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BUSINESS WITH PERSONALITY

CROUCH, TOUCH, ENGAGE
THE RUGBY WORLD CUP COUNTDOWN STARTS **P30**

LEAD BY EXAMPLE
MATTHEW SYED ON WHY SILENCE CAN BE GOLDEN **P18**

THURSDAY 12 SEPTEMBER 2019 | ISSUE 3,455 CITYAM.COM FREE

HONG KONG'S BID WHIPS UP A STORM

London STOCK EXCHANGE

SEBASTIAN MCCARTHY
@SebMcCarthy

A BLOCKBUSTER plan to merge the London Stock Exchange (LSE) with its Hong Kong counterpart faces an uphill battle after being met with scepticism from politicians and investors alike last night.

Hong Kong Exchanges and Clearing (HKEX) shocked the City yesterday morning after revealing a surprise £32bn bid to buy LSE, threatening to torpedo the UK group's own takeover plans to snap up US data provider Refinitiv.

LSE's share price soared to a record high immediately after the proposals were announced, but soon shed most of its gains as shareholders digested the move which HKEX said would "bring together the largest and most significant financial centres in Asia and Europe".

Amid widespread anti-government protests in Hong Kong and civil rights violations in China, several leading politicians expressed concern over the deal and the perceived closeness of HKEX to the Beijing administration.

Tom Tugendhat, chair of the influential foreign affairs committee, told *City A.M.*: "Our markets are based on the rule of law. China's actions in Hong Kong in recent years raise concerns over the city's autonomy, and the connection to a vital national asset like the London Stock Exchange isn't wise."

A top 10 LSE shareholder said: "The share price reaction one hour after the approach says the market does not believe it will be successful," adding that pressure will now build on US rivals such as ICE (Intercontinental Exchange) to throw their hat in the ring for a bid too.

One City figure involved in LSE's failed merger talks with Deutsche Boerse in 2017 said: "HKEX has wanted to buy LSE for years and clearly the Refinitiv deal has made them feel forced to move now... but now is not a great time for them.

"ICE and CME will be watching this very, very closely indeed. The Americans will not be comfortable with the prospect of the LSE being owned by HKEX, especially when the majority of LSE customers are big US investment banks."

CONTINUES ON P2

FTSE 100▲ 7,338.03 +70.08 FTSE 250▲ 19,982.16 +243.30 DOW▲ 27,137.04 +227.61 NASDAQ▲ 8,169.68 +85.52 £/$▼ 1.233 -0.002 £/€▲ 1.120 +0.002 €/$▼ 1.101 -0.003

CITY A.M.

THE CITY VIEW

It's tempting, but the devil's in the details

THE STOCKHOLM Stock Exchange, the Toronto Exchange, Germany's Deutsche Boerse, Australia's Macquarie and the American giants Nasdaq and ICE have all danced the dance with the London Stock Exchange at one time or another. Deutsche Boerse has been the most persistent and the Americans have kept an eye on Paternoster Square. And who can blame them? The London Stock Exchange Group's share price is up more than 2,000 per cent since it listed 20 years ago, driven by its own run of acquisitions and deals while London cemented its position as a leading financial services hub. Yesterday, in a move that stunned the City, Hong Kong Exchanges and Clearing (HKEX) became the latest international rival to make a swoop on the London exchange, blowing in with a £30bn bid to create, in their words, a new "global market infrastructure group" that "connects East and West". It is, at a glance, an enticing proposition. According to research by New Financial, Hong Kong has (relative to GDP) the deepest capital markets in the world and is the fourth largest international financial centre. London comes second and a combined UK-HK operation would eclipse the EU and snap at the heels of the top ranked US market. As one veteran City watcher said yesterday, "linking the most dynamic market in Asia with the most dynamic in Europe makes a lot of strategic sense". For a buccaneering, post-Brexit global Britain, it would indeed be quite a statement. However, there are some almighty obstacles – corporate, political and diplomatic. Firstly, the LSE has not welcomed this approach. It's focused on finalising its own £20bn deal with Refinitiv – something that the architects of the Hong Kong deal oppose. Furthermore, the chances of UK politicians and regulators satisfying themselves that the Hong Kong Exchange is sufficiently independent from Beijing are remote. HKEX is chaired by Laura Cha, a close friend of Hong Kong's embattled chief executive Carrie Lam. The HKEX chief executive, Charles Li, has described the mass pro-democracy movements gripping Hong Kong as "not helpful". Simply put, the leadership of the Hong Kong exchange knows which side its bread is buttered. Frankly, leaving aside the politics, the LSE doesn't need this deal. It sees its future in data and the Refinitiv strategy is designed to facilitate that. Their advisers on that deal now have to defend against an unwelcome gatecrasher at the party.

There are some almighty obstacles

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LSE POWERS ON AS SUITORS FAIL

1. DECEMBER 2004
Deutsche Boerse offers 520p a share for London Stock Exchange (LSE), valuing it at £1.3bn

2. MARCH 2005
Proposed offer is withdrawn

3. MARCH 2006
LSE rejects a $4.2bn offer from Nasdaq

4. FEBRUARY 2007
Nasdaq's approach collapses

5. MAY 2009
LSE replaces Dame Clara Furse with Xavier Rolet as chief executive officer

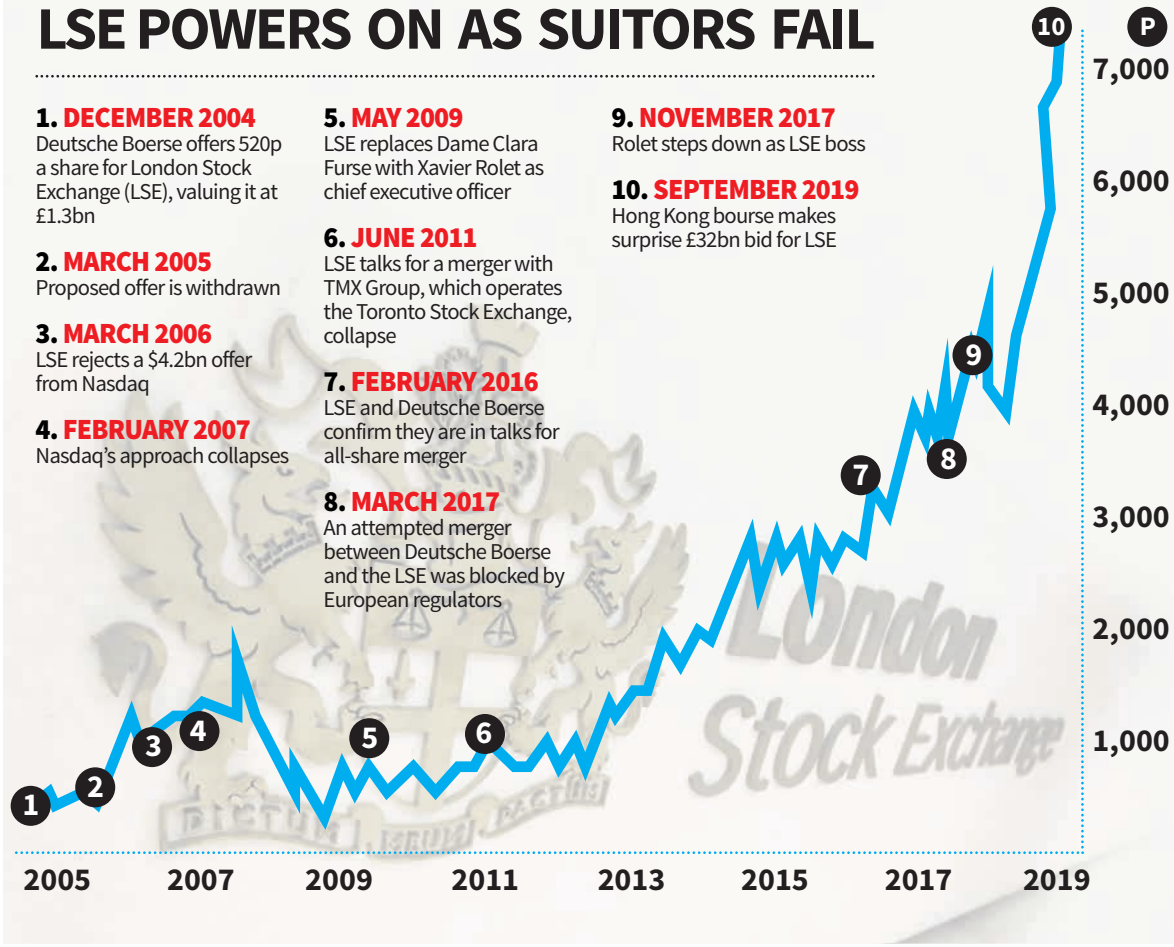
6. JUNE 2011
LSE talks for a merger with TMX Group, which operates the Toronto Stock Exchange, collapse

7. FEBRUARY 2016
LSE and Deutsche Boerse confirm they are in talks for all-share merger

8. MARCH 2017
An attempted merger between Deutsche Boerse and the LSE was blocked by European regulators

9. NOVEMBER 2017
Rolet steps down as LSE boss

10. SEPTEMBER 2019
Hong Kong bourse makes surprise £32bn bid for LSE



HKEX anticipates political battle on £32bn LSE offer

CONTINUED FROM FRONT PAGE

Following the announcement, CME Group chief executive Terry Duffy said the US markets firm is "laser focused" on its recent $5bn acquisition of UK-based fintech firm Nex.

Treasury Select Committee member Wes Streeting said he would "want reassurance about where the leadership will be based and, given LSE's ownership of Russell Indexes, what level of risk might present itself as a result of the ongoing US-China trade wars".

Meanwhile, business secretary Andrea Leadsom said she would look "very carefully at anything that had security implications for the UK".

Controversy around foreign acquisitions in the UK has mounted in recent years, with the government bolstering its Takeover Code in 2018 following a string of contentious deals.

Financial analysts in the City also flagged political tensions as a major issue, with UBS saying that business disruption in Hong Kong adds to the potential perceived risk of a proposed LSE/HKEX merger.

Protesters and police have been clashing in violent demonstrations throughout Hong Kong over the summer following anger at a now-suspended bill that would have allowed extradition to mainland China.

HKEX boss Charles Li was adamant that concerns over political influence from a takeover were misplaced, saying on a media call: "To everyone telling us this is a potential Chinese takeover, over the last seven years of ownership of the London Metal Exchange (LME) we have invested heavily, created many jobs, paid a lot of taxes... and it is is still a quintessential British institution."

Li added: "Together, we will connect East and West, be more diversified and we will be able to offer customers greater innovation, risk management and trading opportunities."

HKEX said the deal is subject to LSE's mammoth £22bn merger with Refinitiv falling through.

In a statement LSE, which is headed up by former Goldman Sachs banker David Schwimmer, said the HKEX offer was "preliminary and highly conditional", but would consider it and make a further announcement.

The proposed transaction implies a value for each LSE share of around 8,361p, representing a premium of 23 per cent to the closing share price of 6,804p on 10 September. It comes just two years after EU regulators blocked a proposed £21bn merger between LSE and Germany's Deutsche Boerse.

Iain Anderson, boss of City lobby firm Cicero, said: "The China element – with the level of unrest – will give the deal even more political scrutiny."

WHAT THE OTHER PAPERS SAY THIS MORNING

FINANCIAL TIMES

BABCOCK'S NAVY FRIGATE DEAL LIFELINE TO SHIPYARD
A consortium led by defence group Babcock International has won the competition to build new frigates for the Royal Navy, securing hundreds of jobs at British shipyards, including in Northern Ireland and Scotland. The deal throws a potential lifeline to Belfast's Harland and Wolff, the builder of the Titanic that fell into administration last month. It will also provide a boost for Ferguson Marine.

BRITISH AIRWAYS PILOTS SWOOP ON PAY COMPARISON
FT analysis has shown that the pay levels of British Airways pilots, at the centre of this week's strike, appear to be lower than at some competitors. A basic starting salary for a BA captain is about £75,000, the pilots' union says. At Lufthansa, it is €144,000 (£128,577), rising to €170,000 with additional hours.

THE TIMES

SHINZO ABE GIVES POSSIBLE SUCCESSOR CABINET ROLE
Japan's prime minister, Shinzo Abe, has appointed to his cabinet the man many expect to be his successor — 38-year old Shinjiro Koizumi, son of the former prime minister Junichiro Koizumi. As the new environment minister, Koizumi faces the problem of how to dispose of more than 1m tonnes of radioactive water from the Fukushima power plant.

SPLITS APPEAR IN ITALIAN COALITION ON MIGRANTS
The first cracks are appearing in the new Italian coalition government after the leader of one party demanded a charity rescue ship be allowed to disembark 84 migrants in Italy.

THE DAILY TELEGRAPH

SHOP CLOSURES HIT NEW RECORD AMID RESCUE DEALS
Shops are shutting at a rate of up to 16 a day across the country, with closures hitting record levels as the crisis engulfing the high street escalates. The first half of this year saw 2,868 store closures, almost twice as many as openings, as retailers increasingly resort to controversial rescue deals to cut rents and shut unprofitable stores.

OUTRAGE AS BRITS CHARGED MORE FOR THEIR IPHONES
British consumers have expressed their fury at a price hike on the latest iPhone 11 that means they could be left out of pocket compared to some of their US counterparts.

THE WALL STREET JOURNAL

FOREVER 21 PLANS TO FILE FOR BANKRUPTCY SUNDAY
Retail chain Forever 21 is planning to file for bankruptcy as early as Sunday after facing a cash crunch for months, according to people familiar with the matter. The company has been searching for a new loan for months to stave off bankruptcy, the people said. It is likely to file in Delaware, and shut some of its more than 700 stores.

GM RECALLS 3.5M TRUCKS AND SUVS OVER BRAKES
General Motors is recalling about 3.5m late-model pickup trucks and sport-utility vehicles in the US to fix a problem that makes it harder for drivers to apply the brakes.

The prince and the broker: Harry and friends join bankers for a charity day

Helen McCrory (left) from Peaky Blinders, singer Cheryl Tweedy (right), comedians Jimmy Carr and Alan Carr (right), and motorcycle racer Alexz Wigg joined Prince Harry (centre) in a day of trading

ANNA MENIN

@annafmenin

PRINCE Harry became a City boy for the morning yesterday.

Alongside film stars and music artists, the Duke of Sussex turned his hand to trading stocks for charity.

