Wealth warning: St James’s Place could scrap staff perks after fees row

AUGUST GRAHAM
@AugustGraham

THE BOSS of Britain’s largest wealth manager has been forced to review its controversial staff incentives scheme as details of the lavish rewards were made public.

St James’s Place (SJP) advisers could enjoy luxury cruises and white-gold cufflinks as reward for bringing in new clients willing to save in pensions and ISAs.

In an internal memo seen by City A.M., chief executive Andrew Croft promised to “modernise” the company, including changes to the rewards programme.

There was trouble for the firm over the weekend after an anonymous whistleblower lifted the lid on the Sunday Times on its week-long overseas conferences for high-flying partners.

Describing the firm’s lavish events as “like something out of the Wolf of Wall Street”, the former SJP partner felt he and his colleagues “were not advisers, we were sales people, and I felt I was not acting in (clients’) best interests”.

Earning over £150,000 in new business would land a partner and their significant other a spot each on one of the exclusive overseas trips – but they would have to fly economy class.

Partners who earned more could bring extra guests and upgrade their flights.

“They trips were portrayed as business conferences, but really they were just all-expenses-paid holidays,” the whistleblower wrote in the paper.

SJP has come under criticism for its fee structure, with the firm criticised for a lack of transparency and hefty exit payments if individuals want to withdraw their funds in the first five years.

CONTINUES ON P2
MONARCHS AHOY Yachtswoman Joan Mulloy sails up Thames to re-enact Irish ‘Gypsy Queen’s’ meeting with Queen Elizabeth I

IRISH yachtswoman Joan Mulloy re-enacted her ancestor’s historic voyage on the so-called “Irish Pirate Queen” to the Tower of London on Saturday, the anniversary of Queen Elizabeth I’s birth. The yacht's journey from Westport, Ireland, replicates one made by Mulloy's ancestor, the legendary Granuaile – Grace O'Malley – over 400 years ago to meet the Queen on her birthday.
Swiss exchange boss: UK must protect the City

HARRY ROBERTSON
@henrygrobertson

The chief executive of Switzerland’s biggest stock exchange has warned Britain to be ready to protect its financial services industry against measures from the European Union.

Jos Dijsselhof’s Zurich-based Six exchange is at the centre of the EU’s row with Switzerland over trading that has seen each side block the other from its equity trading markets.

“The government should be ready to act to protect the UK,” he told the Sunday Telegraph. “That’s what the Swiss government has done, quickly put in emergency laws.”

Many in the UK fear the spat is an omen of things to come for Britain.

In July, the bloc banned its investors from trading on Swiss stock exchanges after becoming frustrated by Switzerland’s perceived lack of action on a partnership agreement that would deepen ties between the two sides. In response, Switzerland blocked stock exchanges in the EU from trading Swiss shares, which include the food giant Nestle.

At the centre of the argument was the EU’s “equivalence” status, which lets shares of foreign companies be traded on EU exchanges if their home country’s rules align with those of the bloc.

While included in the UK’s deal with the EU, there is uncertainty over what shape an eventual deal will take, and fears that a withdrawal of equivalence would have damaging effects.

“There are risks of London losing business,” Dijsselhof said. “There should be a law ready to say, if you do this to us, we will retaliate.”

Dijsselhof told Reuters the EU’s crackdown had backfired and led to Switzerland-listed firms’ shares being traded almost entirely in the country, pushing up its turnover.

Branson’s Virgin Galactic faces first test of market confidence

ALEX DANIEL
@alexmdaniel

Investors will vote on whether to back the stock market entry of Richard Branson’s space tourism venture Virgin Galactic later today.

Virgin Galactic was due to merge with US-listed investment vehicle Social Capital Hedosophia (SCH), but is set to miss the deadline for this. Investors in SCH will vote on whether to let it go into liquidation and recoup their funds, which total $712m (£578m), or whether to continue backing the venture until a December extension.

An SCH spokesperson said the merger was “on track and on schedule”.

RALLIES RAGE ON Hong Kong police use gas to quell protest in city’s busiest district

Aston Martin boss prepares IQ public float

AUGUST GRAHAM
@AugustGraham

The chair of Aston Martin, who has overseen the luxury car maker’s share price fall by three-quarters since listing last year, is preparing to hit the markets with another firm.

The owners of IQ Student Accommodation, which is chaired by Aston Martin’s Penny Hughes, are planning to take the company’s £3.5bn worth of assets public, Sky News reported.

Goldman Sachs owns 70 per cent of the business, while charity the Wellness Trust holds 28 per cent.

It is a major listing which could bring interest from many institutional investors, the broadcaster said, citing sources.

As one of the largest providers of student housing in the country, IQSA could reach an equity valuation of more than £2bn.

But Hughes, a highly respected businesswoman, might have to give up her place at the head of the boardroom table.

She already chairs Aston Martin and the Gym Group, leading her to clash with rules which ban more than two listed chairmanships.

HONG Kong police prevented anti-government protesters from blocking access to the airport over the weekend, but fired tear gas for a second night running in some densely-populated districts of the Chinese-ruled city in the 14th week of unrest.

Fuel economy and CO2 results for the new BMW 330e range mpg (l/100 km) (combined): 176.6 (7.6) to 201.8 (7.4). CO2 emissions (combined): 36g/km. Electric range: 34–37 miles. Electric energy consumption (weighted combined): 15.4–14.8kWh/100 km. Figures are for comparison purposes and may not reflect real driving results, which depend on a number of factors including the starting charge of the battery, accessories fitted (post-registration), variations in weather, driving styles and road conditions. They were obtained using a combination of battery power and fuel. The BMW 330e is a plug-in hybrid vehicle. It requires mains electricity for charging. All figures were determined according to a new test (WLTP). The CO2 figures were transferred back to the outgoing test (NEDC) and will be used to calculate vehicle tax on first registration. Only compare fuel consumption, CO2 and electric range figures with other cars tested to the same technical procedure. Test drive subject to applicant status and availability. Participating Retailers only. Model shown: BMW 330e Sport.
THE NUMBER of Britons venturing out to the shops fell again in August, bringing yet more problems for a retail sector that has suffered a number of casualties this year.

Footfall fell 1.3 per cent in August year on year, compared to a yearly fall of 1.9 per cent in July, according to a retail survey published today by the British Retail Consortium (BRC) and data group Springboard.

“Increasingly cautious consumers are holding back on discretionary spending and not heading out to the shops,” said BRC chief executive Helen Dickinson.

The weak footfall figures come at a turbulent time for the retail sector and the UK economy.

Household name Debenhams, bakery chain Patisserie Valerie, and fashion labels Pretty Green and LK Bennett have all gone into administration in 2019.

The British economy shrank in the second quarter, meanwhile, as Brexit uncertainty took its toll on manufacturers and investment.

“There is little sign that the stresses on retail will abate any time soon,” Dickinson said.

“There are fewer Aim companies paying dividends than their main market counterparts, simply because so many are still in their early capital-hungry phase,” said Link Market Services chief operating officer Michael Kempe. “But not only has the proportion of Aim companies paying dividends risen, but those coming to market are doing so earlier, and those paying them are growing their dividends rapidly.”
BORIS Johnson is preparing to hand leaders in the north of England responsibility for train services as part of a big industry shakeup.

Two struggling rail franchises, Northern and the Transpennine Express, are to be devolved to a new body that would be similar to Transport for London in the capital.

The new body would have funding and commissioning powers either through Transport for the North, which was created last year, or a new organisation.

Transport secretary Grant Shapps is due to announce the plan shortly, the Sunday Times reported.

A spokesperson for the Department for Transport said: “The transport secretary has made it clear that improving train punctuality is one of his top priorities and the government is investing heavily in transforming services in the north.

“As the Prime Minister recently set out, this government wants to drive growth across the north, including through Northern Powerhouse Rail, giving local leaders greater powers and investing £3.6bn in towns across England.

The government is currently conducting a “root and branch” review into Britain’s railways, led by former British Airways chief executive Keith Williams. Shapps’ predecessor, Chris Grayling, commissioned the review in light of last May’s timetable chaos, which led to thousands of delays and cancellations.

The spokesperson added that “further announcements will be made in due course after properly considering all options and consultation with Williams and northern leaders”.

A review into HS2, the railway that will link London to the north, is also underway and is due to be completed later in the year.

