip and intellectual calibre, but, like Cummings, he comes with impeccable Brexit credentials.

Then there is the enigmatic Michael Gove, given an obscure job title (chancellor to the Duchy of Lancaster), but effectively in charge of the Cabinet Office – Whitehall’s brain – and overseeing preparations for a no-deal Brexit. Gove destroyed Boris’ leadership bid in 2016 with a last-minute Judas kiss, but fences have been mended. He is formidabley intelligent and articulate, but critics describe him as a recreational controversialist: like many former Oxford Union hacks, he enjoys the cut-and-thrust of argument, but can persuade himself into rather extreme and unworkable positions, almost for fun.

And there is an additional question. Are Gove’s Number 10 ambitions burned out? Is he resigned to being a great consigliere? Only time will tell.

David Cameron described Dominic Cummings as a ‘career psychopath’ but he will be a key player in shoring up the government intellectually and presentationally.

The new Prime Minister has, of course, effectively no Commons majority. That places enormous pressure on the chief whip, the rather anonymous Mark Spencer.

A solid but unremarkable farmer from the Midlands, Spencer has passed most of his career in the Whips’ Office, and will require every scrap of experience and guile to keep the government’s business afloat. It is hard to say if he is up to this particular job; he is certainly no Gavin Williamson or Patrick McLoughlin, to judge him against recent predecessors.

There are some other key appointments to watch. Lee Cain, director of communications, brings a solid journalistic grounding to the job, but will need to shape the news instead of simply reporting on it. The wily and well-informed Nikki da Costa, recalled as director of parliamentary affairs, will need to apply her considerable knowledge of how parliament works to keep both Houses on an even keel.

And there’s Rob Oxley, who as press secretary will be the lobby face of Downing Street, and is another Vote Leave alumnus.

If Boris proves to be the sort of man he is widely assumed to be even friends – lazy and slapdash, inspired but not details-oriented – he will need a strong group of people around him.

His new team is a mixed bag, but one thing is certain: each of them has a strong group of people around him. One thing is certain: each of them has a strong group of people around him.

David Cameron described Dominic Cummings as a ‘career psychopath’

Is Donald Trump right to label China a currency manipulator?

Once again, President Trump “triggers” his opponents by doing what he said he would do. He promised on the campaign trail to designate China as a currency manipulator; indeed, he’s late on this as he understood to do so on “day one” of his presidency.

I loathe trade wars; tariffs are bad and retaliation spirals into punishment for consumers in an environment in which everyone loses. But that doesn’t change the fact that China let the renminbi weaken to under ¥7 to the dollar on Monday. China has a G20 commitment to refrain from competitive devaluation. This behaviour violates that commitment.

The People’s Bank of China acknowledged that it has ample control over the renminbi exchange rate, and there is an additional question.

Sino-American relations have been at the centre of Donald Trump’s global agenda since before he was elected. Positioning himself as a “strongman against Beijing by labelling China a currency manipulator is just the latest installment in a poorly thought-out and economically damaging trade war.

There may be some truth to the charge that Beijing manipulates the renminbi, or at least has done so in the past, but this escalation is not helpful. Trump is using allegations of Chinese currency manipulation to drive up domestic support for his tariff agenda, attempting to convince Americans that the Chinese are the ones really footing the bill for his tariffs.

In reality, this is just the first step towards the US imposing further sanctions on China, which will continue to negatively impact American consumers.

Trump seems to have underestimated how far China is willing to go in retaliation, and while this accusation of currency manipulation is a largely symbolic gesture, it further erodes trust between the two parties as they ostensibly attempt to reach a deal.

Morgan Schondelmeier is head of development at the Adam Smith Institute.
University is not the be all and end all

Young people should realise that academia isn’t the only way to achieve career success

EXAM results are looming, and with fears of failure and disappointment plaguing young people up and down the country, it’s about time we make students in the UK more aware of the realities of our changing professional landscape.

The fact of the matter is that a piece of paper should never and will never define young people’s future finances or professional progression.