Traders watched as the Prince hit the phones to seal deals with clients, helping to raise money as part of brokerage firm BGC's commemoration of the lives lost in the terror attacks of 11 September 2001. Harry even helped to seal a £1bn trade deal, Sky News reported.

Remainers tell Boris: See you next Tuesday

CATHERINE NEILAN

@CatNeilan

THE GOVERNMENT is preparing itself for a Supreme Court showdown on Tuesday after a Scottish court ruled that the controversial suspension of parliament was unlawful.

Appeal Court judges chaired by Lord Carloway, Scotland's most senior judge, overturned an earlier ruling that the courts did not have the powers to interfere in Boris Johnson's move to prorogue parliament for five weeks until 14 October and accused him of misleading the Queen.

The ruling does not yet signal a return to the Commons for MPs, however, and the government will appeal against the ruling in front of the UK's highest court next week

Summarising, judges said that the decision to suspend parliament "was an egregious case of a clear failure to comply with generally accepted standards of behaviour of public authorities".

They added: "It was to be inferred that the principal reasons for the prorogation were to prevent or impede parliament holding the executive to account and legislating with regard to Brexit, and to allow the executive to pursue a policy of no-deal Brexit without further parliamentary interference."

The SNP's Joanna Cherry QC welcomed the news, saying: "We feel utterly vindicated", and that she was "confident" the Supreme Court would uphold the decision.

A spokesman for Downing Street said that the PM had "absolute respect for the impartiality of our judges", disowning an earlier Number 10 source quote questioning potential bias.

The government ruled out recalling parliament until the Supreme Court considers the case and denied Johnson had misled the Queen.

In a separate case last week, the English High Court had held the matter was political, not a legal matter, but no such distinction exists north of the border.

Yellowhammer: Tories' no-deal Brexit documents in forced reveal

CATHERINE NEILAN

@CatNeilan

A NO-DEAL Brexit will cause some disruption to cross-border financial services, while wider business preparedness remains low, according to the government's own worst-case scenario planning.

The Operation Yellowhammer document warns of "significant" disruption at the borders, the worst of which will last for six months, and seasonal health issues exacerbated by lack of access to drugs.

It also warns of "significant" rises in the cost of electricity, and an increase in protests, counter-protests and "public disorder".

The government was forced to publish the document after former attorney general Dominic Grieve secured Commons support for a humble address demanding it be released. He also demanded the publication of private messages of nine government special advisers.

The chancellor of the Duchy of Lancaster, Michael Gove, has refused to publish the latter.

HM Government

BREXIT 31 OCTOBER

Businesses, get ready for Brexit

Prepare for Brexit at
gov.uk/brexit

SUPER-GUY Shareholders support Julian Dunkerton as turnaround plan continues

INVESTORS voted to re-elect Superdry interim chief executive Julian Dunkerton (pictured) by 99.97 per cent yesterday, showing confidence in the co-founder's turnaround plan. Dunkerton re-joined the company earlier this year in a boardroom showdown that saw former chief executive Euan Sutherland quit.

Investors rebel against Ashley at Sports Direct

JESS CLARK

@jclarkjourno

A THIRD of independent Sports Direct shareholders voted against Mike Ashley's re-election as chief executive at the FTSE 250 firm's annual general meeting (AGM) yesterday.

In total, 90.99 per cent voted to reappoint Ashley as a director and 9.01 per cent voted against despite the chaos and controversy that has surrounded the retailer. However, Ashley owns 61 per cent of the shares.

Discounting Ashley's stake in the firm, around a third of shareholders rebelled against his re-election.

The resolution to reappoint Grant Thornton as the firm's auditor was withdrawn after it quit the role earlier this year.

Sports Direct has struggled to lure a Big Four firm to audit its accounts and business secretary Andrea Leadsom is now expected to appoint one on Ashley's behalf.

Ashley said the goal of securing a Big Four auditor was a "tick box", according to Press Association.

The retail boss told the small number of investors gathered to ignore news reports that painted him "as a pantomime villain".

However, investors appeared upbeat about Ashley's leadership and the firm's potential as they left the AGM in Sports Direct's new upmarket store Flannels in Oxford Street yesterday.

One shareholder, who wished to remain anonymous, said: "I think he's a very, very good entrepreneur who's taking a view on retail. He's a controversial character, but controversial characters do well. You look at what he has done... give him a break."

Long-term shareholder Laurence Corbett said Ashley brought "a bit of sparkle" to the corporate world, but voted to oust him as chief executive as the firm has not paid a dividend in 10 years.

Mike Ashley was re-elected as CEO

New Look's revenue slumps as poor weather adds to retail woes

JESS CLARK

@jclarkjourno

NEW Look sales plunged in the first quarter as the retailer battled challenging high street conditions and "unseasonable" weather.

Core like-for-like sales were down 10.1 per cent, which the company blamed on lower footfall due to poor weather in May and June and consumer uncertainty.

The fashion chain yesterday announced it has narrowed its losses from £15.5m to £2.7m in the first quarter as it began to feel the benefits of its restructuring plan.

Long-term debt shrank from £1.35bn to £350m after New Look struck a refinancing agreement to slash its debt in a deal that gave lenders more control over the business. The debt-for-equity swap saw bondholders take control of 92 per cent of the company's equity.

Despite the slump in sales in the first quarter, like-for-like sales were up 2.2 per cent in the eight weeks to 24 August, the fast fashion firm said in a trading update.

Zara owner plots online expansion as sales and profit soar in first half

JESS CLARK

@jclarkjourno

ZARA owner Inditex – the world's biggest retailer – yesterday reported strong profit and sales growth in the first half.

The retail giant, which also owns brands including Bershka and Massimo Dutti, reported net profit of €1.55bn for the six months to 31 July 2019.

Sales increased seven per cent to €12.82bn as the retailer outperformed rivals such as Sweden's H&M. Like-for-like sales were up five per cent overall, and grew across all store concepts and regions both in store and online.

The company, which has more than 7,400 stores worldwide, announced it will launch online sales in South Africa, Colombia, the Philippines and Ukraine over the next two months and will also begin offering Zara Home products online from 17 September.

The second half of the year has started well, the company said, with autumn/winter collections being well received.

Store and online sales increased eight per cent between 1 August and 8 September. The company estimated full-year sales growth of between four and six per cent.

McDonnell poised to extend plans for tax on UK financial transactions

HARRY ROBERTSON

@henrygrobertson

SHADOW chancellor John McDonnell is set to extend Labour's plans for a new tax on UK financial transactions in a move that could bring in an extra £2.1bn to the government's coffers.

Under Labour's existing plans, the 0.5 per cent duty on share trading would be extended to other asset classes. Labour says this would raise £4.7bn a year. Yet the Financial Times reported yesterday that McDonnell is now supporting a further expansion of the tax to cover foreign exchange and commodities transactions and related derivatives trades. His plan would seek to avoid capital flight by charging UK tax residents who make the trades.

The policy was proposed by a group called Intelligence Capital, which is run by a former derivatives product developer at the London Stock Exchange, the FT said.

The report says that financial transaction taxes are inexpensive to collect and hard to avoid, giving them the potential to raise significant amounts of income.

The proposals, which McDonnell will push to be included in Labour's next manifesto, will be highly controversial among financial institutions.

Audit bigwigs worried about sluggish reform

JAMES BOOTH

@Jamesdbooth1

THE HEADS of two leading accountancy bodies have expressed concern about perceived government inaction on the reform of the troubled audit regulator.

Chief executive of the Institute of Chartered Accountants in England and Wales, Michael Izza, said slow progress on reform of the Financial Regulatory Council (FRC) "is something of a concern".

Ian Peters, chief executive of the Chartered Institute of Internal Auditors, said: "We are very concerned about a potential delay given pressures on the parliamentary timetable."

The FRC was slammed by Sir John Kingman in December in a report that called for the "rather ramshackle house" to be scrapped and replaced with a new body: the Audit, Reporting and Governance Authority (Arga).

The Department for Business, Energy and Industrial Strategy (Beis) hired a new chief executive for Arga – head of the HMRC Jon Thompson – and a new chair – former Glaxosmithkline boss Simon Dingemans – who are due to start this autumn.

The FRC has started implementing some of Kingman's recommendations, but others require legislation and it is not clear when this might be enacted due to the political chaos around Brexit.

Former business secretary Greg Clark was an advocate for reform of the FRC, following its perceived toothlessness in the face of scandals such as the failure of outsourcer Carillion.

However, the new secretary of state Andrea Leadsom has given little indication of her thoughts on the subject.

"We hope that the new secretary of state Andrea Leadsom will be as committed to reform as her predecessor," Izza said.

A spokesperson for Beis said: "A strong and competitive audit market is crucial to our business framework, and we are committed to bringing forward reforms to ensure the UK continues to be a world leader in audit and accounting services."

CONSTITUTIONALLY SPEAKING Bercow signals support for written constitution

SPEAKER John Bercow yesterday claimed "there is a lot to be said for a greater codification of our arrangements" after a series of legal controversies over Brexit. The process has highlighted uncertainties over what is and is not a rule, he said.

Publishers attack 'unscrupulous' tech giants over digital adverts

JAMES WARRINGTON

@j_a_warrington

BRITISH news publishers have clashed with Silicon Valley tech giants amid a government probe into anti-competitive behaviour in the digital advertising market.

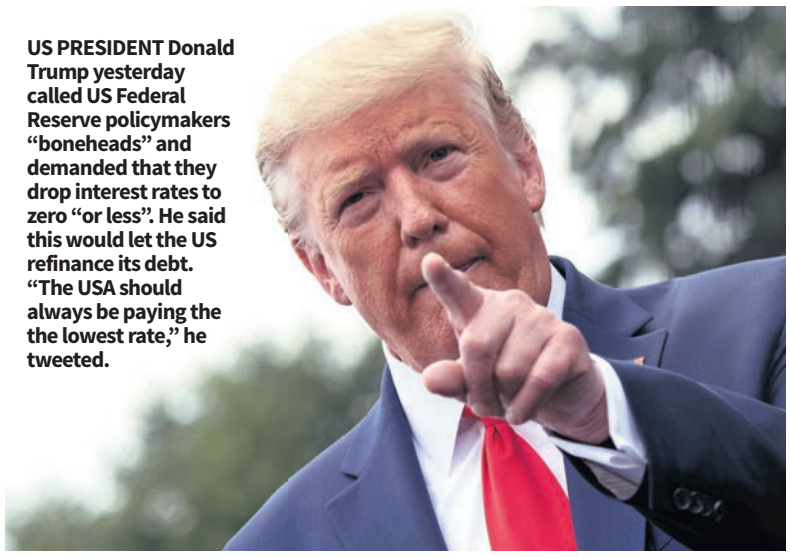
Media organisations including the Daily Mail's parent company and Channel 4 have launched blistering attacks on Facebook and Google over their monopoly power and "unscrupulous behaviour".

DMG Media accused Google of using its control over the online ad market to carry out "exclusionary behaviour", adding that the search giant charged "exploitative" fees for its services.

Channel 4 said it was "deeply concerned" about the dominant position of the two companies, accusing them of stifling competition.

The comments came in initial responses to the Competition and Markets Authority, which has opened an inquiry into major tech firms over their monopoly power.

HEY, YOU! Trump tells 'boneheads' at the Fed to slash rates to zero or even lower



US PRESIDENT Donald Trump yesterday called US Federal Reserve policymakers "boneheads" and demanded that they drop interest rates to zero "or less". He said this would let the US refinance its debt. "The USA should always be paying the the lowest rate," he tweeted.

China exempts some US goods from further tariffs ahead of trade talks

HARRY ROBERTSON

@henrygrobertson

CHINA yesterday exempted 16 US products from additional tariffs, its finance ministry said, in a sign of goodwill ahead of high-level talks this month and next.

Products such as animal feed, fish meal, some anti-cancer drugs and lubricants will be exempt from extra tariffs when they come into China from the US for a year, starting 17 September.

China has slapped its own tariffs on around $185bn (£150bn) of US goods in retaliation for the approximately $550bn of tariffs put on Chinese goods by the administration of US President Donald Trump.

Despite the exemptions, over 5,000 types of US products are still tariffed by China. Crucially, major imports from the US such as soybeans still have heavy tariffs attached.

Nonetheless, global stock markets were cheered by the news, as well as expectations that the European Central Bank (ECB) is set to unveil further financial stimulus today to boost the Eurozone economy.

David Madden, market analyst at CMC Markets, said China's decision was "a step in the right direction for US-China trade relations".

Eurozone set for stimulus leaving gift from Draghi

HARRY ROBERTSON

@henrygrobertson

MARIO Draghi will today chair his last interest rate-setting meeting as president of the European Central Bank (ECB). The question is, will he bring a bazooka to his final battle?

The consensus expectation is that Draghi and Co. will cut the ECB's main interest rate by 10 basis points (0.1 percentage points) to minus 0.5 per cent in a bid to spur stubbornly low Eurozone growth and inflation.

But many questions remain over what other weapons the central bank will pull out of its arsenal, and whether they will have any effect after 10 years of experimental monetary policy.

A Reuters poll showed that nearly 90 per cent of economists expect the ECB to address anaemic growth by relaunching its stimulus bond-buying known as quantitative easing (QE), which seeks to flood the economy with cheap cash.

Yet Andrew Kenningham, chief Europe economist at Capital Economics, said: "Bond markets have rallied sharply since July, so the case for buying more is not as strong as it was."

A growing chorus of voices have also warned of the effects of negative interest rates, which mean banks have to pay the ECB to keep excess reserves in its figurative vaults.

Deutsche Bank economist Quinn Brody said that at a certain point they become punitive. "It would be better not to experiment with the world's second largest economic area."

The ECB is expected to unveil a measure, called "tiering", which will excuse some of banks' deposits from the charge.

As Draghi prepares to hand over stewardship of Eurozone inflation to ex-IMF boss Christine Lagarde, bigger questions hang over the ECB and central bankers around the world.

Nomura's George Buckley said: "It is questionable how significant of an impact all of this will have on the economy." The ECB has slashed rates to zero and bought trillions of euros of bonds, he said, "and yet core inflation has failed to rise".

Bank Santander circumvented professional PPI claimant firms

AUGUST GRAHAM

@AugustGraham

PROFESSIONAL claims managers have accused Santander of trying to minimise its PPI payments after the bank went above their heads.