Alek Rogers

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Disney leases Pinewood as war over original content hotting up

ALEX DANIEL

@alexmdaniel

DISNEY is said to have agreed to rent most of production hub Pinewood Studios in Buckinghamshire, in a move that intensifies the battle for Britain’s production talent.

The film and TV giant has reportedly signed a decade-long lease for the entire space, except for a handful of TV studios. Pinewood has spawned generations of film hits since it opened in 1936, including the James Bond franchise, Disney’s Mary Poppins Returns and Star Wars: The Last Jedi.

Netflix was also reported in May to have signed a deal to lease a third of the space at Pinewood.

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JP Morgan set to pip rivals for Aramco float

AUGUST GRAHAM

@AugustGraham

JP MORGAN bankers could soon get bragging rights by leading history’s biggest public float.

The company is close to winning the role as adviser to Saudi Aramco as it looks to hit stock markets potentially as early as November, Reuters reported yesterday, citing sources. The decision is not final, and could be reversed, they said.

It would represent a major win for the bank, and would likely lead to a raft of other business.

The bragging rights alone will give JP Morgan a spring in its step. Aramco is the world’s most profitable company, miles ahead of second-place Apple.

Aramco is also considering giving roles to Citi, Goldman Sachs, HSBC and Samba Financial Bank, Reuters said. Last year, the oil giant combed in $111.1bn (£90bn) in profits.

The Saudi Arabian government is looking to float Aramco to bring in money for investment to make the country less reliant on oil money.

Crown Prince Mohammed bin Salman said Saudi Arabia needs to prepare for when oil, or demand for it, dries up.
Businesses, get ready for Brexit

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Sainsbury’s set for big changes at banking arm

HARRY ROBERTSON
@harryrobertson

SAINSBURY’S is plotting a radical overhaul of its loss-making banking arm as it reconsiders its business model in the wake of its failed merger with Asda.

The high street icon is weighing up its options ahead of a meeting with investors in two weeks’ time.

Sainsbury’s Bank made a £34m statutory loss last year while underlying profit rose 7.8 per cent to £635m, however.

The company as a whole saw its statutory profit fall 42 per cent to £239m, due in large part to the costs of preparing for the merger, which was blocked by regulators in April. Its statutory profit fall 42 per cent to £239m, due in large part to the costs of preparing for the merger, which was blocked by regulators in April. Its statutory loss last year while underlying rates, mortgage competition and digital challengers.

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ExxonMobil
The preppy pink-and-navy branded company’s 1,700 staff face a tough future.

Preppy chain Jack Wills’ collapse leaves its creditors out of pocket

ANNA MENIN
@annafmenin

JACK Wills owed over £100m to creditors including HSBC and several councils when it collapsed into administration last month.

The preppy clothing brand, known for its distinctive pink and navy blue clothing, was bought by Mike Ashley’s Sports Direct for £1.28m in August, faces leaving a skew of companies out of pocket. Administrators KPMG said there would be a “significant shortfall” in the amount it could return to primary lender HSBC, which was owed £90.8m, with nothing left for other groups owed money.

It blamed the downfall on a “challenging trading environment”, which put the future of its 1,700 staff and 100 stores into doubt. Ashley won a race against retail rival Philip Day to buy the chain.

When it went into administration, Jack Wills owed around £100m to suppliers, landlords and councils – including Brighton & Hove, Bristol, the City of Westminster and Ealing.

‘Disappointing’

HMRC may miss evasion targets

JAMES BOOTH
@jamesbooth1

LAWYERS say it is “disappointing” that HMRC is on track to miss targets for cracking down on tax evasion and avoidance.

The tax authority had set itself a target of increasing the number of criminal investigations that it undertakes into serious and complex tax crimes to 100 a year by the end of parliament.

However, in its annual report for 2018/19, HMRC’s chief executive Jonathan Thompson said preparing for Brexit had “had an impact on [its] wider plans”.

Barry Vitou, head of US law firm Greenberg Traurig’s London white collar defence and special investigations practice, said: “Given the public interest given to tax evasion in the UK, HMRC will be disappointed that it may fail to reach the prosecution targets it has set for itself.”

HMRC’s annual report confirms it has 120 open investigations into individuals for offshore tax evasion, compared with 140 last year. The report also said HMRC is “working on recruitment” in 2019/20 to address its resourcing issues.

In March, a freedom of information request confirmed the tax authority had less than five investigations underway into the relatively new corporate offence of failure to prevent facilitation of UK tax evasion.

HMRC said these were the “first in a pipeline of cases” under development that may be caught by the new laws.

“Although HMRC has undoubtedly had extensive work to carry out in preparation for the UK exiting the EU, many will find it disappointing that this has been to the detriment of its enforcement activities,” Vitou said.

“The figures released in March suggested that HMRC was at least attempting to secure a prosecution for an offence that was so widely publicised when it came into force. We are still waiting for the first prosecution. Significant funding is being invested in HMRC’s aim to tackle tax evasion and non-compliance. It will still be keen to show that these funds are being put to good use very soon.”

HMRC’s chief executive Jonathan Thompson has 120 open investigations into individuals for offshore tax evasion, compared with 140 last year. LAwYERS say it is “disappointing” that HMRC is on track to miss targets for cracking down on tax evasion and avoidance.

Soaring insurance bills for auditors send premiums for audit firms spiralling

JAMES BOOTH
@jamesbooth1

HMRC’s annual report confirms it has 120 open investigations into individuals for offshore tax evasion, compared with 140 last year. LAwYERS say it is “disappointing” that HMRC is on track to miss targets for cracking down on tax evasion and avoidance.

SOARING insurance bills for auditors send premiums for audit firms spiralling.

A series of scandals has sent the cost of professional indemnity insurance for accounting firms soaring, the Sunday Times reported.

That could pose a problem for challenger audit firms, such as Grant Thornton, BDO and Mazars, which are positioning themselves to expand in the audit market in the wake of expected reforms.

The sector has been hit hard by scandals such as the collapse of outsourcing firm Carillion and the accounting debacle at bakery chain Patisserie Valerie.

Regulatory body the Financial Reporting Council has also toughened its enforcement stance after criticism of its approach.

In 2018/19, the regulator imposed a record £43m of fines for misconduct and standard breaches, up from £15.5m in 2017/18.

Rising fines and the risk of scandals has made the sector less attractive for professional indemnity insurers and sent premiums rocketing.

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James Booth talks to Andrew Leatherland, chief executive of the UK’s largest listed law firm DWF, about the business’ meteoric rise and breaking into the US legal market.

DWF is a company that lawyers at rival firms love to hate. Founded in Liverpool 40 years ago, DWF has expanded at a rapid pace, growing from a regional player to an international firm, swallowing rivals along the way.

Over the past decade its revenue grew nearly 350 per cent to £272m, and in March, it became the first law firm to list on the main market of the London Stock Exchange.

Speaking to chief executive Andrew Leatherland in the firm’s Walkie-Talkie office, he says perceptions of the upstart firm among its longer established rivals lag its rapid rise.

One partner at a rival firm jokes that DWF stands for “Doesn’t Work Financially” because they say it hires underperforming partners and increases their pay, while lawyers at another rival call the firm “The Land of Leaither”, a reference to the sofa company.

“Lawyers are cynical animals aren’t they?” Leatherland retorts.

“Ten years, 11 years [in London], and it’s like ‘who are you? Where have you come from? How have you done that? Really?’” he says. “I refer to it as brand lag, which the IPO [initial public offering] helped a lot with in terms of raising our profile.”

The firm went public on 15 March this year, days before the UK’s initial deadline for exiting the EU and the only main market float in an otherwise barren first quarter.

“One of the investors I saw last week said ‘you were very much born in a storm,’ – I think that is absolutely right… It was not the easiest thing to get away, and that was reflected in the level of free float and the price that we took at the time,” he says.

Since going public, the firm has continued to prove itself to investors, and achieve the goals it set out in its IPO prospectus.

“We’re four months in, it’s still early days, we have done one set of annual results, we have done one acquisition, they want to see us trade, they want to see us deliver on our promises,” he says.

The firm’s two key selling points for its IPO were its plans for rapid international expansion, and its suite of non-traditional offerings complementary to its core legal business which it calls connected services.

Its connected services business has roots in the firm’s expansion to London a decade ago, when it was a little-known regional player, trying to crack the over-lawyered City market.

“That enabled us to have more positive conversations with clients who definitely suffered from the DWF-who brand?” Leatherland says.