ACADEMIC PRESSURE

Far too often, I see and hear of young people being coached into believing that exam success and university set the tone for their future career path. And frustratingly, influential figures are failing to acknowledge that the workplace landscape is changing – for the better.

For instance, while societal and parental pressures surrounding the need to go to university still exist, academic success is no longer considered an absolute necessity for many high-profile companies.

Smart employers are finally starting to realise that academic performance and success in the workplace aren’t necessarily connected.

In fact, some of the world’s richest and most renowned entrepreneurs, including Bill Gates and Richard Branson, chose to carve out their own path to victory and refused to conform to what society told them to do.

They didn’t complete university degrees, yet they’ve gone on to become some of the best-known entrepreneurs in the world as a result of their career success.

MY JOURNEY TO THE TOP

As a teenager, I shared a room with my father and brother, and grew up experiencing huge financial difficulties, finding it challenging to balance a tricky home life with education. As a result, education was never something that I excelled at. I achieved mostly Ds and Es at GCSE, and was also expelled from school.

On paper, my educational journey was a failure, but what I now realise is that no skill will ever outweigh the ability to channel fortitude and hard work. By rejecting society’s message telling me that good grades automatically led to professional success, I looked for other alternatives to gain further skills.

Apprenticeships, BTEC qualifications, and sector-specific courses are all just as valid, and often offer more relevant, necessary workplace skills.

As soon as I realised that I was able to pursue a career in an industry that interested me, I focused my attention on my new goals and turned my student bursary into a substantial profit. This initial – and somewhat surprising – success taught me that the key to a happy career is making decisions that best suit you personally, rather than following the crowd. It’s mindset, rather than qualifications, that should determine your future.

THE LESSON FOR STUDENTS

Several years after being expelled, I have managed to turn my life around, building a million-pound trading business, training over 2,000 people, and recently writing my own book.

Still, one of the most common misconceptions among young people is their belief that higher education and exam results will automatically set them up for a thriving professional career.

While everyone should of course aim for success at school, it is not the be all and end all.

I hope my somewhat unconventional journey shows some young people that, no matter what happens with exam results in the coming weeks, there are always alternative routes to get to where you want to be.

The bottom line is that career and financial success are built more upon attitude and application, rather than exam results and university attendance.

Samuel Leach is chief executive of Samuel & Co trading.

HELP IN THE OFFICE

Slack
Free

With over 10m daily users, there’s no doubt that Slack has become the do-it-all app in many offices. It combines basic communication tools such as messaging and video chat with more complex features like integrated file sharing. Slack streamlines common services with the aim of helping you get “real work” done.
PERSONAL FINANCE

THE LAST RESORT

With travel operators going bust, Katherine Denham explains how you can protect your holiday.

W

W

W

HE HAS A RESORT

With travel operators going bust, Katherine Denham explains how you can protect your holiday.
SMALL PACKAGES
The David Brown Mini Remastered is a small car with a big price tag. Tim Pitt drives it

DAVID BROWN MINI REMASTERED

PRICE: £90,000
0-62MPH: 9.2 SECS
TOP SPEED: 80MPH
CO2 G/KM: 0
MPG COMBINED: 125 MILES

THE VERDICT:
DESIGN ★★★★☆
PERFORMANCE ★★★★☆
PRACTICALITY ★★★★☆
VALUE ★★★★☆

CAR FEATURES:
- Stylish, bespoke interior
- Unique, hand-crafted materials
- Exceptional build quality
- Limited production run

NOT CONVINCED? CHECK OUT THESE ALTERNATIVES...

MINI JOHN COOPER WORKS

PRICE: £26,095
0-62MPH: 6.1 SECS
TOP SPEED: 133MPH
CO2 G/KM: 130G/KM
MPG COMBINED: 49.6MPG

ROVER MINI COOPER

PRICE: £4,000
0-62MPH: 12.2 SECS
TOP SPEED: 90MPH
CO2 G/KM: 164G/KM
MPG COMBINED: 42.8MPG

SWIND MINI ELECTRIC

PRICE: £79,000
0-62MPH: 9.2 SECS
TOP SPEED: 80MPH
CO2 G/KM: 0
RANGE: 125 MILES

BY MOTORINGRESEARCH.COM FOR CITY A.M.
When they look back on the 251-run defeat by Australia in the first Ashes Test, England will reflect on an opportunity missed. After losing the toss, England had the visitors right where they wanted them at 122-8, only for Steve Smith to claw Australia back into the game with a brilliant 144.