The bank has bypassed claims management companies (CMCs) and spoken to customers to save time.

The deadline for claims in Britain's biggest banking scandal – the mis-selling of payment protection insurance (PPI) – passed last month.

Santander contacted customers without the right paperwork, to find out if they have exceptional circumstances. Otherwise their application will not be valid.

However, Simon Evans, the chief executive of the Alliance of Claims Companies, told *City A.M.* customers were "even more likely to need help in exceptional circumstances".

He added that Santander should not be aiming for speed alone.

"Consumers should be getting the right answers, rather than quick answers," Evans said.

Galliford Try sinks amid Bovis talks

JOE CURTIS
@joe_r_curtis

GALLIFORD Try suffered a slump in profit in its latest financial year, it revealed yesterday, a day after it restarted talks to sell its housebuilding arm to Bovis Homes for £1.1bn.

Pre-tax profit crashed 27 per cent to £104.7m for the 12 months to the end of June, compared with the £143.7m it hauled in in 2018.

Galliford also saw revenue slip 7.5 per cent year on year to fall to £2.71bn.

The construction firm also crashed from a cash position of £98.2m to a net debt pile of £56.6m as earnings per share slumped from 121.1p last year to 78.5p for its latest financial year.

That saw the infrastructure company reduce its full-year dividend by 24 per cent to 58p per share.

"The group has continued to perform well and our talented teams across the businesses have delivered a good performance despite the challenges faced," said chief executive Graham Prothero. "The potential combination of our Linden Homes and Partnerships businesses with Bovis Homes represents a superb opportunity, enhancing the prospects for all three of our businesses to thrive as strategically focused and well-financed operations with excellent opportunities for growth."

Galliford Try is in talks to sell its housebuilding arm to Bovis Homes for £1.1bn

Crest Nicholson poaches former Stobart chair

ALEX DANIEL
@alexmdaniel

CREST Nicholson has installed former Stobart chair Iain Ferguson as its non-executive chairman, as the house builder completes a refurbishment of management.

Ferguson, who will take the post in November, has been appointed just as new chief executive Peter Truscott is set to take the reins at the firm this month.

At Stobart last year, Ferguson thwarted an attempt to kick him out of his post by the company's former chief executive Andrew Tinkler, who had hoped to install billionaire retail magnate Philip Day instead.

Ex-Terra Firma boss is poised to join Heylo

AUGUST GRAHAM
@AugustGraham

THE FORMER boss of private equity house Terra Firma is set to be announced as the next chief executive of Heylo, a British provider of affordable housing.

Andrew Geczy will be tasked with accelerating Heylo's expansion, Sky News reported. It owns Home Reach which has delivered 4,000 properties and has raised hundreds of millions of pounds.

The former private equity chief is likely to be looking for more money to fund an expansion of the company's portfolio and help mitigate the massive dearth of affordable housing in the UK.

IN BRIEF

UK LITIGATION FUNDER AUGUSTA RAISES $115M

The UK's largest litigation funder by case volume Augusta said yesterday it had raised $115m (£93m) from an unnamed US investment manager. Managing director Louis Young said: "This development is a strong endorsement of the litigation funding industry and in particular, our market-leading experienced team". Litigation funders back individual legal cases or portfolios of cases and take a slice of any financial settlement. The nascent industry has been rocked recently by allegations made against the world's largest funder Burford Capital.

SPRING IN SIGHT AT FOUR SEASONS AMID DEAL TALK

Residents at Four Seasons care homes may see light at the end of the tunnel today as it looks poised to announce a deal with H/2 Capital Partners to take over most of the sites. The US hedge fund is set to take on 185 of the company's 320 care homes and continue to run the others until a buyer can be found, Sky News reported. The deal will likely save thousands of jobs. 22,000 people work for Four Seasons, looking after 17,000 residents. The deal could be announced as soon as today.

REMY COINTREAU NAMES NEW CHIEF EXECUTIVE

French spirits group Remy Cointreau said yesterday it had picked Richemont's Eric Vallat as its new chief executive. Vallat, who used to work at the French cognac maker, will replace Valerie Chapoulaud-Floquet. She said in early July that she would step down by the end of 2019 for personal reasons. "We are convinced that his expertise and charisma will enable him to pursue, develop and spearhead the value strategy that will lead Remy Cointreau on to further successes," Marc Heriard-Dubreuil, Remy Cointreau's chairman, said. Remy Cointreau's share price has more than doubled since Chapoulaud-Floquet, a luxury sector specialist, took over in September 2014 with a strategy focused on selling spirits priced at £40 or more a bottle.

Capital & Regional owns eight malls including Wood Green

Growthpoint eyes Capital & Regional stake

JESS CLARK
@jclarkjourno

12.24%

SHOPPING centre owner Capital & Regional is in talks to sell a majority stake to South African property firm Growthpoint as the Johannesburg-based company takes advantage of weak UK retail property prices.

Shares in Capital & Regional, which owns eight malls across the UK including Walthamstow, Wood Green and Ilford, rose more than 12 per cent after the potential deal came to light yesterday.

The deal would involve a partial cash offer for Capital & Regional shares and a capital injection to support its strategy through a subscription for new shares.

Capital & Regional reported that contracted rent declined £1.2m from June last year to £61.1m as new leasing agreements failed to offset the impact of retailer restructurings.

Four company voluntary arrangements (CVAs) – Debenhams, Arcadia, Monsoon Accessorize and Select – have impacted the firm's portfolio.

Debenhams rent cuts have hit the firm the hardest.

MARKETS TALK

PARTNER CONTENT

HOW MUCH STIMULUS WILL THE ECB DELIVER?

Neil Wilson discusses the potential consequences of the ECB failing to meet market expectations.

A great showman always leaves people wanting more. In his penultimate showpiece, ECB chief Mario Draghi may do exactly that.

Expectations ahead of the European Central Bank (ECB) meeting are running very high. Whilst it seems the ECB will throw the kitchen sink at slow growth and persistently lacklustre inflation, markets seem to want the taps, the plug and the plumbing thrown in for good measure too. Indeed, former vice president Vitor Constancio said only last week that markets are expecting too much from the ECB.

Faced with persistently weak inflation, falling industrial output and the ongoing US-China trade war, there is nothing left for the ECB now but announce an aggressive stimulus package, particularly as it very much set up the market for a big push in September. It faces a dilemma in that there are very real concerns about the efficacy of such measures. But failure to try to match market expectations would lead to an appreciation in the euro that would make achieving its goals all the harder.

The fundamental question is whether this will work. We are dealing very much with diminishing marginal returns from easing as rates are at the zero lower bound. Monetary policy is almost exhausted – it's time for the politicians to step up to the mark and deliver too. First and foremost, Germany needs to spend more and stop exporting deflation.

JULY RECAP

Markets were left a little bit disappointed in July – but should they have been? To my thinking it ought to be the ECB that should feel aggrieved as the market didn't pick up on very dovish signals.

As we noted at the time: Markets have lusted for more easing and he's come good. Having said in 2012 he would do 'whatever it takes', Draghi has delivered one final gift to the ECB with a new policy direction that his successor will carry forward. It's not quite as dovish as we thought it might be in that there was no policy change today, but it sends a very clear signal.

Having teed it up, the ECB will be pushing on an open door, but the market wants it to charge through and break the door down.

Several things were noteworthy about the July meeting. Firstly, the ECB changed its tune on forward guidance and said it expects interest rates to remain at their present or lower levels at least through the first half of 2020. This very much opened the door to a rate cut in September.

The ECB also underlined the need for a highly accommodative stance of monetary policy for a prolonged period of time, as inflation has been persistently weak. This addition to the statement signals there is absolutely zero chance of normalisation any time in the near future.

And on QE, the ECB made it abundantly clear it is ready to launch a new net asset purchase programme this year.

QE, RATES & FORWARD GUIDANCE

The ECB is likely to announce 20bps of cuts to the deposit rate and commit, or at least leave open the possibility, to do more. Cutting the deposit rate further would of course make its TLTRO III programme more appealing.

A 10bps would be a little short of expectations. Expect 20bps of cuts pencilled in for this year and a change to forward guidance that indicates further cuts. If it goes full kitchen sink, 20bps in cuts now and another 20bps before the year is not out of the question. We should also expect an announcement on tiered deposit rates to soften the impact on banks. It's worth nothing that concerns about bank profitability (or even worse) may force the ECB to rein in its natural instincts to cut heavily. The main refinancing rate and marginal lending rate are likely to be unchanged.

> "The ECB could disappoint the market, but only because the bar is set so high.

QE seems more open to debate, although I would err on the side of the ECB announcing it will restart bond buying in October. There are conflicting reports about whether the ECB announces a new QE scheme or simply gives a very strong indication that it will do so in December. Given what's priced into the market, if there is no QE we could well see the euro appreciate.

The introduction of QE would naturally require the change in forward guidance, likely on the basis of past form to say that rates will remain at current or lower levels until well past the end of net purchases. The ECB could go further and suggest a likely and more precise timeline to when rates might rise, or even link explicitly to an inflation target.

STAFF PROJECTIONS

There has been precious little in the Eurozone high frequency eco data to suggest improvement of late, albeit the August composite PMI nudged higher. I would be very surprised, therefore, not to see lower projections for both growth and inflation. In all likelihood these will be small adjustments but this is a necessary requirement to support the more aggressive easing policies.

The June 2019 projections indicate real GDP growth of 1.2% this year and 1.4% in 2020 and 2021. The latest composite PMI data suggests growth of 0.2% in Q3, following the 0.2% growth registered in Q2. When added to concerns about the impact from trade wars, the projection for 2019 could fall as low as 1.0%.

Elsewhere, the data from Germany makes for grim reading with manufacturing PMI softness and industrial production slumping. Moreover, risks from such arenas as the trade war and Brexit seem to be growing rather than abating, which will undoubtedly weigh on the quarterly projections for growth.

Headline inflation in August was just 1%, while core inflation a meagre 0.9%. The 5y5y forward inflation swap is still only mildly above 1%, indicating the market has no confidence of inflation rising from the current lacklustre level. Estimates for 2019 of 1.3% for headline inflation and 1.1% for core inflation are likely to decline by 0.1-0.2 percentage points each.

In short: The ECB could disappoint the market, but only because the bar is set so high. If the ECB fails to meet market expectations, the euro could appreciate through $1.11, though any upside is going to be capped by expectations of more to come down the line. Mr Draghi will leave the audience thirsty for a little more.

Ongoing uncertainty hits UK wealth management

ANNA MENIN
@annafmenin

ONGOING political and economic uncertainty took a toll on the UK's investment management industry last year, with assets under management (AUM) remaining stagnant.

Although the UK managed to retain its ranking as the second largest investment management hub in the world behind the US, the total amount of AUM by Investment Association (IA) members remained unchanged at £7.7 trillion by the end of 2018.

Despite this flatlining, investment managers in the UK still managed 37 per cent of all assets managed in Europe, according to the IA's annual survey. Overall, the UK had more assets under management at the end of 2018 than the next three European financial centres (France, Germany, and Switzerland) combined.

"Against economic and political headwinds, the UK investment management industry has been resilient and remains a domestic and international success story," said IA chief executive Chris Cummings.

Growing appetite for international investment opportunities has been a consistent trend over the past decade, but the proportion of UK-managed equity funds invested overseas remained unchanged last year at 70 per cent, up from 54 per cent 10 years ago.

The ethical investment agenda is being "strongly embraced" by the investment management industry, the report said. Just over a quarter (26 per cent) of total AUM were subject to a some form of responsible or sustainable investment criteria.

"Responsible and sustainable investment and the funding of businesses and infrastructure projects through private markets are key new areas that UK investment managers can excel in," Cummings said.

WHISKY IN THE BAR South African pubs get a scotch fix with post-Brexit trade deal

WHISKY will keep flowing in Cape Town's bars even after Brexit as the UK initialled a deal with South Africa and its neighbours. Trade with the Southern African Customs Union and Mozambique was worth £9.7bn last year, £136m from beverages, including whisky.

Oakley Capital Investments reports net asset value jump

ANNA MENIN
@annafmenin

LISTED investment firm Oakley Capital Investments (OCI) yesterday reported a rise in net asset value (NAV) during the first half of the year, and an increase in the value of its underlying portfolio companies.

OCI – which invests in the funds of Oakley Capital – reported a net asset value per share of £3.18 and a total net asset value of £651m – a 14 per cent increase since the end of last year.

The firm reported a total shareholder return for the first half of 33 per cent, and announced an interim dividend of 2.25p per share.

Its share price fell by 0.42 per cent yesterday.

Capita hikes pay with pledge to pay real living wage

ALEX DANIEL
@alexmdaniel

CAPITA will give a pay rise to 6,000 people next year, ranging from administrative staff to call centre workers, *City A.M.* can reveal.

The outsourcer has committed to paying staff at least the real living wage, £9 an hour and £10.55 an hour in London, from April.

FORUM
When people are afraid of a dominant leader, they are inclined to parrot their perspective

MATTHEW SYED ON HOW TO MAKE YOUR MEETINGS LESS DYSFUNCTIONAL
PAGE 18

CITY A.M.

Vaping a 'problem' says Trump as officials move to ban all flavours

AUGUST GRAHAM

@AugustGraham

US PRESIDENT Donald Trump yesterday said vaping is "not wonderful" as he moved to ban flavoured e-cigarettes from the US.

New proposals put forward by the White House would ban all flavours, apart from tobacco, from being sold in the US.

"We have a problem in our country, it's a new problem... and it's called vaping," Trump said.

Health officials have linked six recent deaths to e-cigarettes. Around 450 cases of vape-related lung illnesses are being investigated.

"Vaping has become a very big business... in a short period of time," Trump said. "But we can't allow people to get sick, and we can't have our youth get so affected."

He added: "A lot of people think that 'vaping is wonderful; it's great'. It's not wonderful... it's got big problems."

Officials are worried that sweet flavours, such as fruit, are attracting children. The US Food and Drug Administration is working on a guidance document.

A spokesperson for the UK Vaping Association said: "It is a shame that the US President has been poorly advised on the facts."

OBITUARY

T BOONE PICKENS Corporate raider and giant of the US energy industry dies at 91

T BOONE Pickens, an energy magnate who made an empire out of an initial $2,500 (£2,028) investment, has died aged 91, his spokesman said. The Oklahoma-born tycoon, known for his folksy speech and ruthless business acumen, had suffered health problems after a fall.