Since going public, the firm has opened operations in Poland, and it has designs on the US, Canada, Spain and the Netherlands.

Last year, DWF struck an exclusive relationship with US firm Wood Smith Henning & Berman – and Leatherland makes clear that he sees this as a precursor to a potential future merger. At present, no US state allows non-lawyer ownership of law firms, preventing legal businesses with non-lawyer owners – such as DWF and the Big Four accountants – from entering the market.

“We feel as though we can get there,” Leatherland says.

There is no clarity around Brexit...

We are not here for short-term growth, so take the IPO now
**Pubs cash in on holiday heatwave**

**ALEX DANIEL**

@alexmdaniel

A SUNNY spell through the August Bank Holiday helped London watering holes increase their late-summer sales, according to a closely-followed industry measure published today.

Thirty punters gravitated to drink-led pubs in the capital, which enjoyed a five per cent boost in sales compared to the same period last year.

Drink-led pubs across the UK as a whole saw sales increase 4.1 per cent throughout August, according to the Coffer Peach Business Tracker.

“The weather, as is often the case, played a big part in shaping sales, with the hot weather in the run-up to and during the bank holiday weekend boosting pub trading and suppressing restaurant sales,” said Karl Chessell, director of CGA, which helps to produce the tracker.

Restaurants did not cash in on the heatwave to the same extent, with a 0.2 per cent drop in trading after a strong showing in July.

Paul Newman, accounting firm RSM’s head of leisure and hospitality, said: “The news for restaurants was less upbeat as consumers look to balance their household budgets by cutting back on eating out. The UK’s top restaurant chains fell to a combined loss of £2m last year.

Although drink-led pubs fared well, restaurants suffered a slight fall in trading.

**About 117,000 taxpayers fall behind on bills**

**ALEX DANIEL**

@alexmdaniel

THE NUMBER of British taxpayers who are falling well behind on their tax bills has continued to climb, according to new research.

About 117,000 people are now more than six months behind, accountancy firm Moore Stephens said today.

This means they have received the second of two penalties of five per cent of the tax they owe. This time last year, the figure was at 110,000 people.

As well as the overall 10 per cent penalty, late payment interest charges are also slapped on. When they reach 12 months, taxpayers are hit with another five per cent charge.

Researchers said the struggling UK economy has had a direct impact on people paying their bills on time.

Moore Stephens tax specialist Tim Woodgates said: “The steady flow of people getting in trouble with their tax bill has suddenly picked up a pace. That’s a real problem as the charges they are incurring are just going to push them even further into arrears.”

Those with volatile income such as the self-employed are particularly at risk, said researchers, while personal insolvencies have risen by 14 per cent in the last year.

Moore Stephens said HM Revenue & Customs’ (HMRC) methods of collecting taxes are likely to increase financial stress for those who cannot pay up.

Methods such as the so-called direct recovery tactic, in which HMRC is able to take money directly from people’s bank accounts, were highlighted.

“HMRC must look again at how it can proactively help taxpayers manage their payments without large fines,” said Woodgates.

“A quicker process to agree a ‘standstill’ on a bill would help,” Woodgates added.

**London economy outperforms UK in August**

**HARRY ROBERTSON**

@harrygrbtsen

GROWTH in London’s private sector slowed in August, but the capital outperformed the UK as a whole as new business, activity and employment all expanded.

Despite the expansion, companies’ overall confidence fell to a five-month low in August as Brexit uncertainty weighed on sentiment. The London purchasing managers’ index (PMI), a gauge of the private sector’s health, fell to 51.7 in August from 52.8 in July, Natwest and data firm IHS Markit said. A score of over 50 indicates expansion.

“New work was the main factor underpinning activity growth, according to survey members,” Natwest and IHS Markit said.

The PMI score was joint-second best of all the regions in Britain, with the east of England taking the top spot and London tying with Yorkshire and Humber.

A raft of weak PMI data last week showed the UK economy is in a perilous position after shrinking by 0.2 per cent in the second quarter. Recession fears were raised by slowing growth in services.
**Accuracy of Companies House data is questioned by assessment firm**

**HARRY ROBERTSON**

@henrygrobertson

AN ORGANISATION that produces reports into the health and credit-worthiness of small firms has cautioned that there is no guarantee that the Companies House data it uses is accurate.

Company Watch, a City-based provider of company assessments, has added a disclaimer to its reports notes that Companies House “does not verify the accuracy of information that is submitted to it,” according to the Sunday Times.

It comes amid renewed focus on the laws about registering firms in Britain, which critics is open to criminal misuse. In May the government responded to long-standing concerns by launching a consultation on changes to the Companies House system, including giving the register more powers to look into companies’ arrangements.

At the moment, we accept information to the register without checking that people are who they say they are,” Louise Smyth, chief executive of Companies House, said in June. “In the... majority of cases, this does not cause... problems. But there are instances where criminals claim to be directors of UK companies and file false information.”

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**Apple lifts lid on iPhone 11 to calm investor concerns**

**JAMES WARRINGTON**

@j_a_warrington

APPLE boss Tim Cook is expected to launch the yet-to-be named iPhone 11 at the company’s California headquarters this week, amid fears the Silicon Valley juggernaut’s success may be slowing.

The launches have traditionally given the tech giant the chance to stir up excitement among fans and investors alike. However, as smartphone sales slip and demand for the latest gadgets declines, Cook will be seeking to reassure investors that the firm remains in rude health when he takes the stage tomorrow night.

Apple had a poor start to the year, issuing a surprise profit warning in January. At the heart of the firm’s troubles is a fall in demand for mobile phones, with global sales forecast to decline 0.5 per cent this year, according to research firm Gartner.

A perceived lack of new functionality in newer models compared to rivals, and a price hike strategy has seen the firm suffer from sluggish trading.

“This does raise the stakes for the iPhone 11,” says Russ Mould, investment director at AJ Bell.

Investors will be looking forward to the launch every bit as keenly as gadget fans, in the hope that it can spur profits and the share price alike.”

However, expectations are that the new model will offer only incremental improvements to design and functionality, with the biggest overhaul expected in the form of a triple camera.

“I can’t remember there being so little hype around an iPhone launch,” says Michael Hewson, chief market analyst at CMC Markets. “The fact is that with iPhone sales in decline and the global economy slowing, it’s hard to see that slide being arrested with a few new fancy upgrades.”

Instead, Apple’s future success may lie elsewhere. The tech firm has made a concerted effort to shift its focus towards service offerings, with recent moves into news, fintech and – perhaps most importantly – video streaming.

The strategy appears to be working, with services and so-called wearables – devices such as its Airpods and the Apple Watch – taking up the slack for the smartphone decline. Combined sales from these divisions rose 22 per cent in the third quarter to $17bn ($13.8bn), and now account for almost a third of the company’s total revenues.

However, some aspects of the business remain under threat from outside forces, as ongoing US-China trade tensions threaten to impose significant tariffs on the company.

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Britain’s second-largest motor retailer has seen its profits skid

The car industry continues to spiral, one of Britain’s biggest dealers has turned to restructuring companies to try to halt its downward profit spiral. Pendragon, which owns the ubiquitous Evans Halshaw car dealership brand, spoke to several firms about helping shake up its spending earlier this year, but the process was cut short by the shock resignation of former chief executive Mark Herbert in late June.

Britain’s second-biggest motor retailer said in June that it expected the first half of 2019 to be “significantly loss making”, blaming falling UK car sales and a build-up of unsold used car stock for its poor performance. This followed a £2.8m first-quarter loss.

It predicted a return to profit in the second half, but these hopes could be dashed if Britain’s car market continues to stagnate. Last month the sector worsened, posting a 1.6 per cent monthly drop in sales to 92,573 cars during August.

The Sunday Telegraph reported one of the firms Pendragon spoke to was boutique consultancy Alvarez & Marsal, which is led by former KPMG advisory head Richard Fleming. A Pendragon spokesperson said: “Earlier in the year, we spoke to a number of firms about helping management to conduct an operational costs review of the business.”

**Thomas Cook in stand-off over pension scheme**

MICHAEL SEARLES

THOMAS Cook’s pension scheme trustees are demanding improved terms to back a £900m rescue of the tour operator.

The pension scheme is seeking equity in the restructured company, as well as funding guarantees from the new owners and a commitment to continue the existing annual contributions of more than £25m. Sky News reported over the weekend.