The former captain then repeated the trick in the second innings, scoring 142 to give Nathan Lyon the perfect platform to spin them to victory at Edgbaston on Monday.

It was a disappointing start to the series and England now need to focus on regaining their confidence, turning things around and winning the second Test at Lord’s next week. If they lose again, then things start looking very difficult at 2-0 down.

If they are to recover, England need to find a way to dismiss Smith, who is now averaging 92.56 across the last three Ashes series, before he reaches the 140s.

After the slow, dry surface in Birmingham which suited Australia down to the ground, the hosts will hope for more advantageous conditions at Lord’s to aid swing bowling.

**ARCHER’S OPPORTUNITY**

Smith is clearly in wonderful form but, like any batsman, he has flaws. I dismissed him in both innings of two Ashes matches – the third Test at Perth in 2010 and the first Test at Brisbane in 2013 – and I think Jofra Archer could be the man to break Smith’s run of form.

The injury to Jimmy Anderson is a huge blow to England. It leaves them without their all-time top wicket-taker and makes it very difficult for them to win the Ashes. But it also means Archer can make his Test debut at Lord’s.

He can provide a new challenge for Smith, who almost took the mickey out of England’s attack at Edgbaston with the way he left the ball outside the off stump and comfortably manipulated the field when they tried to implement bowling plans.

Back when I was playing, the best bet against Smith was to move the ball away outside the off stump, because he tended to get squared up and be drawn away outside the off-stump, because he against Smith was to move the ball away from his body. However, he’s clearly developed a technique to counteract this issue.

In the first Test he was so patient. He wasn’t being drawn into playing when the ball was moving around and simply waited to work anything slightly too straight into the legside.

Once the ball had gone soft and bowlers were tiring, he then showed his mastery of scoring on slow pitches.

**PACE UNLOCKS DOORS**

Unlike his team-mates, though, Archer has the ability to bowl over 90mph and no matter how good you are that can trouble you.

If I were him, I would start my spell by bowling a fifth-stump line outside off stump, but crucially Archer’s pace allows him to be hostile too. The 24-year-old has a sharp short ball and if the wicket is receptive he can rush Smith.

I came around the wicket and had him caught down the legside by Matt Prior in 2010, and it is a tactic which England can go to now Archer is available.

Archer, who took 6-27 for Sussex’s second XI after returning from a side strain yesterday, will have so much expectation on his shoulders if he is chosen to replace Anderson at Lord’s.

It’s far from the ideal scenario in which to make your Test debut – filling Anderson’s boots when behind in an Ashes series – but, after starring in the World Cup, I fully believe he is capable of dealing with it.

---

**AR Cher can turn tables on Smith**

He has the ability to bowl over 90mph and no matter how good you are that can trouble you.
THE CHAMPIONSHIP TRAP

Clubs’ finances and professional status are under threat in rugby’s second tier, writes Harry Jones

T HREE years ago amateur rugby club Richmond sealed a surprise promotion to the Championship, the second tier of England’s two professional leagues.

They were faced with a stick-or-twist decision: hire an entirely new squad of full-time players and try to compete, or reward their existing part-timers with the opportunity to compete against the pros.

At face value, recruiting a professional squad would appear to be an unmissable opportunity for Richmond to progress as a rugby club.

However, the Championship is a notoriously difficult financial minefield to navigate – and one that continues to push its members to the brink.

Taking financial responsibility and player loyalty into consideration, Richmond opted to compete as an amateur club in a professional league.

“We are a rugby club that is a club, not just a team,” director Ian Capon tells City A.M.

“We don’t believe in funding without economic reason or a business plan. You should play the level you can afford while officials considered the fate of financially stricken Yorkshire Carnegie, who have since escaped expansion but received a 28-point penalty for next season.