S4 Capital plans on track despite first-half losses

JAMES WARRINGTON

@j_a_warrington

SIR MARTIN Sorrell's S4 Capital yesterday posted a decline in earnings for the first half of 2019 as the advertising company splashed the cash on acquisitions and staff expansion.

S4 Capital's revenue rose 42 per cent to £88m in the six months to the end of June, but the firm swung to a pre-tax loss of £8.5m.

The advertising company, which was set up last year by veteran adman Sorrell, has enjoyed a period of rapid expansion as it pursues its digital-first strategy.

S4 said the decline in earnings was largely due to its burgeoning headcount, which increased more than 60 per cent to 1,375 people at the end of the first half.

The company also felt the impact of its fierce merger and acquisition activity, including the takeover of Amsterdam-based influencer marketing agency IMA for €10m (£9.3m) last month.

However, S4 said the second half had started strongly, with July revenue and gross profit up 68 and 60 per cent respectively, and said it is on track to meet its target of doubling the size of the company by 2021.

"These results confirm the power and relevance of the faster, better, cheaper, digital-only unitary advertising model, with first party data fuelling content and programmatic," said executive chairman Sorrell.

Sir Martin Sorrell has hired more staff

ECSC shares rise as data breach fines give boost

JAMES WARRINGTON

@j_a_warrington

SHARES in ECSC rose more than 10 per cent yesterday after the cybersecurity firm reported renewed demand for its consulting services division.

ECSC's total revenue slipped marginally from £2.64m to £2.63m in the six months to the end of June.

Gross profit increased 18 per cent to £1.4m. The firm posted an adjusted earnings before interest, tax, depreciation and amortisation (Ebitda) loss of £200,000, against £500,000 last year.

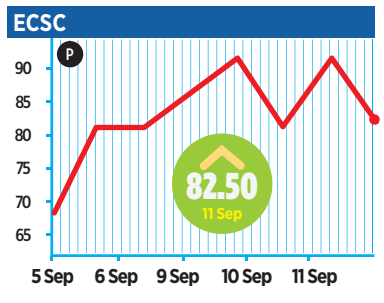
ECSC is one of a number of cybersecurity firms looking to tap into growing awareness of cybersecurity.

The half-year figures revealed differing fortunes across the firm's managed services division, which provides incident response, and its consulting services.

ECSC posted a huge 63 per cent revenue increase to £1.2m over the period, while consulting revenue dropped 23 per cent to £1.2m. Overall, revenue was flat compared with last year.

The Bradford-based cyber firm said the figures marked a strong recovery after it suffered faltering demand for its consulting services, which it blamed on economic uncertainty and businesses choosing to delay projects due to Brexit concerns.

ECSC said it had bagged record levels of consulting bookings in the third quarter and into this quarter.



Woodford's flagship fund was suspended in June after an investor withdrawal rush

Woodford loses £43.5m in fire sale of assets from frozen fund

ANNA MENIN

@annafmenin

BELEAGUERED stock picker Neil Woodford has lost at least £43.5m selling off stocks from his frozen Equity Income Fund, despite having assured investors that the suspension would limit pressure to offload assets at reduced prices.

Woodford lost money on eight out of 10 positions he has sold since the gating of the fund in June, according to analysis by Bloomberg.

The former star fund manager took the biggest hit on shares in Newriver. Having spent around £181m investing in the real estate trust, Woodford managed to recoup just £131m when he sold the shares.

Mitie finance boss exits for tech firm role

JAMES BOOTH

@Jamesdbooth1

OUTSOURCER Mitie said yesterday that its chief financial officer Paul Woolf has resigned to join intellectual property management and technology company CPA Global.

Woolf has been appointed as finance chief of CPA Global which was acquired for £2.4bn in 2017 by Leonard Green Partners.

Mitie's chairman, Derek Mapp, said: "Paul has been hugely supportive in the turnaround of Mitie, bringing in new financial disciplines and helping restore investor confidence. He will be much missed, but we wish him well in his new challenge."

Woolf joined the business in November 2017 and is expected to leave on 28 January 2020.

He was formerly chief executive of Virgin Active Health Clubs, chief financial officer of retailer Jack Wills and finance boss of frozen food firm Birds Eye Iglo Group.

Mitie issued a string of profit warnings in 2016. Chief executive Phil Bentley has revived the firm's fortunes, dragging it back to profit and making a dent in its net debt.

Purdue Pharma seals partial opioid settlement amid bankruptcy filing

JESSICA DINAPOLI

OXYCONTIN maker Purdue Pharma reached a tentative agreement with some plaintiffs to resolve widespread litigation over its alleged role in fueling the US opioid crisis and plans to tussle with states opposing its settlement offer in bankruptcy proceedings starting as soon as next week, people familiar with the matter said.

Yesterday, lead lawyers representing more than 2,000 cities, counties and other plaintiffs suing Purdue, along with 26 states and US territories, were on board with an offer from the company and its controlling Sackler family to settle lawsuits in a deal valued at up to $12bn (£9.7bn), they said.

More than a dozen other states remain opposed or uncommitted to the deal, setting the stage for a legal battle over Purdue's efforts to contain the litigation in bankruptcy court, they said.

States yesterday updated a federal judge on the settlement offer's support, which remained in flux and could evolve as the day progresses, the people said.

Purdue's board is scheduled to be briefed on settlement progress today, with a chance talks could still collapse.

Reuters

NOT WASTING TIME Biffa continues deal spree with two fresh buyouts worth £2.6m

BIFFA bought out two smaller firms in the first half of the year, it said, in a pair of deals totalling £2.6m. The waste management company had already made seven acquisitions in the previous financial year.

Prosus hits EU big leagues on debut

AUGUST GRAHAM

@AugustGraham

SHARES in Prosus, an early investor in Tencent, soared on its Amsterdam debut yesterday as the company's former parent priced it lower than the market.

The firm jumped more than 25 per cent on the Amsterdam stock market, instantly becoming one of the biggest internet companies in Europe.

Prosus is a spin-off from Naspers, a South African firm which took a $34m (£27.6m) punt on Tencent in the early 2000s.

The company's 31 per cent stake has since exploded in value. A startup in 2001 when Naspers invested, the Chinese internet firm is now worth around £320bn.

As part of Naspers, Prosus had outgrown the Johannesburg Stock Exchange (JSE), making up around a fifth of its value.

"Obviously for South African fund managers that creates a massive concentration risk, especially those that manage pension funds," said Morningstar analyst Johann Scholtz.

Naspers chief executive Bob van Dijk said the company has "become so big that further growth of our company on the JSE would be difficult".

"The idea with today's listing is emphatically that we find a new generation of investors here, on Euronext [Amsterdam], for our further growth."

Shares had been priced at €58.70 before the float. They jumped to €76 at open, a rise of 27 per cent. This gives Prosus a market value of around €119bn (£106bn), with around 1.6bn shares registered.

This is similar to the value of Naspers' stake in Tencent, which is now worth $130bn and has buttressed Naspers' rapid growth towards becoming Africa's most valuable listed company.

Naspers has kept a 75 per cent stake in Prosus. Its own shares fell 30 per cent in Johannesburg yesterday, acting similar to a stock that has gone ex-dividend.

Deliveroo ad banned for claiming it could deliver a takeaway to space

JAMES WARRINGTON

@j_a_warrington

A DELIVEROO advert that portrayed an astronaut receiving a food order in space has been banned for implying the company could deliver anywhere.

The TV ad showed people having food delivered to them in unusual locations or circumstances, and was accompanied by a voiceover stating: "Order what you want; where you want; when you want it."

In addition to an astronaut, the advert also showed someone receiving a food delivery in a field after apparently tunnelling underground to escape from prison.

However, the advertising watchdog received 22 complaints from people who knew that Deliveroo did not deliver to their area and said the advert was misleading.

The food delivery startup argued the ad was not intended to be representative of real life, and said the text "some restrictions apply, obviously" made it clear Deliveroo was unable to deliver in certain locations.

The Advertising Standards Authority upheld the complaint, stating that the advert implied Deliveroo's service was unrestricted throughout the UK.

A Deliveroo spokesperson said: "Deliveroo designed a playful advert to show that, through our service, people are able to order food to a wide range of places, whether home or work, for a range of occasions."

The ASA said the advert implied that Deliveroo was available everywhere in the UK

California passes gig economy bill in test for Uber

JOE CURTIS

@joe_r_curtis

CALIFORNIA this week passed a controversial bill that means gig economy workers are set to be classified as full-time employees.

The move, expected to be signed and passed into law by California governor Gavin Newsom, would pile pressure on companies like Uber and Lyft, which rely on self-employed workers.

It would make it harder for such firms to argue that workers are contractors and not full-time employees, who would be entitled to certain wages with paid holidays and health benefits.

Uber has fought against a similar law in the UK and both ride-hailing giants lobbied extensively against California's AB5 bill.

They proposed paying drivers a $21 (£17) minimum wage as they sought to avoid the rising costs associated with the benefits of full-time employment. However, this wage only covered the time spent on a trip, rather than the full time a driver is active on the ride-hailing app – leading to a much lower overall wage.

Shares in both companies hit record lows since their recent floats at the end of last week, as traders bet on the bill being passed into law.

US governor Newsom has already lent the bill his endorsement so passing it is expected to be a formality.

Uber moved to cut 435 staff earlier this week as it sought to slash costs.

AB5 passed with ease through California's House of Representatives with a vote of 53 to 11 in favour, before passing yesterday's Senate session at 29 to 11.

Some Republican lawmakers criticised the bill for picking "winners and losers", Gizmodo reported, but US senator Maria Durazo retorted: "One job should be enough."

Drivers for Deliveroo in the UK lost a High Court battle to gain union recognition in December, in a blow to British gig economy workers.

Uber, meanwhile, lost an appeal in Britain that same month against a ruling that drivers should be classified as workers and be paid to take holidays as well as be entitled to minimum wage.

Uber said at the time it would challenge the ruling in the Supreme Court.

The case remains ongoing.

Plans were announced last year for the Tempest to replace the Eurofighter Typhoon

Italy flies in to work with Britain on new fighter jet programme

ALISTAIR SMOUT

ITALY will work with Britain on its planned Tempest fighter plane programme, the Ministry of Defence said yesterday, in a boost to its proposed replacement for the Eurofighter Typhoon.

Italy joins Sweden in agreeing to co-operate with Britain on fighter jets as the UK looks to get Tempest off the ground and give it an edge over a rival Franco-German project.

"I'm looking forward to working with Italian and Swedish counterparts, as well as others, to put the Tempest programme into hyperdrive," defence secretary Ben Wallace told the Defence and Security Equipment International (DSEI) arms fair in London.

The agreement between Italy and Britain, which also to deepen the countries' air combat relationship, covers existing programs such as Typhoon and F-35, as well as the planned next-generation Tempest.

Britain last year unveiled plans for a fighter plane and cohort of drones named Tempest. *Reuters*

Thousands put as missing in Dorian's wake

ZACH FAGENSON

BAHAMIAN officials told reporters yesterday that 2,500 people have been registered as missing in the wake of the devastating Hurricane Dorian, a count they said may include people who have fled to shelters around the islands.

"This list has not yet been checked against government records of who are staying in shelters or who have been evacuated," National Emergency Management Agency spokesman Carl Smith told a news conference.

"The database processing is under way."

Thousands of people are in shelters on the islands. Officials have confirmed 50 deaths caused by the 1 September storm but have warned that toll is likely to rise substantially.

Dorian slammed into the Bahamas over a week ago as one of the strongest Caribbean hurricanes on record, with sustained winds of 185 miles (298 kilometres) per hour.

Smith said more than 5,000 people had evacuated to New Providence, but that they had seen a "significant reduction" in the number of people asking to be evacuated.

Commercial flights to Abaco, one of the hardest-hit areas, resumed yesterday on a limited basis, officials said. *Reuters*

Facebook will open a third London office in King's Cross in 2021

Facebook to increase staff diversity in partnership with City non-profit

EMILY NICOLLE

@emilyjnicolle

FACEBOOK has partnered with a London non-profit organisation in a bid to increase the diversity of its workforce.

The tech giant will today announce a partnership with Colorintech, in which Facebook will commit to increasing the number of applicants and hires in Europe from under-represented groups.

It comes after Facebook said in a diversity report in July that at least 50 per cent of its US staff will be made up of people from minority groups by 2024. This includes women, people of colour, people with disabilities and military veterans.

Colorintech told *City A.M.* some of its work from the partnership would be put towards localising these targets to make sense for Facebook's offices in London and Dublin.

The tie-up will see Facebook work with Colorintech to create a series of programmes and events aimed at professionals from under-represented backgrounds, in addition to improving internal procedures to encourage an inclusive work environment.

Other partners of Colorintech include Google and Microsoft.

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LONDON REPORT

Shares boosted as China moves to combat trade rift

LEADING shares advanced yesterday on signs of less tension in the US-China trade fight and prospects of more stimulus from central banks.

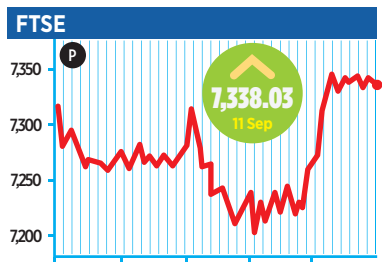
The FTSE 100 rose one per cent while the midcap index added 1.2 per cent.

London Stock Exchange took the top spot on the main bourse with a six per cent jump after Hong Kong Exchanges and Clearing made a surprise takeover approach.

Asia-facing financials and mining heavyweights were among biggest boosts on the FTSE 100 after a report said China will introduce important measures to ease the negative impact of the trade war with the US.

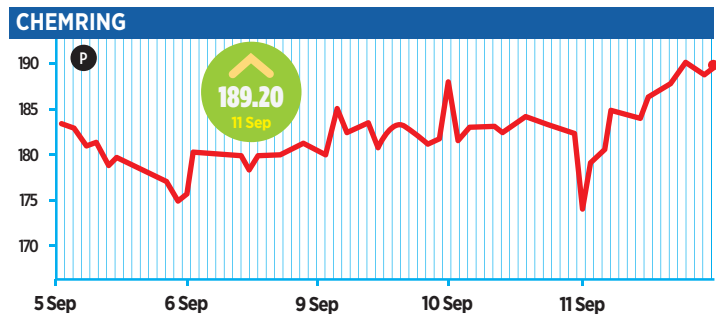
Shell, which has a secondary listing on the Amsterdam exchange, slipped one per cent after a report that the Dutch government is set to get rid of certain deductions for multinational companies in 2021.