Thomas Cook has highlighted concerns about the demands and argued that it is for shareholders such as Fosun Tourism Group to decide if they are realistic.

One stakeholder told Sky News the requests were “ludicrous given the haircuts other creditors were taking”. Grant Thornton has been appointed while the Pensions Regulator has also been involved in discussions.

The rescue plan would see Fosun inject £450m into the company in exchange for 75 per cent of Thomas Cook’s tour operating business and 25 per cent of its airline.

The remaining stakes would be acquired by lending banks and bondholders, which would contribute £450m and write off £1.7bn in debt in exchange.

Existing shareholders would be wiped out by the restructuring, but EU ownership regulations prohibit Fosun from owning the airline arm.

The stand-off between Thomas Cook and its pension trustees has complicated the completion of the rescue deal. A crucial board meeting on Wednesday will likely decide which route to take, sources told Sky News, including a potential cancellation of Thomas Cook’s public listing.

Thomas Cook and its pension trustees declined to comment this weekend. However, a source close to the tourism company’s board told Sky News that it “continued to remain committed to seeking a solution for shareholders”.

Thomas Cook also needs to persuade the Civil Aviation Authority, which administers the Atol insurance scheme that covers travel companies and their customers, that it should renew its licence at the end of September for another 12 months.

**VAT crackdown on small and mid-size firms nets £4.4bn for taxman**

JAMES BOOTH

THE TAXMAN collected an extra £4.4bn from small and medium-sized enterprises (SMEs) via investigations into the underpayment of VAT last year, up 18 per cent from £3.8bn collected in 2017/18.

Over £1.7bn was collected from VAT investigations into small businesses last year, according to tax investigation insurance firm FPF in data published today.

FPF said the growth in the “VAT gap” has resulted in HMRC becoming increasingly aggressive in pursuing underpaid VAT. The gap represents the difference between what HMRC thinks it should receive and what it actually collects.

It hit a record high in 2017/18 of £12.5bn, up 13 per cent from £11.1bn the previous year.

Cash-based SMEs are often the focus of VAT probes as they are deemed a risk for underpayment. HMRC has specialist teams looking at cash-based industries including teams looking at fast food outlets in London and taxi firms in Yorkshire and the East Midlands.

Kevin Igoe of FPF said: “HMRC is keen to protect the golden goose and will come down hard on any trader it deems to be underpaying VAT.”

**Typhoon Faxai forces Tokyo to cancel transport**

NAOMI TAJITSU

JAPAN braced for Typhoon Faxai yesterday, cancelling trains and flights with destructive winds of up to 216kph and heavy rain expected to hit the region overnight, according to the country’s meteorological agency.

Faxai, a woman’s name in Lao, could dump as much as 300 millimetres of rain in the next 24 hours, said the agency.

Trains and cars could pick up suddenly, causing severe storms at sea, and there is a risk of record-breaking winds in the capital and other regions,” it said on its website.

National broadcaster NHK warned that high-speed winds could fell power lines and damage homes, while heavy rains could trigger flooding and landslides.

The Central Japan Railway company said it would cancel or suspend around 50 bullet train services between Tokyo and Osaka.

East Japan Railway services in the greater Tokyo area would be stopped from the start of today service between the city’s peak morning rush due to expected heavy rains, NHK said.

Both Japan Airlines and ANA said they had cancelled a number of flights to and from Tokyo’s two airports yesterday, adding that more flights would be called off today.
China’s stimulus aids FTSE rise as retailers’ report

The FTSE 100 rose on Friday as a new stimulus plan from China helped support sentiment, after US jobs data disappointed and housebuilder Berkeley gained after pointing to robust conditions in the British market despite Brexit uncertainties. The mid-cap FTSE 250 advanced 0.2 per cent, up from the 40-week run-rate of four per cent sales growth at JD Sports when it publishes its first-half results tomorrow. Shore Capital is forecasting a 41 per cent rise in first-half revenue to £2.6bn, while underlying earnings are pencilled in at £155m – 28 per cent higher than JD Sports recorded in the same period last year. On Thursday, Morrison’s publishes its results, with UBS trimming its like-for-like sales forecast after a “slow summer” compared to last year, when the hot weather and World Cup boosted results. Bovis, 888 and Wetherspoons among others will also be publishing results this week.

TOP RISERS
1. Smurfit Kappa Up 3.41 per cent
2. Berkeley Up 2.76 per cent
3. Croda Up 2.43 per cent

TOP FALLERS
1. United Utilities Down 2.92 per cent
2. Severn Trent Down 1.84 per cent
3. Centrica Down 1.79 per cent

Primark will be in the spotlight today when Associated British Foods releases its year-end trading update. UBS expects Primark to deliver overall sales growth of five per cent, up from the 40-week run-rate of four per cent sales growth at JD Sports when it publishes its first-half results tomorrow. Shore Capital is forecasting a 41 per cent rise in first-half revenue to £2.6bn, while underlyig earnings are pencilled in at £155m – 28 per cent higher than JD Sports recorded in the same period last year. On Thursday, Morrison’s publishes its results, with UBS trimming its like-for-like sales forecast after a “slow summer” compared to last year, when the hot weather and World Cup boosted results. Bovis, 888 and Wetherspoons among others will also be publishing results this week.

DOMINO’S PIZZA

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Shares, or perhaps slices, in US pizza chain Domino’s, have been volatile over the past year. Recently, news that its delivery business was being eaten into by rivals such as Uber Eats took a bite out of the stock’s value. But analysts at Canaccord Genuity say there are signs Domino’s share price could be revalued, not least by strong inflows to the business. The company is “building on strong foundations and that there is ‘concealed value’ in the portfolio, delivering a ‘Buy’ rating with a target price of 235p.

ASHMORE

ASHMORE

British investment manager Ashmore warned on Friday that the US-China trade war was “beginning to affect growth”. Nonetheless, the emerging market specialist has emerged as a decent stock in the past year, with a price rise of more than 30 per cent since last September. Analysts at Peel Hunt say the investment firm is “delivering good profit growth after a year of strong inflows”. They cast aside worries over US President Donald Trump’s policies and “move our recommendation back to Buy after the recent weakness”. They give a target price of 530p.

BALKOFF BEATY

BALKOFF BEATY
Construction giant Balfour Beatty has largely avoided the woes of its contracting peers, such as Carillion and BHP. Packaging firm Smurfit Kappa rose 3.4 per cent to the top of the FTSE 100 as its latest bond offering incited demand from yield-starved investors. Meanwhile, in the coming week, investors will focus on three retailers.

SRIL

SRIL
Warren Downey has joined SRIL, the specialist insurance intermediary group that owns Giles Smith and The Underwriting Exchange, as chief executive. Warren joins from Jardine Lloyd Thompson where he spent the past 28 years, most recently as the chief executive of its global private client business. He has held roles across specialist lines of business in the UK, Sweden and Asia. Warren brings extensive industry and client experience and will lead SRIL in its mission to become one of the market leading, independent specialist brokers. SRIL plans to grow organically by investing in innovative new products, in its sales pipeline and talent, as well as leveraging SRIL’s relationships supported by appropriate acquisitions.

MORNINGSTAR

MORNINGSTAR
Libby Bernick will join Morningstar as head of sustainability, effective today. Libby will lead Morningstar’s global cross-functional environmental, social and governance (ESG) team, working closely with our research, product, marketing, and sales leaders to offer investors tools to align their portfolios with their values as well as to understand the ESG risk embedded in investments. She is based in Pennsylvania and will report to Morningstar’s head of global research, Haywood Kelly. Libby brings more than 25 years of sustainability expertise. She joins Morningstar from Trucost, an ESG analytics firm acquired in recent years by S&P Global, where she served as managing director and global head of Trucost corporate business and, prior to that, senior vice president for North America. There, she led the development of market-leading analytics on carbon emissions at risk and the UN sustainable development goals, as well as award-winning ESG research for the financial services industry on plastics and sustainability. Prior to Trucost, she held sustainability-focused roles at U. Environment, PE-Five Winds (now Thinkstep) and Rhoads Engineering.