“If you read some of the stories that are going on in the Championship, it’s appalling,” Capon says.

FINANCIALLY SUSTAINABLE?
The central dilemma for these second-tier professional clubs is that their running costs far outweigh the £620,000 they receive each year from the Rugby Football Union.

Considering that Championship fixtures do not tend to draw big crowds, it is almost impossible to avoid making a loss.

Nor can most sides hope for financial salvation through promotion. Currently, only two Championship clubs meet Premiership entry criteria that requires teams to have a stadium with a capacity of at least 10,000. Such is the financial disparity between the two leagues, meanwhile, that whenever a Premiership team is relegated they usually bounce straight back up.

Four of the last five relegated teams have won the Championship the following year. In the last three seasons, relegated sides have lost only four games altogether. One team hoping to buck that trend are Cornish Pirates, whose Stadium for Cornwall project proposes to build the country’s first major sports arena by 2021 and, in doing so, unlock an untapped market.

“We’re looking to be a catalyst for top sport in Cornwall, and not just in rugby,” chairman Nick Evans tells City A.M.

CONTINUED ON PAGE 19

ROONEY’S RETURN
Former England captain to join Derby as player-coach in January

Wayne Rooney says he wants to keep playing “until my body says I can’t do it anymore” after agreeing a deal to join Derby County as a player-coach in January. Rooney, 33, will join Derby on an 18-month contract after concluding his time with MLS team DC United. The former England captain has scored 23 goals in 41 games for the Washington-based team since arriving from Everton in July 2018. He will work alongside Rams manager Phillip Cocu and coaches which include Liam Rosenior and Shay Given at Derby. “First and foremost, I want to come in and play and help the team,” Rooney said. “Secondly, I want to learn off Phillip and his staff to gain experience for when I do stop playing and take the next step. There were other clubs making offers and enquiring about me but I made the decision to come here and that was it, I wasn’t going to go back on my decision.”

ROONEY’S RETURN
Former England captain to join Derby as player-coach in January

Sport

ARSENAL SELL KOSCELYN TO BORDEAUX FOR 8.5M
Arsenal captain Laurent Kosceleyn completed a move to French side Bordeaux for £8.5m yesterday. The 33-year-old defender had a year left on his Gunners contract, but forced through a move back to his native France by refusing to travel on the club’s pre-season tour. He made 353 appearances since signing from Lorient in 2010. “We thank Laurent for his contribution to the club and wish him all the best for the future,” Arsenal said in a statement.

JONES DROPS TE’O AHEAD OF WORLD CUP SELECTION
Centre Ben Te’o has been excluded from England’s squad to face Wales in Sunday’s World Cup warm-up match at Twickenham. Te’o, fullback Mike Brown, scrum-half Ben Spencer and forward Alex Dombrandt have all been dropped by Eddie Jones, who will name his 33-man World Cup squad on Monday of Northampton Eagles prop Lewis Ludlam, Bath winger Ruaridh McConnochie and Gloucester scrum-half Willi Heinz could all make their debuts at Twickenham.

OLESEN TO FACE SEXUAL ASSAULT CHARGES
Ryder Cup winner Thorbjorn Olesen has been charged with sexual assault, being drunk on an aircraft and common assault. The Dane, who was part of Europe’s win over the US in September, will appear at Uxbridge Magistrates’ Court on 21 August after being arrested following a flight from Nashville to London on 29 July. The 29-year-old did not comment on the charges.

ARHER PROVES FITNESS WITH 6-27 FOR SUSSEX
Jofra Archer gave England an Ashes boost after proving his fitness with an impressive display for Sussex second XI yesterday. Archer, who had been suffering with a side strain, blew away Gloucestershire with figures of 6-27 and before scoring 108 with the bat. The 24-year-old is in line to make his England Test debut against Australia at Lord’s next week after Jimmy Anderson was ruled out with a calf injury.

JOHNSON HANSWORTH INjure

29 July. The 29-year-old did not comment on the charges.

WEDNESDAY 7 AUGUST 2019

SPORT DIGEST

SPORT