In results-driven gains, **Galliford Try**, which this week said it has restarted talks to sell its housing units to Bovis Homes, rose 2.4 per cent after reporting strong margins at Linden Homes.

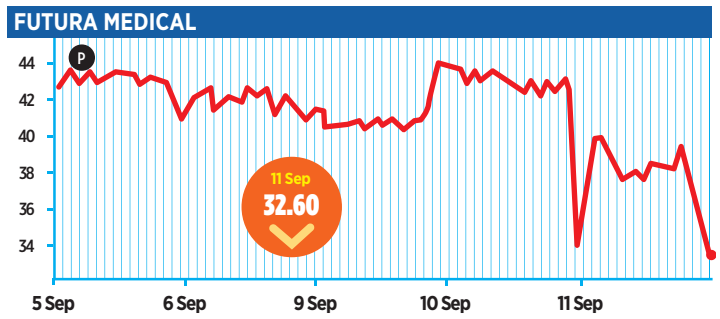


BEST OF THE BROKERS

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



The aerospace, defence and security markets might have felt some turbulence at times but Chemring has managed to convince Peel Hunt to reiterate its "add" recommendation for the stock. The broker, which has upped its target price from 180p to 200p, says there is "no doubt the underlying business is in better shape".



Futura Medical is looking in good health according to analysts. Its shift towards the prescription erectile dysfunction market has produced hard evidence that it is going in the right direction and is on-track to deliver "a potentially game-changing read out in December". Liberum issued a "buy" rating with a target price of 60p.

NEW YORK REPORT

Tariff gesture lifts Wall Street

WALL Street moved higher yesterday, led by tariff-sensitive technology and industrial stocks after China extended an olive branch ahead of next month's trade negotiations with the US.

The S&P 500 closed above the 3,000 mark for the first time since 30 July.

Apple provided the biggest boost to the S&P 500 and the Nasdaq the day after it unveiled its latest iPhone upgrade and announced the launch date of its Apple TV Plus streaming service. Its shares rose 3.2 per cent.

The blue-chip Dow, led by **Boeing**, posted its sixth consecutive daily gain. Boeing added 3.6 per cent.

China announced tariff exemptions for a basket of US goods, viewed by many investors as a show of good faith just weeks ahead of planned talks aimed at resolving the trade war.

The Dow Jones rose 227.61 points, or 0.85 per cent, to 27,137.04, the S&P 500 gained 21.54 points, or 0.72 per cent, to 3,000.93 and the Nasdaq Composite added 85.52 points, or 1.06 per cent, to 8,169.68. Chipmaker **Micron Technology** rose 2.2 per cent after Longbow Research upgraded the stock to "buy".

CITY MOVES WHO'S SWITCHING JOBS

STOBART AVIATION

Former BA Cityflyer general manager Luke Hayhoe has joined Stobart Aviation as aviation business development director as it works to boost relationships with its customer airlines at London Southend airport, Carlisle Lake District airport and Teesside International Airport. Luke, whose aviation career spans more than two decades, was most recently with BA as general manager commercial and customer for BA Cityflyer. At BA Cityflyer, he led a team of more than 300 people, delivering profitable commercial growth at London City airport as services expanded from six routes to more than 30. Luke will be responsible for airline relationships, marketing and delivering passenger growth across the Stobart Aviation airports, with his main focus on London Southend airport, which has had around 50 per cent more customers this summer. Ryanair and Loganair recently starting operations at the airport. Easyjet has also based a fourth aircraft there. The airport's award-winning offering – consumer group Which recently named London Southend the best airport in London for the sixth year in a row – will further grow with the addition of Wizz Air, with flights taking off to central Europe in October and November.

HYMANS ROBERTSON FOUNDATION

The Hymans Robertson Foundation, a registered charity established by Hymans Robertson, has appointed Marcella Boyle as its first UK chief executive. She has a wealth of experience in the public, private and third sectors and will fulfil the foundation's plans to expand its reach and deepen its aim to make a real difference to the lives of more disadvantaged young people, by helping to improve their financial capability and employability opportunities. The foundation was formally incorporated in 2016, after a decade of charitable activity at Hymans Robertson supporting fundraising, volunteering and grant giving to charities. The foundation receives two per cent of the profits generated by Hymans Robertson.

RBC CAPITAL MARKETS

RBC Capital Markets has made two senior hires. Florent Cassabois has joined RBC as head of leveraged finance based in France and David Brand has joined the central funding group as a managing director based in London. In this newly created role, Florent, who joins from HSBC, will be based in Paris and report to Ed Dickinson, European head of leveraged finance from a product perspective and Eric Meyer, head of France from a country perspective. David joins from Morgan Stanley, where he spent 15 years, most recently as global head of sales for their bank resource management division, the unit housing securities lending, repo financing, listed and OTC derivatives collateral businesses.

To appear in CITYMOVES please email your career updates and pictures to citymoves@cityam.com

NEWS

Opec trims forecast for oil demand in 2020 as weaker growth looms

ALEX LAWLER

OPEC yesterday cut its forecast for growth in world oil demand in 2020 due to an economic slowdown, an outlook the producer group said highlighted the need for ongoing efforts to prevent a new glut of crude.

In its monthly report, the Organisation of the Petroleum Exporting Countries said demand worldwide would expand by 1.08 million barrels per day (bpd), 60,000 bpd less than previously estimated, and indicated the market would be in surplus.

The weaker outlook amid a US-China trade war and Brexit could press the case for Opec and its allies to maintain or adjust their policy of cutting output. Iraq said ministers would today discuss whether deeper cuts were needed.

In the report, Opec lowered its forecast for world economic growth in 2020 to 3.1 per cent from 3.2 per cent and said next year's increase in oil demand would be outpaced by "strong growth" in supply from rival producers such as the US.

"This highlights the shared responsibility of all producing countries to support oil market stability to avoid unwanted volatility and a potential relapse into market imbalance," the report said.

Opec, Russia and other producers have since 1 January implemented a deal to cut output by 1.2m bpd.

Despite the Opec-led cut, oil has tumbled from April's peak above $75 to around $63, pressured by trade concerns and an economic slowdown.

The report said oil inventories in industrialised economies fell in July, a development that could ease Opec concern over a possible glut. Even so, stocks in July exceeded the five-year average, a yardstick Opec watches closely, by 36m barrels. *Reuters*

US clears $6.5bn sale of Lockheed jets to Poland

BRYAN PIETSCH

THE US State Department said yesterday it had approved a proposed sale of 32 Lockheed Martin F-35 fighter jets worth $6.5bn (£5.3bn) to Poland.

In April, the Pentagon told Congress it was considering selling the jets to the Nato member, as well as to Greece, Romania, Spain and Singapore.

The sale would boost Poland's contributions to Nato and reduce its dependence on Russian equipment, a State Department official said. During the Cold War, Poland, which shares borders with Russia and Germany, belonged to the Soviet-led Warsaw Pact.

The approval of the sale comes days after US vice-president Mike Pence visited Poland to commemorate the 80th anniversary of the start of the Second World War.

Under President Trump, the US has relaxed restrictions on sales and encouraged officials to take a bigger role in increasing business overseas for the US weapons industry.

However, it began the process in April to remove Turkey from the multinational F-35 programme after Ankara said it would proceed in purchasing a Russian S-400 missile defence system that Nato officials say is not compatible with the F-35. *Reuters*

DATA AND BUSINESS

Andrew Bud explains why deepfake videos pose a threat to our democracy

SEEING, BUT NOT BELIEVING

BOTH traditional and social media lit up earlier this year following the launch of a ground-breaking campaign for charity Malaria No More which was fronted by David Beckham.

In this 55-second video ad, the football star makes a passionate appeal for support. He makes it, however, in nine different languages.

No, David Beckham has not suddenly become a polyglot. Instead, his image has been subtly manipulated to perfectly lip-sync him with the voices of others by using a technology called "deepfake".

It is this technology which is the most vivid harbinger of the next great cyber threat to our society.

Of course, changing faces in videos is not new. Actors have been digitally recreated for films like The Matrix Reloaded and The Curious Case of Benjamin Button more than a decade ago, and synthetic characters like Gollum from The Lord of the Rings, pasted onto actors wearing motion-capture suits, are now ubiquitous in cinema.

But these are laborious, painstaking, expensive works of art that are handcrafted at huge expense.

Over time, new technology has been developed to make this process easier and faster.

For instance, in 2011, computer scientists at Harvard University described a new method that could replace someone's face in a video and be made in hours rather than weeks – as long as numerous experts in image processing were on hand.

Although in recent years, machine learning has replaced the need for such human skill and craft. Deep neural networks can now be used to rapidly produce fake imagery that is utterly believable to our eyes.

FAKE NEWS

Videos produced in this way first appeared in 2017 and quickly became known as deepfakes.

Unfortunately – and perhaps inevitably – the first application of this new technology was in pornography. Deep learning was used to drape the faces of celebrities onto the bodies of adult movie stars most realistically, to the understandable and considerable consternation of the victims.

Since then, experiments with new applications have opened more eyes to the potential use – and abuse – of this technology. For example, in 2018, political leaders like Barack Obama and Vladimir Putin were seen making speeches they never gave.

Then, early in 2019, actor Steve Buscemi's face gave Jennifer Lawrence's Golden Globe acceptance speech in a video broadcast on a US comedy show.

As you can see, Beckham's flawless malaria appeal – created by commercial London firm Synthesia – simply marks the moment that deepfakes transformed from creepy gimmicks to a mainstream media form.

LIES TO OUR EYES

This technology is also being recognised by authorities as a new kind of cyber risk.

Its danger lies not only in its power to vilify and humiliate individual victims, but also to attribute abhorrent actions and words to them. As such, deepfakes have the potential to undermine the foundations of our society and our democracy.

Successful societies are built on trust – trust in each other, trust in a counterparty to a transaction, trust in sources of information, trust in institutions. The most powerful basis of trust is personal experience, followed closely by the evidence of our own eyes.

So, while conspiracy theories have flourished online, fed by bogus information and doctored photos, up until now, videos have held the line against lies. Deepfakes will breach that line.

> "David Beckham's flawless malaria appeal marks the moment that deepfakes transformed

ARMS RACE

Deepfakes also pose a threat at a national level. At a recent US Department of Homeland Security conference, NSA research director Dr Deborah Frinke observed that we are gravitating towards attacks on critical national infrastructure becoming more akin to contemporary psychological warfare.

One example of such a target will be trust in the identity of others over the internet. Each day, millions of people receive video calls from their friends and colleagues via Skype, WhatsApp or Facetime. One glance or one word is enough to convince them of the caller's identity.

In many European countries, citizens validate their identity remotely to banks and healthcare providers by making a video call, talking to an operator, and holding up their passport or identity card to show that they are genuinely present. These interactions allow consumers to access services securely and efficiently.

Deepfake technology will undermine trust in such transactions, replacing it with unease and suspicion – the germs that eat a society from the inside.

Fortunately, the same technology creating this mayhem will help contain it. For example, DARPA's Media Forensics programme is using deep learning technology to probe for the invisible, tell-tale signs of spoofing that is buried in such deepfake imagery, and machine learning will analyse its metadata footprints to detect traces of forgery. But germs are fought by medicines, and subsequently adapt by developing resistance.

Beckham's video appeal is partly necessitated by the need to develop new malaria drugs to replace those losing their effectiveness. The world is in an arms-race with the plasmodium parasite. The parallels to deepfake synthetic video are therefore entirely apt.

Andrew Bud is founder and chief executive of iProov.

FORUM

EDITED BY RACHEL CUNLIFFE

Swap your office's dominance dynamics for cognitive diversity

Matthew Syed

MEETINGS predict terrible outcomes even more powerfully than smoking predicts cancer." This is the verdict of Leigh Thompson, a world expert on group dynamics.

Thompson became interested in human relationships as a teenager when she witnessed her parents going through a painful divorce. She almost became a marriage guidance counsellor, but settled for academia instead.

Why are meetings so dysfunctional? One of the key reasons is what anthropologists call "dominance dynamics". When one or two people dominate the discussion, it suppresses the insights of others, particularly the introverts.

"The evidence suggests that in a typical four-person group, two people do 62 per cent of the talking, and in a six-person group, three people do 70 per cent of the talking," Thompson says.

"Perhaps the most remarkable thing is that the people doing all the talking don't realise they are doing it," she continues.

"They are adamant that everyone is speaking equally, and that the meetings are egalitarian. The reason is that they often lack self-awareness. So, if you point it out to them, they bristle, and you often get into an escalating conflict."

Dominance hierarchies are deeply integrated into human psychology. We share them with other primates and, according to the psychologist Jordan Peterson, even lobsters.

Indeed, so highly attuned is our status psychology that you can place five strangers in a room, give them a task, and watch dominance hierarchies develop within seconds.

What is even more remarkable is that external observers, who can't even hear what is being said, can accurately place people at the various positions in the hierarchy, just by watching their postures and expressions.

The pervasiveness of dominance hierarchies hints that they serve an important evolutionary purpose. When the choices that confront a tribe or group are simple, it makes sense for a leader to make decisions, and for everyone else to fall into line.

But in situations of complexity, dominance dynamics have darker consequences. When people are afraid of a dominant leader, they are inclined to parrot their perspective, saying what they think the boss wants to hear rather than what they truly think.

This shrinks the collective intelligence of the group to the dimensions of just one brain.

This is why enlightened leaders are pivoting from a dominant style to a more inclusive approach. These leaders tend not to issue unilateral orders, or bare their teeth.

On the contrary, they explain their ideas, because they know that colleagues who understand and endorse them are more likely to execute them with judgment and flexibility. They listen to those around them, because they recognise that they are not too smart to learn from others.

Of course, there are situations where dominance retains its logic as a leadership style. When a decision has been made, and there is no turning back, leaders need to galvanise their teams to get the job done. Diverse opinions are a distraction.

We spend much of our lives building up individual expertise, then take the biggest decisions in forums that make us collectively dumb

But when evaluating as opposed to executing decisions, or when coming up with new ideas, dominance tends to collapse under the weight of its own contradictions.

There are a number of techniques and methods that help leaders to preserve the contributions of diverse minds and maximise the collective intelligence of the group. One of the most celebrated is the "golden silence" of Amazon.