CAPRA GLOBAL PARTNERS

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Real estate specialist and financial services adviser Capra Global Partners has announced that senior financier Chris Holmes has joined the debt advisory business. Chris will work alongside Luca Giacomini and the existing team. Chris brings with him over 20 years’ experience as a lender and advisor across multiple European markets and real estate sectors. Previously at Credit Suisse and Unicredit, but most recently head of UK debt advisory at JLL, Chris will focus his expertise and skills on clients requiring continued direct debt raising and restructuring advice. His experience includes arranging bond and bank financing for M&A and LBO-driven activity as well as a wide range of property portfolio and single asset transactions.

To appear in CITYMOVES please email your career updates and pictures to citymoves@cityam.com
Global cooperation is under threat – here’s how to revive it

As politicians argue over the EU, the City is poised and ready to trade with the world

Catherine McGuinness

If we want an international community to work, we need to talk about the values that we want it to embody

The tremendous change wrought by globalisation has had immensely positive impacts, but also created deep anxieties. We need to make clear that the purpose of global cooperation is to protect nation states from each other, not to undermine national identities, or national governments.

We can build a stronger layer of global identity without erasing the smaller groups that sit within it, in the same way that someone can be proud of being from London, Britain and England, all at the same time. Protecting the nation state above all means respecting democratic decision-making.

Catherine McGuinness is policy chair at the City of London Corporation.

When the majority of people want to reduce immigration, support for a no-deal Brexit is a sign of recognition of a world where many feel they have a degree of control over the process, they will become increasingly more open to outsiders.

Finally, we need a positive vision of a fairer world. While it has brought benefits, the current global system stands out as unjust in two respects.

Economically, we have created the engines for global wealth creation, but have not closed the loopholes through which many of the richest avoid paying tax.

We need a new international agreement to produce robust systems to make global tax havens free-riding on wealth created else-where, so that countries can regain the power to tax their own citizens.

Politically, the current system leaves enormous power in the hands of a small cabal of nuclear-armed states. We need a renewed effort to reform the United Nations security council, so that the world responds to invasions and ethnic cleansing through a far more legitimate decision-making process.

These are not easy tasks, nor will they be completed quickly. It may not be until another major tragedy of climate or war that the political will for action is created. But by working now to make the case of what a more effective global community would look like, we have a chance of avoiding that fate.

Hassan Damluji is an expert on international development. His book The Future of Globalisation is published this month.

Home alone

With politicians seemingly unable to agree on anything, the need for new homes is a rare point of consensus. But how to get that done is more contentious.

A recent Demos argues that people must be put at the heart of the planning system. Their research found that almost half of public support new homes in their local area. But engagement with the planning system is over half have never engaged with it at all.

What’s more, engagement is dominated by those that are most likely to oppose new developments. Almost six in ten homeowners have engaged with the planning system, compared to fewer than three in ten renters. But a minority of homeowners support new homes in their local area.

The planning system has been captured by those most opposed to new homes. We need a new model of community, with revolution to put that right.

First, local planning authorities should trial the use of citizens’ assembles. This would help to resolve conflict and build consensus around planning decisions as to where homes should go. The over- influence of older homeowners would be reduced as participants are selected to be representative of local people.

Second, developers must improve their engagement with local people. Making pre-application consultation for major housing developments mandatory in England would be a sensible first step.

Third, we need new models of housebuilding that better involve local people. Developers should seek “community-developer partnerships” with local residents, in which some control over the development is given to local people. The prize for politicians able to get more homes built is great. But this will only be achieved if people are put back at the heart of the planning system.

Ben Glover, senior researcher, Demos

Letters to the Editor

TO THE EDITOR

Hassan Damluji

TO THE EDITOR

Catherine McGuinness

TO THE EDITOR

Sarah Johnson

TO THE EDITOR

Kate Molby
We want to hear your views

Only an election can sail the ship of state through Brexit storms

The world is not interested in the storms you encounter, but did you bring in the ship? So wrote the twentieth-century writer of sea stories, William Mcree.

While the quote has some of the barbarities of age, it's a good challenge to those seeking to steer the ship of state. For the briefly-abated Brexit hurricane has been whipped up into a category five calamity, and last week it crashed over the calm seas of a tranquil summer.

It's back – and like some big budget disaster movie sequel, forget the content, observe the spectacle. It's bigger, badder, more threatening than ever before. Yes, the mother of all parliaments is now at the core of the mother of all political storms. It's a good job they are planning a full refurbishment of the building – by the time this baby runs out of bluster, it's going to need it.

Last Tuesday was full Captain Jack Sparrow, the ultimate walk-the-plank moment. It wasn't one that needed a massive special effects budget either – so much so that a budget, in the moment. It wasn't one that needed a massive special effects budget either, but it's going to need it.

Increasingly, the only way to re-float the UK seems to be to clear out the bilge pipes, and that means ending this parliament through an election. Today will see another attempt to call one, and it is imperative that our parliamentarians take the opportunity.

The job of opposition is not to thwart elections, it is to fight them. For all of our sakes, we need an election to give us sight of shore.

The power of decision is perhaps now the only way we can bring any resolution to the woes caused by Brexit. And that means one thing: this parliament must end itself.

Because we face so much more than Brexit. Last month, the governor of the Bank of England warned that the economy threatening worse to come. Business and perhaps even more so than Brexit. But if you think that this storm is the only way to re-float the UK seems to be to clear out the bilge pipes, and that means ending this parliament through an election. Today will see another attempt to call one, and it is imperative that our parliamentarians take the opportunity.

The cause of the dither is the offer to Lawson's approach would help fund the IMF. But if you think that this storm is the only way to re-float the UK seems to be to clear out the bilge pipes, and that means ending this parliament through an election.

The staggering amount which the IPPR thinks could be raised by returning capital gains in the same way that we tax income from work. At the height of Thatcherism in 1988, chancellor Nigel Lawson did exactly this, and brought income and capital gains in alignment. However, since then the level at which capital gains tax is charged has been slashed. The power of decision is perhaps now the only way we can bring any resolution to the woes caused by Brexit.

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T SEEMS odd to see sterling rise as the UK’s political and constitutional crisis ramps up a gear, but in the context of FX positioning it makes more, if not complete, sense.

News may seem to drive FX markets, but this is only part of the picture, and traders also need to be aware of how participants are positioned before events take place. While Brexit promises to up-end many assumptions about the world, the impact of Brexit-related news may be less severe than many expected.

When looking at the possible implications of Brexit on FX markets, it is important to note that “the news” is not the only element that will drive price movement. We also have to consider institutional positioning, i.e. whether major financial firms are, overall, net short or net long.

For example, for sterling, it would be assumed that a no-deal Brexit is the worst possible outcome. It would hit growth, cause major disruption in financial services and set the UK on a fundamentally different course. In the short-term, it could be very bearish for sterling. But, and there always is a but, it might not turn out that way.

According to the weekly Commitment of Traders report, large financial institutions are now heavily short the pound, i.e. they expect further falls, having watched it drop relentlessly against the euro and dollar. Indeed, the number of short positions is at its highest since April 2017. But from April 2017 until the end of that year, GBPUSD gained 10 per cent and the number of short positions rapidly declined. Institutions were last net long GBP at the end of April 2019, at which point it looked like GBPUSD was poised to begin a steady move higher.

Thus, it is possible that, in the very short-term, a no-deal Brexit may see GBPUSD rally. If these institutions decide to close the short positions, then GBPUSD could be forced higher in the near term. Once this rally is over, then a bigger downward move may take place, but it is important to note that, in markets, the obvious move may not be the one that takes place.

To take this a step further, if the deal passes, and the economic relationship between the two is secured (for the time being), then a much bigger move higher could begin, as institutions close out short positions, to short overall. A dramatic UK exit would likely force the ECB’s hand, potentially leading to more QE and providing a bearish driving force for the euro. In such a situation, there is plenty of space for investors to become more bearish on the euro.

Finally, there is the US dollar. A “flight to safety” trade would see the greenback gain, but the dollar has already been moving higher thanks to movements in global bond markets. As more and more bond yields fall into negative territory, the US, as one of the last big bond markets with positive yields, has seen substantial inflows. As a result, the dollar has been pushed higher thanks to these inflows.

A stronger dollar points towards a weaker pound and euro, at least in the medium term. But with the dollar already up for the year, and the pound and euro heavily under pressure, it shouldn’t be a given that the path for these currencies is immediately lower. As so often in trading, the problem in looking at sterling is not where it is going, but how it gets there.

Another glaring risk is how the EU and/or the eurozone. It is hard to envisage a positive near-term view for sterling in the event of no-deal, but with even the Bank of England revising up its forecasts for the GDP hit in a no-deal scenario, perhaps the pessimism has gone too far. Short-term, perhaps a possible no-deal crisis will spark a reassessment of strategy from both the UK and EU, with a fresh drive to resolve Brexit-inspired differences providing hope of a more amicable relationship.

But as with sterling, the path to that end-point could be rocky. Volatility, of all kinds, lies ahead.

STERLING HAS MADE GAINS, BUT IT COULD ALL GO SNAP

THE FACT that sterling jumped for joy as the Tory party continued to crumble says a lot about the state of UK politics at the moment.

The pound reached a five-week high against the dollar at $1.235 last Thursday after the resignation of the Prime Minister’s brother Jo Johnson from the government. It saw similar gains with the euro, shooting up to €1.118 from its severe lows of €1.065 less than a month prior.

The pound’s climb began last Wednesday when parliament sabotaged Boris Johnson’s efforts to push through a no-deal Brexit, making it clear that the currency is hoping for the government to fail on its plan. But whether sterling is to retain its positive momentum is another question entirely, and while the prospect of a no-deal is no longer an immediate threat, we’re certainly not out of the woods yet.

For one, a snap election could be on the cards; if one is called in the next few weeks, uncertainty would cause a drag on the pound. Boris may have an unstable minority government, but traders also can’t ignore the possibility that the Conservatives could win an election and continue to try to implement a no-deal.

Another glaring risk is how the EU responds to a Brexit delay. Boris has been forced to ask for a third extension, but if Brussels refuses the request, a no-deal Brexit on 31 October could again be on the table.

It’s a tough call, and only one thing is certain: sterling remains sensitive to whatever fresh chaos comes out of Westminster, meaning that investors will have to stay on high alert.

Too often traders find themselves stopped out because their stops were too close, or they are spooked out of trades because the position size was too large and they were frightened by a sudden move.

Volatility in GBPUSD has been steadily climbing since mid-July, although it remains well below that seen earlier in the year. The rolling 14-day average move is now 0.8 per cent, which does not sound like much, but is a significant uptick on the 0.55 per cent of mid-July. Investors need to bear this volatility in mind when looking to trade sterling.

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**MARKETING**

GENDER stereotyping is a minefield. What one person thinks is offensive is perfectly fine to someone else. The outcome of this is why we need to focus last month, when the Advertising Standards Authority (ASA) – the ad industry’s independent regulator – upheld complaints against two commercials that broke new rules about gender stereotypes.

One ad for Volkswagen featured scenes including two male astronauts floating in space and a male athlete with a prosthetic leg competing, followed by a woman sitting at a piano. The other was for Philadelphia cream cheese. It showed two fathers being instructed by food and misplacing their infant children on a conveyor belt.

The ads were reprimanded under a new rule of the Committee of Advertising Practice (CAP) code that came into force on 14 June, which states that ads “must not include gender stereotypes that are likely to cause harm, or serious or widespread offence”.

The ASA received three complaints about VW and 128 about Philadelphia. In its published rulings, the regulator explained that it felt the juxtaposition in the VW ad – depicting the men in exciting roles and the woman in a domestic one – was likely to cause harm, while the Philadelphia commercial perpetuated a harmful stereotype about men being terrible at childcare.

Predictably, there was a backlash to both decisions. Fundus accused the ASA of overstepping the mark and being unable to take a joke, while two representative bodies for the ad industry – the IPA and the ISBA – called the rulings “surprising and concerning”. So what is the ASA’s reaction to the reaction? Was it surprised? Yes and no, says ASA chief executive Guy Parker.

“We expected a reaction, because the issue of gender stereotyping is quite divisive,” he tells CityA.M.

There was always going to be debate about our first rulings under the new rule. But I was surprised by the depth of the response. There was disbelief in some quarters that we could have come to these decisions.”

I ask Parker to expand on the justifications given in the rulings. In the case of VW, he explains that, while he felt that the car company’s ad agency wasn’t intentionally trying to use harmful stereotypes, the structure of the ad presented a problematic message.

“I think there was another message in there, that people could pick up on, which is that extraordinary, adventurous, extreme athlete actions are for men, and passive caregiving is for women – that is an unfortunate juxtaposition.”

But with the Philadelphia ad, Parker argues that it intentionally relied on stereotypes to create horror.

“Clearly, a part of the message is that new dads are hopeless and can’t be trusted to look after the kids,” he says – a sentiment that breaks the new code.

Importantly, something that was ignored in the original coverage was the fact that a third ruling was published about Buxton bottled water, in which the ASA did not uphold the complaint.

In fact, Parker reveals that the regulator has already investigated several ads which haven’t ended up banned.

“We are not seeking to ban everything with this rule – far from it. We have received hundreds of complaints about gender stereotyping since the rule came into force. That’s significant. These relate to dozens of ads, and we have resolved the vast majority of those complaints already, because we didn’t think these ads broke the rules.”

This is noteworthy, as some critics – including those in the comment pages of this paper – warned that the ASA might become trigger-happy and ban anything using stereotypes. In fact, the ASA is trying to be very careful and deliberate in its decisions.

Even so, Parker recognises that it will never convince everyone. Another thing that critics seemed confused about was the structure of the ASA, suggesting that the bans were an example of government overreach.

But the ASA is not a state-backed regulator, it is part of the ad industry’s system of self-regulation. And, as Parker points out, the industry itself was involved in creating these rules.

“The advertising industry is a part of the ASA system. It wrote this rule, and it wrote the CAP guidance that we cited as being the justification in these decisions,” he says.

“The ASA system is a really good example of enlightened self-interest: the advertising industry wants to move in step with the changing times, so that it can demonstrate to everyone – the public and politicians – that it’s keeping its house in order.”

As well as the backlash, the ASA also received support from parts of the industry. An article by Campaign Live asked six executives whether the ASA had gone far too far – nearly all backed it.

“Five of the six supported the bans,” says Parker. “I know that’s not a scientific piece of research, but it shows that the reaction isn’t all one way.”

But is it the ASA’s place to care about gender stereotyping at all?

Parker rebuffs this, pointing out that the ASA and CAP did extensive research into the effects of stereotypes in ads before implementing the new rule. He argues that stereotypes can lead people to believe that they have fewer life options than they really do, and this belief may be contributing to some of the gender inequality issues in the UK, such as the pay gap, the lack of female engineers and board executives, and the high rate of male suicide.

“Clearly, these are not caused by one ad, but gender stereotyping in ads can contribute to these real-world harms. We continue to think that the ASA and CAP should respond to that, and try to make sure that harmful stereotypes don’t appear in future ads.”

It seems that the backlash caught the ASA off-guard, and Parker explains that it will do more in the future to try to explain and justify its decisions, and provide as much clarity as it can to advertisers and the public.

“We aren’t seeking to ban everything, but you need to know it’s an area where we take a strong position,” he says. “We try to reflect society in the decisions we make.”

So far, it’s been controversial. But what matters is whether we are moving in the right direction. And if we are, it should be applauded. Because, in the words of the ASA’s chair, Lord Ollerton, “gender stereotyping is a minefield. What one person thinks is offensive is perfectly fine to someone else. It’s only after people know who we are and what you stand for that you can afford to look at logo modifications, or using brandmarks without names and sublines.

“Think of a brand as the bigger picture, with graphics and names as representations of it. To build a proper brand from scratch, and create a coherent, cohesive visual identity, you need to start with a strategy and put clear pillars in place. You can’t just jump in with an abstract logo – not if you want to grow, develop, and resonate with your intended audience.”

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The Hebridean island of Jura has a particular fascination with 1984. Time seems to stand still here, like the early morning mist that lingers about the island’s rolling valleys. But that’s not to say that the small population obsesses over the goings on in Dallas, wears leg warmers, or puts up with Madonna’s Like a Virgin blasting out of tape-decks in teenage bedrooms.

To the people of Jura, the year that witnessed the start of the miners’ strike is a byword for a dystopian reality in which subversive thought could get you into trouble, despite the lack of a police station on the island, and just one special constable on duty. As I soon discovered, Jura is an island intricately linked with George Orwell’s Nineteen Eighty-Four, a novel so influential its title has become shorthand for totalitarianism.

In the late 1940s, when Orwell was a resident on Jura, the island was a long way from anywhere. Seventy years after the work was first published, Ian Packham sets off in the footsteps of George Orwell...