For more than a decade, meetings have started not with a PowerPoint presentation, but total silence. For 30 minutes, the team read a six-page memo that summarises, in narrative form, the main agenda item.

This has a number of effects.

First, it means the presenter has to think more deeply about their proposal in order to write it up in narrative form.

But there is a deeper reason why this technique is powerful: it gives people the space to bring their diverse ways of thinking, reasoning through the weaknesses and strengths of the proposal, before discussion.

This reduces the risk that diverse perspectives will fail to surface. Even when discussion does start, the most senior person speaks last, helping to ensure that diverse perspectives are not suppressed.

In a post on LinkedIn, Brad Porter, a vice president at Amazon, explained the benefits: "Amazon absolutely runs better, makes better decisions, and scales better because of this particular innovation."

The problem is that too few leaders are aware of these and other cutting-edge techniques, meaning that meetings are all too often dysfunctional.

It is a curious irony. We spend much of our lives building up individual expertise. We spend years at school, then at university, then we undergo on-the-job training, gradually attaining knowledge and understanding.

We then take the biggest decisions in forums that make us collectively dumb.

Matthew Syed is author of Rebel Ideas: the Power of Diverse Thinking, published this week.

Reviving the post-study work visa will help the UK attract international talent

Sam Dumitriu

IT IS hard to think of a more short-sighted and self-destructive policy than Theresa May's decision in 2012 to close the post-study work visa route for those wanting to live and work in Britain. Boris Johnson is right to bring it back.

Britain's universities are truly world class, attracting the best and brightest from across the world. Overseas students add £20bn to UK GDP in the fees they pay as well as their spending, but they represent much more than a cash cow.

In today's knowledge economy, a nation's prosperity is closely tied to its ability to produce and attract highly-skilled talent. Institutions such as Imperial, UCL, and LSE are a powerful magnet pulling in the bright individuals that British start-ups need in order to grow to scale.

Yet in 2012, the then-home secretary Theresa May decided to make it harder for these individuals to stay in the UK. As a result, Australia recently overtook the UK as the number two destination for international students, behind the US.

The lack of a post-study work visa has damaged the UK's entrepreneurial ecosystem. The Entrepreneurs Network found that 49 per cent of the UK's fastest-growing companies had at least one foreign-born founder. Speaking to these founders, we found that many were initially attracted to the UK by the opportunity to study at a top university, but decided to stay after graduation to work or start businesses.

Without a post-study work visa or free movement, many founders might not have stayed.

While it is still possible for an overseas student to stay in the UK after graduation, they need to find an employer with a Tier 2 sponsors licence who is willing to pay £20,800 per year. The expensive and time-consuming process of becoming a Tier 2 sponsor effectively precludes foreign graduates from working for startups.

Miguel Martinez, co-founder and chief data scientist at Signal AI, told us that "any visa sponsorship programme adds additional complexity and requires significant effort... while this will not be a problem for large companies, it is likely to be prohibitively hard for a startup".

Would-be entrepreneurs are averse to paperwork and red-tape. One international student-turned-entrepreneur told me that if he'd had to apply for a Tier 2 visa to move to the UK, he might have gone to Amsterdam, Paris, Berlin or Madrid instead.

The virtue of the post-study work visa is its flexibility. Not every graduate immediately starts working at a Big Four accountancy days after their last exam. Most take time to experiment with internships before finding the right fit.

A recent survey of over 5,000 US PhD students found that foreign-born students had a higher tolerance for risk-taking and were more likely to express an interest in commercialising research or starting a company, but were less likely to become founders or startup employees in their first job after graduation.

The researchers suggest that onerous visa restrictions are the reason.

With free movement set to end, it's imperative that we keep the door to global talent open.

Restoring the post-study work route will enable more talented individuals to stay, work, and eventually build businesses in the UK.

Sam Dumitriu is research director at The Entrepreneurs Network.

LETTERS
TO THE EDITOR

A tech solution to GDPR pains

[Re: Nearly a third of European firms still not GDPR compliant]

It was interesting to read that some companies are still struggling to be GDPR compliant, despite its introduction over a year ago. Although it can seem an overwhelming hurdle, I believe companies could benefit from using machine learning and artificial intelligence to help achieve GDPR compliance.

Machine learning enables you to tag sensitive info and automate the process of handling such data within guidelines, which can help mitigate risk. It can also reduce the potential for human error – often a large factor in data breaches.

However, it alone is not enough to ensure compliance, and it's imperative that businesses create bespoke internal regulations, so employees understand the consequences of mishandling data.

Ignoring GDPR is never the answer, as the consequences could cripple businesses. Taking technological steps to ease the process of compliance could negate the impact of fines, avoid reputational damage, and most importantly protect consumers' privacy.

Martin Brunthaler, co-founder and chief technology officer, Adverity

BEST OF TWITTER

The Scottish court has found unanimously that the Prime Minister misled the Queen. In effect, the court has held that Boris Johnson lied to the Queen so as to obtain prorogation. Wow. Just, wow. Not seen a court decision like this in thirty years of constitutional geekery
@davidallengreen

This will have serious implications for the Queen's hopes of a second term.
@stephenkb

Sources in No10 now hitting back at the Scottish judges, suggesting they are politically biased: "We note that last week the High Court in London did not rule that prorogation was unlawful. The legal activists choose the Scottish courts for a reason"
@tnewtondunn

Our judges are renowned around the world for their excellence and impartiality and I have total confidence in their independence in every case.
@RobertBuckland

A50 -> Grieve amndmnt -> Joint Report -> Max-Fac -> Chequers -> MV1 -> Brady amndmnt -> MV2 -> Malthouse -> MV3 -> A50 extension -> Cooper-Letwin -> Indicative votes -> Tory leadership contest -> Benn-Burt Bill -> Prorogation -> .... MORNINGTON CRESCENT
@rafaelbehr

Nigel Farage is the Brexit Icarus. Here's how he can see us fly out of the EU to freedom – Hunter DuBose.
@TelePolitics

"I say, I like the cut of Icarus's jib. Makes his own wings out of wax and feathers, soars like some majestic eagle, top lad. I see no need to bother finding out how this yarn finishes before I employ it as an approving metaphor."
@andrew_mueller

WE WANT TO HEAR YOUR VIEWS E: theforum@cityam.com **COMMENT AT:** cityam.com/forum : @cityam

Let's end the airline monopoly over Europe's busiest airport

Matthew Oakley

THIS week's two-day strike by British Airways (BA) pilots is not just another blow for the brand and a pain for thousands of passengers. It is also a vivid demonstration of the pitfalls of letting one airline group have an effective monopoly over many routes at Europe's busiest airport, Heathrow.

Luckily, expansion at Heathrow provides the government with an opportunity to support the creation of a second national flag carrier, increasing resilience and consumer choice, and providing the competitive environment that has been so sorely missing.

A lack of competition at Heathrow will be a surprise to many, but a situation has emerged where BA and its partners now control more than half of total capacity at the airport.

There are some benefits to this system. BA and its passengers get a boost from economies of scale that allow it to operate as a "hub carrier", connecting regional passengers across the UK to global destinations.

But the current set-up also limits competition. The next largest airline at Heathrow has only eight per cent of take off and landing slots, compared to the 55 per cent owned controlled by IAG, BA's parent company.

To understand why that's a problem, we can look to other markets.

If the same situation were replicated in the supermarket sector, it could mean that Tesco only faced competition from corner shops, not from bigger players in the market, such as Sainsbury's. Or if the newspaper industry were similarly affected, The Times would be free to print more than 400,000 copies of the paper, but The Telegraph could be limited to a print run of just tens of thousands.

Presented like this, it is clear that competition is not working well at Britain's biggest airport. Our report, "Letting Competition Fly: the case for two national flag carriers", published today shows how passengers lose out.

First, the situation limits choice. We estimate that in the last year, 18.5m passengers spread across 77 routes did not have a choice of who to fly with. If you want to fly direct to popular short and long-haul routes from Heathrow, such as Glasgow or San Diego, you can only go with British Airways.

Second, the lack of competition is likely to lead to higher prices. Using evidence from similar situations around the world, we estimate that passengers could be paying as much as 10 per cent more in ticket prices.

Heathrow expansion could be a game changer, but under existing rules for how new capacity will be allocated, this situation is very unlikely to change significantly.

However, there is a simple way to tackle the situation – and it is not to penalise or falsely restrict BA, our first national flag carrier.

Instead, BA just needs a scale competitor – a second flag carrier – to bring increased choice, lower prices, and improved quality to passengers. To extend the supermarket analogy, this would be like giving Sainsbury's the opportunity to take on Tesco.

Having two flag carriers would not be unusual. Other major cities – including Chicago, Tokyo, and Madrid – have smaller aviation markets yet already host two such competitors.

To achieve this, the government will need to act decisively when determining how to allocate the new capacity created by Heathrow expansion. Applying the current rules will serve only to reinforce the fragmented competition that exists the UK's busiest airport.

A bespoke approach is needed to maximise the unique opportunity of expansion. This should explicitly commit to providing the framework for the creation of second national flag carrier, with around 20 per cent of overall Heathrow capacity.

Some, particularly those with vested interests, will argue against this approach, saying that it is too complicated or unfair to BA.

But without it, the full scale of potential benefits of Heathrow expansion are unlikely to be realised, and a unique opportunity to boost competition, lower fares, and improve service and passenger choice could be missed.

BA needs a scale competitor – a second flag carrier – to bring increased choice

Matthew Oakley is director of WPI Economics and former Treasury economist.

DEBATE

With the launch of a new iPhone, has Apple lost its touch?

YES

ASAD HAMIR

The launch of a new Apple product used to generate a cult-like following. Now, the improvements are so small and the competition is so fierce that you don't see the queues at Apple stores for these launches any more.

Consumers are less interested in the latest iPhone, because it's not going to offer enough new stuff to justify the cost. A year between phone launches simply isn't long enough to allow Apple to innovate. The new iPhone 11 doesn't have 5G enablement, which other big brands have already rolled out with newly released phones.

The biggest difference is the improved camera, but unless you're a content creator who depends on the highest quality tech day-in day-out, the hefty price tag is just too dear for what you'll get out of it.

A refurbished iPhone 8 will work just as well for most – it will support the same software and help curb e-waste, which will prove to be a big problem if we don't act fast. Apple needs to get back to its challenger mentality; it has always been at its best when it's totally focused on the user.

Asad Hamir is founder of Klyk.

NO

REBECCA CROOK

First, some of the features for the new iPhone are pretty cool, such as the new pet portrait mode that will recognise animal features and enhance them – a great gimmick for a nation of animal lovers. On a more serious note, the improved camera elements like dual functionality show that Apple has understood that consumers rely on their phones as their camera, and has focused its efforts accordingly.

But zoom out from the iPhone 11 for a second and look at Apple's other products. The Apple watch is still the undisputed leader in digital wearables, and the new features here show the focus on catering to a more diverse consumer base. The Apple Watch will now enable women to keep track of menstrual cycles and provide fertile window data. That's a different direction for the tech giant, and it's an important one.

Strategically as a business, Apple is moving more into the service space anyway, with Apple Arcade gaming, the TV+ streaming service, and the move to ditch iTunes. All of this highlights the change in direction the business is taking to meet changing consumer demands while growing revenue. It's not all about the new phone.

Rebecca Crook is chief growth officer at Somo.

CITY A.M.
Fountain House,
3rd Floor, 130 Fenchurch Street,
London, EC3M 5DJ
Tel: 020 3201 8900
Email: news@cityam.com

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£/¥	132.97	↑ 0.1303	€/¥	118.71	↓ 0.0204

GILTS

	Price	Chg	High	Low
Tsy 4.750 20	102.02	-0.02	105.9	102.0
Tsy 2.500 20	354.95	-0.01	361.4	354.8
Tsy 2.000 20	101.20	-0.03	102.2	101.1
Tsy 3.750 20	103.12	-0.04	105.8	103.1
Tsy 8.000 21	112.99	-0.08	119.4	112.7
Tsy 1.875 22	116.50	-0.15	118.3	115.5
Tsy 0.500 22	100.19	-0.10	100.7	97.7
Tsy 4.000 22	108.80	-0.09	110.7	108.7
Tsy 2.250 23	107.12	-0.12	107.9	104.7
Tsy 2.500 24	374.07	-0.21	377.9	358.7
Tsy 0.125 24	114.63	-0.22	115.8	110.9
Tsy 5.000 25	124.68	-0.17	126.1	122.1
Tsy 4.250 27	130.52	-0.28	132.8	122.6
Tsy 1.250 27	138.64	-0.32	141.1	128.4
Tsy 6.000 28	149.33	-0.30	152.2	140.5
Tsy 0.125 29	131.97	-0.35	134.7	118.8
Tsy 4.125 30	395.68	-0.35	404.2	355.2
Tsy 4.750 30	144.55	-0.37	147.9	132.1
Tsy 1.250 32	163.12	-0.12	167.7	144.1
Tsy 4.250 32	142.57	-0.33	146.4	128.5
Tsy 0.125 36	156.61	-0.03	162.5	133.4
Tsy 4.250 36	150.99	-0.37	155.7	133.1
Tsy 4.750 38	166.14	-0.38	171.8	144.9
Tsy 0.625 40	178.49	0.27	185.7	152.8
Tsy 4500 42	170.19	-0.43	176.7	145.9
Tsy 3.500 45	152.62	-0.47	159.0	128.0
Tsy 4.250 46	173.64	-0.50	181.0	145.7
Tsy 4.025 49	180.39	-0.51	188.9	150.0
Tsy 0.500 50	210.57	0.85	222.9	173.7
Tsy 0.250 52	207.85	0.96	221.1	168.8

AEROSPACE & DEFENCE

	Price	Chg	High	Low
BAE Systems	574.6	6.6	636.2	443.9
Cobham	158.5	1.9	168.3	96.8
Meggitt	625.0	-6.8	643.0	458.0
QinetiQ Group	295.8	7.8	312.4	267.0
Rolls-Royce Holdi	832.0	17.6	997.4	730.0
Senior	208.0	4.0	323.0	185.4
Ultra Electronics	2164.0	-10.0	2252.0	1232.0

BANKS

	Price	Chg	High	Low
Bank of Georgia G	1318.0	1.0	1878.8	1310.0
Barclays	148.7	1.0	178.9	136.2
Close Brothers Gr	1376.0	18.0	1660.0	1227.0
CYBG	124.1	0.9	336.8	110.0
HSBC Holdings	625.5	11.9	682.0	580.9
Lloyds Banking Gr	52.6	0.3	66.6	48.6
Metro Bank	289.4	7.6	3050.0	261.6
Royal Bank of Sco	199.8	2.1	270.4	177.7
Standard Chartere	682.4	-0.6	736.8	519.8
TBC Bank Group	1248.0	28.0	1728.0	1216.0

BEVERAGES

	Price	Chg	High	Low
Barr (A.G.)	575.0	13.0	975.0	551.6
Britvic	893.0	36.0	956.0	745.0
Coca-Cola HBC AG	2718.0	60.0	3074.0	2244.0
Diageo	3362.5	32.5	3625.5	2523.5

CHEMICALS

	Price	Chg	High	Low
Croda Internation	4910.0	120.0	5447.7	4564.0
Elementis	157.6	0.6	245.8	129.8
Johnson Matthey	3214.0	45.0	3673.0	2620.0
Sirius Minerals	10.6	-0.0	30.6	8.1
Synthomer	340.0	5.4	520.4	279.8
Victrex plc	2226.0	40.0	3408.0	1845.0

CONSTRUCTION & MATERIALS

	Price	Chg	High	Low
Balfour Beatty	235.4	6.2	295.0	194.2
CRH	2766.0	38.0	2802.2	1971.5
Galliford Try	680.0	16.0	1104.0	512.0
Ibstock	222.0	5.0	262.0	193.1
Marshalls	667.0	4.0	696.0	412.2
Polypipe Group	399.4	3.6	453.8	307.8

ELECTRICITY

	Price	Chg	High	Low
Contour Global	194.0	0.0	218.0	150.1
Drax Group	292.8	12.0	427.2	260.2
SSE	1160.0	15.5	1250.5	1008.0

ELECTRONIC & ELECTRICAL EQ.