Monday blues?

The Jura Hotel’s restaurant menu confirms my place north of the border: haggis pâté with a rich, mango-like neep (swede) chutney and tattie (potato) oatcakes, followed by macaroni and Scottish cheddar cheese. Dessert comes in the form of a tub of ice cream from the Isle of Arran I buy at the community store – again, an essential one of a kind for the island.

But Craighouse wasn’t nearly secluded enough for Orwell, who headed...
Further north still, where the island gets even more rough and rugged. It’s a journey I begin with Alex Dunnachie of Jura Island Tours, whose mother-in-law was one of those intricately linked with Orwell’s stay on the island, taking the completed typewritten manuscript of Nineteen Eighty-Four on the start of its long journey south to its publishers in London.

She will have called at Barnhill, the long-neglected farmhouse which Orwell chose to occupy for most of 1946-48, where he wrote in the top-floor attic room amid a backdrop of mountains, slowly adding to his frugal possessions. At the time it had no electricity or phone line. Fresh water tended to run out in the summer months, and the nearest store was a 16-mile round trip away.

Spend any time in Jura’s north and you’ll soon see why Nineteen Eighty-Four was almost entitled The Last Man in Europe. Hike to Barnhill across the Paps, the breast-shaped mountains in the middle of the island, and it would be easy to believe that there’s no one else left. After London, the sound of an aircraft is a rare one. Scattering the red deer as you go, you might just catch sight of a vehicle driving in either direction along the single-track road – the island’s only road – bisected by cattle grids.

Clinging to the eastern edge of the island, it comes to a halt three miles short of Barnhill. Orwell walked so much as a result he wore out his difficult-to-replace size twelves, but modern renters of this holiday let with a difference are more likely to arrive via four-by-four or by boat.

The Corryvreckan Strait that separates Jura from Scarba laps the end of the garden where Orwell tended to his vegetables and stalked rabbits for the pot. Sea eagles gliding on the thermals, and seals basking on the rocks, are still more common than meeting any other human beings.

It would be Orwell’s final home. His life could have been cut even shorter were it not for luck, and the islanders’ nature of looking out for one another. Returning from a fishing trip in his small wooden motorised dinghy, Orwell was caught out by the Corryvreckan Whirlpool, the third largest in the world. A tumultuous mass of water officially classified as unnavigable by the Royal Navy, it forced him half-drowned to the uninhabited and barren isle of Eilean Mòr, from where he was rescued cold and wet several hours later by passing fisherman.

It wasn’t too long afterwards that one of the twentieth century’s most important voices died of tuberculosis in a London hospital. Just a few months after the first edition of Nineteen Eighty-Four was published, at the age of 46, he was forced to leave the island he described as ‘one of the most beautiful parts of the British Isles’. 70 years on, it’s difficult to disagree.

**NEED TO KNOW**

**Barnhill** ([escapetojura.com](http://escapetojura.com)) sleeps eight and costs from £1,000/week. The **Jura Hotel** ([jurahotel.co.uk](http://jurahotel.co.uk)) has double rooms at around £70/night. **Jura distillery tours** ([jurawhisky.com](http://jurawhisky.com)) are twice daily and last around an hour. Four-hour **Jura Island Tours** ([juraislandtours.co.uk](http://juraislandtours.co.uk)) cost £35/person, and **Corryvreckan Whirlpool RIB tours** ([juraboattours.co.uk](http://juraboattours.co.uk)) £40.

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For kids up and down the country, the start of the school term means shiny new pencil cases and stationery. But for today’s modern office worker, what’s the equivalent in terms of the new kit that employees need? If you’re back from holiday, here’s what to spend on, and what to swerve.

TO 5G OR NOT TO 5G?
Network providers are marketing 5G as a complete game-changer, and it’s easy to believe that you’ll be able to use it exactly as you use 4G as soon as it’s rolled out. However, this isn’t quite the case. Your access to 5G will all depend on your proximity to a 5G node, so it’s best to swerve devices that claim to offer it, at least for now.

The future is bright when it comes to 5G, but it’s not going to transform your life any time soon. These are portable gadgets, and a cheap way to make life more efficient, while lightening the load of your briefcase. They’re definitely worth spending money on.

APPLE OF MY IPHONE
Apple is reportedly hanging their hat on reinventing the camera with the new iPhone. Meanwhile, the new MacBook will boast much quicker speeds, more RAM, and enhanced performance, as well as a 16-inch screen. But unless the changes will help with your job, swerve. For content creators, the hugely improved camera might make the new iPhone worth the money. For now, everyone else might be better off sticking with the iPhone X. The MacBook’s improved performance will benefit those who invest, but if you’re just buying for the social kudos, hold out until the devices are cheaper and you’ve been able to see others try them out.

ON CLOUD NINE
It’s easy to cling onto processes that you’re comfortable with, but the faster a company can become truly digital, the more agile it can be, and agility is the key to future-proofing. Therefore it’s definitely wise to spend on cloud technology. Smaller modern offices often don’t have in-house IT staff and are increasingly implementing flexible working, so it’s a no-brainer to switch to easily accessible cloud tech.

While Microsoft 365 is the more established suite, Google Cloud is the gold standard as it’s easy to set up for collaborative working, and is more affordable than its competitors. Think your office’s technology could be better? Speak up and have a chat to your boss. If you can show that outdated or defective tech is resulting in a loss of productivity, most bosses will listen.

If your workplace is buying everything upfront, you can also steer them in a more cost-effective direction by suggesting leasing. By subscribing to your technology rather than buying, you can spread the cost and upgrade every two years.

It’s not just kids who can benefit from shiny new equipment – workers can too.

Asad Hamir is the founder of Klyk.

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England coasted to win over Italy in final match before World Cup, writes Michael Searles

HIS was not a game that will go down in history for its quality, but England’s 37-0 win over Italy at St James’ Park on Friday night served its purpose.

The scoreline suggests the win was more comfortable than it was, yet Eddie Jones will be content to have seen his side manage the match well in an unfamiliar setting as he prepares them for the World Cup, which starts next week.

England flew to Newcastle from Italy on Thursday and hosted Conor O’Shea’s side far away from the comfort of Twickenham in a bid to replicate the challenges they will face at the tournament in Japan. After a subdued first half that saw England lead 9-0 thanks to three Owen Farrell penalties, they upped the tempo in the second half to seal the win with tries from Ben Youngs, Joe Marchant, Ellis Genge and Anthony Watson.

YOUNGS BOUNCES BACK

Youngs’ man-of-the-match display from Youngs went some way to answering his critics after sub-par performances against Wales and Ireland.

The scrum-half dictated play well, often searching with his box kicks for Jonny May, who was typically exceptional under the high ball in a combination that was England’s biggest attacking threat, particularly in the first half.

In the second period, Youngs led the charge, scoring England’s first try in the 45th minute with a some quick thinking as he dived for the try line after good work from the ball from a ruck. Then eight minutes later he would supply Marchant with the pass for England’s second to round off a strong display before being replaced by Willi Heinz.

WATSON MAKES HIS CASE

Jones was keen to trial a back three of May, Ruaridh McConnochie and Watson, all of whom are great under the ball, and the latter will have given the head coach something to think about.

It was Watson’s first start at full-back since returning from injury and he excelled in both defence and attack, before scoring a try late on. After helping England maintain possession on one wing, he arched his run around the backs to collect a pass from Farrell, before a surge of pace took him through the Italy defence to score. His performances during these warm-up matches will have aided his claim to start at full-back ahead of Elliot Daly in Japan.

INJURY CONCERNS

While it looked like there could be injury issues for Joe Marler, Joe Launchbury, Dan Cole and Kyle Sinckler, all of whom were withdrawn for wear, Jones insisted there were no major casualties.

The scrapping on Sinckler’s leg was described as “precautionary”, but there was some bad news as Jones revealed after the game that Mako Vunipola and Jack Nowell would not be available until the third or fourth pool match. Henry Slade and Jonathan Joseph are both expected to be fit and Marchant’s performance at outside centre, capped by a great individual try, showed he was ready to fill in if needed.

MORE TO COME

Despite heading to Japan on the back of three convincing home victories over Wales, Ireland and Italy, Jones insisted there was still more to come from this side.

He confessed that a disappointing first-half display “looked like we were still eating pasta and pizza in Tivresio” and compared their start to a “cricketer who had scored a hundred and wants to go out and play shots right from the start rather than build his innings again”, but was full of praise for the response and called it a “great learning experience”.

There was also approval from his opposite number O’Shea who suggested “the team that beats England will win the World Cup”.

Teenager has the tools to unlock defences, says Frank Dalleres

IT SOUNDS pernickety to demand more from a football team that has just won 40, taking their record in the current competition to played three, won three; goals for: 14; goals against: one.

But such is the nature of major tournament qualifying matches that England did not need to conjure an abundance of chances to dismiss a gaffe-prone Bulgaria outfit at a canter on Saturday.

The hosts’ attacking play did leave something to be desired, however, and greater unpredictability will be required against more competitive opponents at next summer’s European Championship finals.

When England did penetrate Bulgaria’s massed ranks in the first half it tended to emanate from Raheem Sterling, who has arguably become more indispensable to Gareth Southgate even than Harry Kane.

The Manchester City forward’s decision making was several cuts above his peers. He dribbled when his team-mates preferred a safe offload and it was notable that he appeared to grow frustrated at times that colleagues did not pick out his intelligent off-the-ball runs.

In short, Sterling made things happen. It was his anticipation that saw England pounce on Bulgaria’s cack-handed attempts to play out from the back, allowing him to tee up Kane for a simple opening goal. He got his reward when Kane returned the favour in a cakewalk of a second half, bundling in from close range – and a possibly offside position. It is a measure of his new-found potency that seven of Sterling’s nine England goals have come in the last seven of his 52 international appearances.

GO-TO MAN

Sterling and Marcus Rashford swapped flanks repeatedly and the former buzzed dangerously whether stationed on the left or right wing. Rashford was less effective, though, save for winning a soft penalty and a slick give-and-go late in the game that he should have finished better than with an attempted lift over Plamen Iliev that hit the goalkeeper’s face.

Southgate does have an alternative to Rashford, of course, in Jadon Sancho, and it cannot be long before he becomes more indispensable to England. Sancho’s skill-set appears to be fit and Marchant’s performance at outside centre, capped by a great individual try, showed he was ready to fill in if needed.

Sancho can reduce England’s reliance on Sterling

It cannot be long until Southgate feels compelled to start him his own high standards when introduced for the last 20 minutes at Wembley, he has looked razor sharp for Dortmund this season, where he may already have become their go-to man. He is a second half, bundling in from close range – and a possibly offside position. It is a measure of his new-found potency that seven of Sterling’s nine England goals have come in the last seven of his 52 international appearances.

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A MIRACLE TOO FAR England’s resistance broken as Aussies retain the Ashes

AUSTRALIA DESERVE THIS

T’S a shame that England are ending an incredible summer on a disappointing note but there can’t be any debate that Australia 100 per cent deserve to win this Ashes series. They have been the best side from day one. Having won at Edgbaston, they dominated the second Test at Lord’s, where they would have gone 2-0 up but for Ben Stokes and Jos Buttler giving England the chance to draw. It was a similar story in the third Test at Headingley, where they were denied by a freak innings from Stokes that levelled the series. The 21-year-old, who only landed his first win in Belgium last week, then held off Hamilton’s Mercedes team-mate Valtteri Bottas on his way to delivering Ferrari’s first triumph at their home circuit, Monza, since 2010. Bottas and Hamilton, who leads the drivers’ standings, completed the podium.

LECLERC HOLDS OFF MERCEDES PAIR IN ITALY

Ferrari’s Charles Leclerc was accused of “dangerous driving” by Lewis Hamilton on his way to winning an incident-packed Italian Grand Prix yesterday. Leclerc twice kept world champion Hamilton at bay with questionable manoeuvres to secure consecutive race victories. The 21-year-old, who only landed his first win in Belgium last week, then held off Hamilton’s Mercedes team-mate Valtteri Bottas on his way to delivering Ferrari’s first triumph at their home circuit, Monza, since 2010. Bottas and Hamilton, who leads the drivers’ standings, completed the podium.

ARSENAL AND CHELSEA START SEASON WITH WINS

Champions Arsenal began their Women’s Super League title defence with a 2-1 win over West Ham yesterday. England forward Beth Mead put the hosts in front and set up debutant Jill Roord for the second before a Martha Thomas header cut the deficit for West Ham at Boreham Wood. Chelsea drew a crowd of almost 25,000 to Stamford Bridge as they won their opening fixture against Tottenham. Beth England struck the only goal of the game in the fourth minute, picking out the top left corner from 25 yards. Elsewhere, Liverpool lost 1-0 at home to Reading and Everton won 1-0 at Birmingham.

BOGEY-FREE CASEY ENDS FIVE-YEAR EURO DROUGHT

England’s Paul Casey shot a bogey-free final round of 66 to win the European Open in Germany yesterday. Casey finished on 14 under par to land his first European Tour title for five years by one shot from Scotland’s Bob MacIntyre, German Bernd Rithhammer and Austria’s Matthias Schwab. It is the 42-year-old’s second victory of 2019 after his opening win in the Italian Open Championship on the PGA Tour in March.

AUSTRALIA ensured they will retain the Ashes by ending England’s resistance late on day five of the fourth Test at Old Trafford yesterday. Tail-enders Craig Overton (21 off 105 balls) and Jack Leach (12 off 51) gave the hosts hope of another miraculous turnaround but Josh Hazlewood (2-31) wrapped up a 185-run victory with 13.3 of the day’s allotted overs remaining when he trapped Overton lbw. The result means that Australia take an unassailable 2-1 lead into this week’s fifth Test at The Oval, where they can inflict England’s first defeat in a home Test series since 2014. “We’ve got to look forward to the next Test match and get something out of this series,” said England captain Joe Root.

CRICKET COMMENT

Chris Tremlett

I know a lot of people who don’t normally follow the sport have been taking more notice of this series as a result of the excitement those moments created.

The England and Wales Cricket Board need to grasp this opportunity to promote the Test game.

SAVE FACE AT THE OVAL

It’s always difficult to find motivation for the last Test when the chance to win the Ashes has gone but we have an opportunity at least save some face and draw the series at The Oval this week. It is up to senior players like Joe Root and Broad to show their experience and remind others that every Test is important and any chance to play for England is an honour. And if anyone gets in for a debut then it’s a fantastic chance to make an impression.

Chris Tremlett is a former England and Surrey fast bowler. @ChrisTremlett33

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England's first defeat in a home Test series since 2014. “We’ve got to look forward to the next Test match and get something out of this series,” said England captain Joe Root.

OVERSEAS

Chris Tremlett

Like England, their batting line-up are all played their part. Pattinson, Peter Siddle and Mitchell led the way in Manchester, but James bowling. It was a similar story in the third Test at Headingley, where they dominated the second Test at Lord’s, where they would have gone 2-0 up but for Ben Stokes and Jos Buttler giving England the chance to draw. It was a similar story in the third Test at Headingley, where they were denied by a freak innings from Stokes that levelled the series. The 21-year-old, who only landed his first win in Belgium last week, then held off Hamilton’s Mercedes team-mate Valtteri Bottas on his way to delivering Ferrari’s first triumph at their home circuit, Monza, since 2010. Bottas and Hamilton, who leads the drivers’ standings, completed the podium.

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Looking from the outside, there seemed a strange lack of appetite from England on the first couple of days at Old Trafford.

Players looked like they were being seduced whenever there was a hurdle, and the general vibe was that they weren’t up for it.

By contrast, Australia were relentless throughout the match and England have to be realistic and admit they were beaten by the better side. Without Stokes’s miracle at Headingley, it would be 3-0 and they couldn’t have any complaints.

This series has shown that England need to find a balance between one-day and Test cricket, and that might mean looking for more players better suited to the four or five-day game, such as Rory Burns, who wants to bat for a long time. Five-day games are rare in English cricket and, although the Ashes disappointment is fresh, it won’t be all that we focus on when we look back on this year.

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This series has shown that England need to go back to the drawing board in red-ball cricket. Over two or three years there have been too many batting collapses and that has put the difference. He was unavailable for the third Test and had he played the outcome would not have been the same.

ENGLAND NOT UP FOR IT

Overall it has been an incredible summer on a personal and country level. It is up to senior players like Joe Root and Broad to show their experience and remind others that every Test is important and any chance to play for England is an honour. And if anyone gets in for a debut then it’s a fantastic chance to make an impression.

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