	Price	Chg	High	Low
Halma	2001.0	68.5	2094.0	1237.0
Morgan Advanced M	267.8	4.0	338.8	237.0
Oxford Instrument	1260.0	-10.0	1424.0	842.0
Renishaw	3942.0	294.0	5000.0	3368.0
Spectris	2475.0	159.0	2898.0	1966.5

EQUITY INVESTMENT INSTRUM.

	Price	Chg	High	Low
Aberforth Smaller	1204.0	22.0	1356.0	1114.0
Alliance Trust	807.0	6.0	838.0	672.0
Apax Global Alpha	155.5	0.5	159.0	127.0
AVI Global Trust	761.0	4.0	781.0	660.0
Baillie Gifford J	810.0	2.0	866.0	663.0
Bankers Inv Trust	955.0	7.0	970.0	766.0
BBGI SICAV S.A. (	156.5	0.0	168.0	142.5
BlackRock Smaller	1408.0	6.0	1482.0	1160.0
BMO Global Smalle	1364.0	6.0	1485.0	1220.0
Caledonia Investm	3010.0	-15.0	3110.0	2650.0
City of London In	416.0	3.5	431.5	376.0
Edinburgh Inv Tru	572.0	9.0	684.0	535.0
F&C Investment Tr	718.0	7.0	731.0	616.0
Fidelity China Sp	222.5	3.5	250.0	182.4
Fidelity European	251.0	1.0	257.5	202.0
Fidelity Special	263.5	6.5	275.0	220.0
Finsbury Growth &	937.0	12.0	958.0	740.0
GCP Infrastructur	126.2	0.0	130.8	122.4
Genesis Emerging	776.0	0.0	783.0	615.0
Greencoat UK Wind	139.8	-0.2	143.2	124.4
HarbourVest Globa	1722.0	6.0	1726.0	1326.0
Herald Investment	1314.0	0.0	1364.0	1055.0
HGCapital Trust	229.0	-5.0	237.0	175.0
HICL Infrastructu	163.4	-0.4	170.1	149.9
International Pub	163.6	0.6	165.4	146.8
JPMorgan American	476.5	3.0	494.5	386.5
JPMorgan Emerging	1004.0	4.0	1066.0	759.0
JPMorgan Indian I	706.0	1.0	790.0	566.0
JPMorgan Japanese	450.0	0.0	463.0	367.0
Jupiter European	844.0	-3.0	875.0	666.0
Law Debenture Cor	582.0	8.0	620.0	534.0
Mercantile Invest	209.0	2.5	215.7	168.0
Monks Inv Trust	924.0	7.0	964.0	710.0
Murray Internatio	1192.0	4.0	1208.0	1056.0
NB Global Floatin	88.9	0.0	93.0	87.6
NextEnergy Solar	121.0	-0.5	124.5	109.0
Pantheon Internat	2275.0	-20.0	2330.0	1955.0
Perpetual Income	299.0	2.5	358.0	284.5
Pershing Square H	1540.0	-22.0	1568.0	990.0
Personal Assets T	42450.0	-150.0	43150.0	38900.0
Polar Capital Tec	1428.0	28.0	1500.0	1066.0
RIT Capital Partn	2160.0	5.0	2180.0	1892.0
Riverstone Energy	729.0	-6.0	1282.0	635.0
Schroder Asia Pac	445.0	5.0	469.5	379.0
Scottish Inv Trus	828.0	5.0	875.0	748.0
Scottish Mortgage	524.0	12.0	568.5	441.4
Sequoia Economic	115.4	0.2	117.6	106.0
Smithson Investme	1258.0	8.0	1280.0	1000.2
Syncona Limited N	242.5	-1.0	302.5	213.5
Temple Bar Inv Tr	1240.0	14.0	1366.0	1116.0
Templeton Emergin	794.0	7.0	829.0	649.0
The Renewables In	130.0	0.4	133.2	109.3
TR Property Inv T	426.5	3.0	430.0	353.5
Vietnam Enterpris	494.0	0.5	496.0	421.5
VinaCapital Vietn	350.0	-1.5	357.5	318.0
Witan Inv Trust	217.5	2.5	225.5	189.6
Woodford Patient	45.1	-1.2	91.0	40.1
Worldwide Healthc	2710.0	50.0	2915.0	2325.0

FINANCIAL SERVICES

	Price	Chg	High	Low
3i Group	1126.0	-1.0	1164.5	756.2
3i Infrastructure	305.0	3.5	305.0	240.3
AJ Bell	409.5	2.0	477.0	220.0
Allied Minds	57.2	1.6	84.2	37.3
Amigo Holdings	73.2	2.3	297.5	70.7
Arrow Global Grou	214.4	13.0	273.0	167.2
ASA International	378.0	3.5	496.0	320.0
Ashmore Group	465.2	5.0	542.5	341.2
Brewin Dolphin Ho	317.6	3.0	358.0	287.6
Charter Court Fin	302.5	11.0	375.0	228.8
City of London In	412.0	-2.0	440.0	360.0
CMC Markets	100.6	0.0	167.6	77.4
Coats Group	76.0	2.6	91.3	69.8
Georgia Capital	1026.0	12.0	1260.0	941.0
Hargreaves Lansdo	2025.0	53.5	2433.0	1633.0
IG Group Holdings	585.8	8.8	888.0	474.8
IntegraFin Holdin	393.0	8.0	406.1	269.0
Intermediate Capi	1424.0	30.0	1442.0	899.0
International Per	102.2	-1.8	233.6	87.0
Investec	469.5	6.7	561.0	400.7
IP Group	66.2	3.1	131.2	55.7
John Laing Group	357.4	0.0	402.0	296.2
JTC	394.0	-7.5	440.0	287.0
Jupiter Fund Mana	363.0	2.5	432.0	287.6
Liontrust Asset M	760.0	-12.0	816.0	532.0
LMS Capital	54.8	0.0	57.8	44.0
London Finance &	38.5	0.0	42.5	37.5
London Stock Exch	7206.0	402.0	7922.0	3867.0
Man Group	170.1	1.5	183.0	126.8
OneSavings Bank	366.2	14.2	447.4	313.6
Paragon Banking G	464.6	2.2	478.8	379.2
Plus500 Ltd (DI)	736.0	29.4	1647.0	495.0
Provident Financi	410.6	6.9	658.6	356.0
Quilter	134.0	3.2	156.6	110.6
Rathbone Brothers	2385.0	35.0	2570.0	2085.0
Real Estate Credi	166.5	1.0	175.5	163.0
Record	31.2	0.0	41.5	27.3
River and Mercant	258.0	-6.0	330.0	212.0
S&U	2150.0	0.0	2605.0	1767.5
Sanne Group	530.0	0.0	752.0	450.0
Schroders	3045.0	65.0	3210.0	2334.0
Standard Life Abe	268.4	4.0	370.3	224.9
TP ICAP	328.2	5.6	333.9	267.2
Walker Crips Grou	24.5	0.0	38.0	24.0
XPS Pensions Grou	113.0	-2.5	173.0	95.0

FIXED LINE TELECOMS

	Price	Chg	High	Low
BT Group	173.0	4.7	264.7	158.9
TalkTalk Telecom	109.7	4.2	137.0	96.6
Telecom Plus	1146.0	16.0	1528.0	1022.0

FOOD & DRUG RETAILERS

	Price	Chg	High	Low
Greggs	2026.0	31.0	2476.0	1006.0
Morrison (Wm) Sup	194.0	2.7	267.2	176.9
Ocado Group	1369.0	32.0	1435.0	749.8
Sainsbury (J)	213.0	5.2	324.0	177.1
SSP Group	687.0	11.0	744.4	615.1
Tesco	234.3	2.9	253.0	189.6
UDG Healthcare Pu	757.5	-3.5	821.0	551.0

FOOD PRODUCERS

	Price	Chg	High	Low
Associated Britis	2239.0	5.0	2638.0	2041.0
Bakkavor Group	117.0	1.0	172.4	93.3
Cranswick	2914.0	104.0	3454.0	2472.0
Greencore Group	225.9	3.5	230.0	162.9
Hilton Food Group	988.0	-2.0	1088.0	884.0
Tate & Lyle	747.4	11.6	800.4	633.4
Unilever	4962.5	9.0	5324.0	3931.0

FORESTRY & PAPER

	Price	Chg	High	Low
Mondi	1650.0	20.5	2157.0	1510.5

GAS, WATER & MULTIUTILITIES

	Price	Chg	High	Low
Centrica	72.9	2.4	155.6	64.6
National Grid	826.1	9.7	889.2	748.7
Pennon Group	744.8	19.0	792.8	684.2
Severn Trent	2024.0	31.0	2153.0	1770.0
United Utilities	779.6	13.4	873.6	682.4

GENERAL INDUSTRIALS

	Price	Chg	High	Low
Smith (DS)	360.4	6.3	491.4	292.2
Smiths Group	1683.5	22.0	1688.5	1279.5
Smurfit Kappa Gro	2650.0	26.0	3160.0	1934.0
Vesuvius	502.5	10.5	662.0	448.8

MAIN CHANGES UK 350

Risers ↑		%
Intu Properties	45.8	9.8
Renishaw	3942.0	8.1
Spectris	2475.0	6.9
Ted Baker	1070.0	6.4
NewRiver REIT	181.8	6.1
London Stock Excha	7206.0	5.9
Aston Martin Lagon	590.8	5.8
Hammerson	272.1	5.7
Restaurant Group	140.8	5.6
IP Group	66.2	4.9

Fallers ↓		%
Cairn Energy	192.2	-4.0
Antofagasta	893.2	-2.9
Hunting	486.4	-2.5
Woodford Patient C	45.1	-2.5
PPHE Hotel Group L	1750.0	-2.2
HGCapital Trust	229.0	-2.1
Go-Ahead Group	2064.0	-2.0
Computacenter	1333.0	-1.8
Kainos Group	433.0	-1.6
IWG	400.0	-1.5

GENERAL RETAILERS

	Price	Chg	High	Low
Auto Trader Group	514.8	12.0	606.0	388.5
B&M European Valu	387.0	4.1	426.3	278.6
Card Factory	164.5	4.0	209.0	151.2
Dixons Carphone	118.5	-0.3	178.6	104.9
Dunelm Group	856.0	7.0	981.0	482.8
Inchcape	636.0	1.0	695.5	486.6
JD Sports Fashion	711.8	23.6	714.8	318.5
Just Eat	713.8	3.8	812.0	533.8
Kingfisher	204.1	-1.4	266.2	188.0
Marks & Spencer G	203.0	1.9	299.1	180.4
Next	6078.0	34.0	6146.0	3991.0
Pets at Home Grou	237.4	2.2	238.2	110.0
Sports Direct Int	264.8	0.4	352.7	214.0
Ted Baker	1070.0	64.0	2378.0	800.0
Vivo Energy	126.6	2.8	140.0	96.0
WH Smith	2002.0	-18.0	2186.0	1697.0

HEALTH CARE EQUIPMETN & S.

	Price	Chg	High	Low
Assura	69.2	2.4	71.7	52.4
Convatec Group	173.7	-2.2	239.0	118.6
Mediclinic Intern	359.8	3.8	477.7	293.4
NMC Health	2918.0	-16.0	3704.0	1801.5
Smith & Nephew	1898.5	14.5	1990.0	1258.0

HHOLD GDS & HOME CONSTR.

	Price	Chg	High	Low
Barratt Developme	624.4	15.8	663.0	434.0
Bellway	3169.0	79.0	3226.0	2419.0
Berkeley Group Ho	4023.0	57.0	4037.0	3226.0
Bovis Homes Group	1035.0	13.0	1177.0	828.0
Countryside Prope	317.8	4.4	353.2	270.0
Crest Nicholson H	383.8	14.2	404.8	296.4
McCarthy & Stone	146.6	5.9	146.6	119.0
Persimmon	2030.0	78.5	2471.0	1836.0
Reckitt Benckiser	6398.0	19.0	7155.0	5593.0
Redrow	608.0	9.0	674.6	460.8
Taylor Wimpey	157.6	4.1	192.3	129.3

INDUSTRIAL ENGINEERING

	Price	Chg	High	Low
Bodycote	762.0	28.5	925.5	654.0
Hill & Smith Hold	1157.0	9.0	1306.0	902.5
IMI	1032.0	17.5	1155.0	870.0
Melrose Industrie	208.0	3.2	222.6	146.3
RHI Magnesita N.V	4318.0	38.0	5000.0	3318.0
Rotork	319.4	4.0	340.8	235.7
Spirax-Sarco Engi	8100.0	235.0	9400.0	5900.0
Weir Group	1564.5	10.0	1814.0	1240.0

INDUSTRIAL METALS & MINING

	Price	Chg	High	Low
Evraz	523.4	22.0	709.4	442.1
Ferrexpo	198.8	8.0	301.3	143.5

INDUSTRIAL TRANSPORTATION

	Price	Chg	High	Low
BBA Aviation	309.8	-1.4	324.8	207.0
Clarkson	2285.0	35.0	2860.0	1878.0
Fisher (James) &	2005.0	-30.0	2260.0	1600.0
Royal Mail	229.0	-0.2	489.0	188.4

NON LIFE INSURANCE

	Price	Chg	High	Low
Admiral Group	2099.0	-1.0	2300.0	1932.5
Beazley	597.5	4.0	606.0	492.6
Direct Line Insur	296.9	6.6	366.5	279.9
Hastings Group Ho	201.6	0.8	269.4	174.0
Hiscox Limited (D	1595.0	36.0	1777.0	1418.0
Lancashire Holdin	726.5	13.5	732.0	530.0
RSA Insurance Gro	535.8	12.6	634.0	496.6
Sabre Insurance G	274.5	8.0	294.0	249.0

LIFE INSURANCE

	Price	Chg	High	Low
Aviva	392.7	5.3	497.0	352.3
Legal & General G	247.5	3.8	291.2	216.7
Phoenix Group Hol	679.0	13.5	724.8	544.0
Prudential	1492.0	7.5	1814.5	1326.0
St James's Place	991.4	16.6	1154.5	914.0

MEDIA

	Price	Chg	High	Low
4Imprint Group	2860.0	0.0	2940.0	1800.0
Ascential	384.6	15.6	427.2	337.2
Bloomsbury Publis	230.0	-2.0	243.0	190.5
Centaur Media	38.0	0.0	56.5	34.7
Entertainment One	578.0	0.0	589.0	336.4
Euromoney Institu	1450.0	10.0	1450.0	1132.0
Future	1260.0	-4.0	1320.0	410.0
Goco Group	75.3	-0.2	104.0	64.6
Haynes Publishing	220.0	0.0	227.0	160.0
Huntsworth	91.0	-1.2	123.5	81.0
Informa	826.6	-8.2	892.0	605.8
ITE Group	80.4	0.2	80.5	56.3
ITV	125.6	0.5	162.3	103.6
Moneysupermarket	370.0	4.6	417.7	264.0
Pearson	866.8	2.6	1027.5	769.2
Reach	88.1	-2.2	94.9	54.6
Relx plc	1871.5	9.5	2011.0	1491.5
Rightmove	527.7	9.2	585.1	420.9
STV Group	345.0	0.0	405.5	318.0
WPP	1036.5	18.0	1164.0	800.4

MINING

	Price	Chg	High	Low
Acacia Mining	241.0	2.0	272.8	96.1
Anglo American	1883.0	26.8	2266.0	1467.0
Antofagasta	893.2	-26.4	1022.5	727.2
BHP Group	1777.0	2.0	2049.0	1490.6
Centamin (DI)	134.8	-0.3	152.4	79.8
Fresnillo	729.2	26.2	1027.5	601.0
Glencore	252.0	3.1	341.5	222.2
Hochschild Mining	205.0	3.0	227.0	149.1
Kaz Minerals	433.1	5.8	738.4	380.3
Polymetal Interna	1150.5	19.5	1208.5	597.2
Rio Tinto	4288.5	37.5	4976.5	3486.0

MOBILE TELECOMS

	Price	Chg	High	Low
Inmarsat	586.4	-0.8	608.2	362.8
Vodafone Group	159.0	1.3	170.9	123.3

OIL & GAS PRODUCERS

	Price	Chg	High	Low
BP	512.1	-0.6	598.3	485.9
Cairn Energy	192.2	-8.0	233.6	140.0
Energean Oil & Ga	996.0	8.0	1082.0	545.0
Premier Oil	88.4	-0.2	143.6	55.6
Royal Dutch Shell	2305.5	-22.0	2666.0	2213.0
Royal Dutch Shell	2298.5	-20.5	2705.5	2227.0
Tullow Oil	228.4	2.4	266.3	165.2

OIL EQUIPMENT & SERVICES

	Price	Chg	High	Low
Hunting	486.4	-12.4	838.5	414.2
Petrofac Ltd.	441.0	11.4	663.4	381.5
Wood Group (John)	429.3	4.3	796.4	357.5

PERSONAL GOODS

	Price	Chg	High	Low
Burberry Group	2186.0	6.0	2345.0	1623.5
PZ Cussons	210.0	0.5	244.0	178.6

PHARMACEUTICALS & BIOTECH

	Price	Chg	High	Low
AstraZeneca	6917.0	70.0	7533.0	5325.0
Dechra Pharmaceut	2806.0	16.0	3036.0	2014.0
Genus	2890.0	36.0	2908.0	2098.0
GlaxoSmithKline	1650.0	8.4	1745.2	1418.0
Hikma Pharmaceuti	1954.5	43.5	2064.0	1510.5
PureTech Health	272.0	-4.0	292.0	158.8

REAL ESTATE INVEST. & SERV.

	Price	Chg	High	Low
BMO Commercial Pr	112.6	2.4	146.6	106.0
Capital & Countie	223.7	6.3	279.5	184.9
CLS Holdings	242.5	-2.5	255.0	195.4
Daejan Holdings	5090.0	70.0	6160.0	4715.0
Grainger	252.4	4.8	277.1	205.8
NewRiver REIT	181.8	10.4	264.0	147.6
Safestore Holding	645.5	1.0	681.0	499.4
Savills	884.0	22.5	957.0	678.5
St. Modwen Proper	421.5	-4.0	441.5	365.0
UK Commercial Pro	81.6	1.5	92.7	79.6

REAL ESTATE INVEST. TRUSTS

	Price	Chg	High	Low
Big Yellow Group	1038.0	3.0	1074.0	852.5
British Land Comp	553.6	21.4	625.6	468.3
Derwent London	3170.0	86.0	3328.0	2761.0
Great Portland Es	712.0	14.2	773.6	649.4
Hammerson	272.1	14.6	470.0	203.9
Intu Properties	45.8	4.1	201.5	32.2
Land Securities G	823.4	22.2	936.0	735.4
LondonMetric Prop	211.4	2.0	215.2	172.7
Primary Health Pr	136.0	1.0	139.0	106.4
SEGRO	777.8	7.8	793.0	585.2
Shaftesbury	878.5	27.0	928.5	739.5
Tritax Big Box Re	142.9	2.0	159.7	129.0
Unite Group	1038.0	17.0	1076.0	797.5
Workspace Group	932.5	43.0	1055.0	789.5

SOFTWARE & COMPUTER SERV.

	Price	Chg	High	Low
Avast	367.4	7.4	393.4	259.6
Aveva Group	3528.0	54.0	4170.0	2284.0
Computacenter	1333.0	-25.0	1525.0	952.0
FDM Group (Holdin	770.0	10.0	1000.0	734.0
Funding Circle Ho	106.4	1.4	440.0	99.0
Kainos Group	433.0	-7.0	676.0	366.0
Micro Focus Inter	1118.2	-6.6	2491.6	1051.4
Playtech	422.8	15.9	508.4	360.5
Sage Group	669.0	4.6	820.4	525.6
Softcat	978.5	-1.5	1044.0	565.0
Sophos Group	392.0	14.8	520.5	298.2

SUPPORT SERVICES

	Price	Chg	High	Low
Aggreko	820.6	8.2	876.6	691.8
Ashtead Group	2324.0	69.0	2438.0	1586.5
BCA Marketplace	242.0	0.0	247.0	178.5
Bunzl	2162.0	55.0	2551.0	1978.5
Capita	140.7	1.9	146.8	99.9
DCC	7034.0	84.0	7390.0	5555.0
Diploma	1610.0	10.0	1662.0	1150.0
Electrocomponents	629.0	22.4	749.4	480.0
Equiniti Group	211.0	2.4	266.0	186.2
Essentra	417.6	-0.6	442.0	325.4
Experian	2481.0	11.0	2631.0	1728.5
Ferguson	6274.0	56.0	6556.0	4749.0
G4S	189.4	1.6	245.8	168.3
Grafton Group Uni	773.0	23.0	937.0	630.0
Hays	151.8	0.4	212.0	135.7
Homeserve	1146.0	7.0	1263.0	849.0
Howden Joinery Gr	549.2	2.0	573.4	416.4
Intertek Group	5398.0	-38.0	5962.0	4387.0
Network Internati	545.0	-4.0	628.0	500.0
Pagegroup	433.6	10.8	583.5	407.2
PayPoint	907.0	-13.0	1118.0	748.0
Rentokil Initial	437.3	1.5	465.3	284.8
Robert Walters	526.0	10.0	475.0	814.0
Serco Group	148.9	-0.2	152.1	84.1
SIG	124.9	3.3	153.0	102.2
Travis Perkins	1347.0	44.5	1465.0	970.0

TOBACCO

	Price	Chg	High	Low
British American	3043.0	79.0	3763.0	2375.0
Imperial Brands	2213.0	41.0	2750.0	1846.8

TRAVEL & LEISURE

	Price	Chg	High	Low
Carnival	3802.0	63.0	5000.0	3366.0
Cineworld Group	236.8	6.8	323.6	212.0
Compass Group	2010.0	20.0	2138.0	1483.0
Domino's Pizza Gr	250.3	3.0	297.2	221.2
EI Group	281.4	0.2	285.0	161.2
FirstGroup	130.4	1.4	131.6	79.3
Flutter Entertain	7412.0	240.0	7436.0	5525.0
Go-Ahead Group	2064.0	-42.0	2208.0	1480.0
Greene King	841.0	1.0	850.0	480.0
GVC Holdings	711.4	8.2	1062.0	507.5
InterContinental	5167.0	134.0	5738.0	3958.4
International Con	451.7	11.0	694.8	413.5
Marston's	127.0	5.1	128.0	90.6
Merlin Entertainm	452.6	1.0	453.4	307.1
Millennium & Copt	680.0	-5.0	685.0	436.0
Mitchells & Butle	361.0	3.5	367.0	238.0
National Express	434.2	-1.4	442.6	361.4
PPHE Hotel Group	1750.0	-40.0	1990.0	1520.0
Rank Group	172.4	-0.2	183.6	135.0
Restaurant Group	140.8	7.5	221.9	111.9
Stagecoach Group	128.8	4.1	177.0	115.5
TUI AG Reg Shs (D	872.8	10.0	1474.0	698.0
Wetherspoon (J.D.	1555.0	15.0	1624.0	1066.0
Whitbread	4544.0	91.0	5114.0	4086.0
William Hill	188.8	8.8	265.5	132.3
Wizz Air Holdings	3558.0	53.0	3769.0	2329.0

AIM 50

	Price	Chg	High	Low
Abcam	1164.0	48.0	1500.0	1017.0
Advanced Medical	230.0	-51.0	354.5	229.0
Alliance Pharma	67.1	-0.3	94.6	60.0
ASOS	2650.0	132.0	6050.0	2107.0
Blue Prism Group	898.0	36.0	2575.0	860.0
Camellia	9550.0	125.0	11750.0	9100.0
CareTech Holding	362.0	-1.0	406.0	325.0
Central Asia Meta	189.0	0.8	266.5	180.0
Clinigen Group	894.0	10.0	1069.0	721.0
CVS Group	882.0	-6.0	1023.0	395.0
Dart Group	811.0	48.5	983.5	709.5
Diversified Gas &	112.0	2.0	134.0	97.0
Draper Esprit	464.0	4.0	625.0	445.0
Eland Oil & Gas	129.0	4.0	134.0	97.0
EMIS Group	1126.0	26.0	1242.0	864.0
Fevertree Drinks	2342.0	30.0	3896.0	2070.0
First Derivatives	2280.0	-25.0	4200.0	2050.0
Frontier Developm	1054.0	20.0	1385.0	740.0
Gamma Communicati	1195.0	5.0	1200.0	688.0
GB Group	542.0	-1.0	631.0	410.5
Gooch & Housego	1152.5	37.5	1880.0	954.0
Hurricane Energy	45.3	0.7	60.8	38.9
Impax Asset Manag	240.0	5.0	295.0	184.0
Iomart Group	339.5	8.5	475.0	308.0
IQE	54.5	4.5	98.0	47.6
James Halstead	502.5	-5.5	532.0	367.0
Johnson Service G	175.0	2.4	177.6	113.6
Keywords Studios	1250.0	-30.0	1954.0	900.0
Learning Technolo	120.8	-6.0	166.5	62.2
M&C Saatchi	195.0	-2.0	394.0	191.0
M. P. Evans Group	678.0	2.0	800.0	637.0
Midwich Group	478.0	-17.0	685.0	470.0
Mortgage Advice B	560.0	-5.0	720.0	490.0
Naked Wines	261.0	8.0	420.5	219.0
Next Fifteen Comm	565.0	-1.0	658.0	469.0
Nichols	1697.5	0.0	1880.0	1240.0
Numis Corporation	235.0	0.0	422.0	221.5
Polar Capital Hol	512.0	-10.0	630.0	448.0
Purplebricks Grou	128.6	-3.4	268.0	90.0
Redde	114.8	0.6	196.0	90.0
Renew Holdings	387.0	-8.0	436.5	333.0
RWS Holdings	580.0	-3.0	652.0	415.5
Scapa Group	249.0	4.5	473.4	157.0
Secure Income Rei	444.0	5.0	446.0	371.0
Serica Energy	117.0	0.2	142.0	77.0
Smart Metering Sy	470.0	0.0	665.0	448.8
Telford Homes	349.5	0.0	430.0	267.0
Thorpe (F.W.)	301.0	-1.0	340.0	248.0
Watkin Jones	226.5	3.5	232.5	192.2
Young & Co's Brew	1620.0	30.0	1885.0	1322.5
Young & Co's Brew	1140.0	-10.0	1235.0	1030.0

WebfinancialGroup
http://corporate.webfg.com
mailto:
globaltechsales@webfg.com

EU SHARES

	Price	Chg	High	Low
AB INBEV	85.41	0.27	92.71	56.32
ADIDAS N	270.65	-0.45	297.95	178.30
AIR LIQUIDE	125.60	1.00	127.50	101.85
AIRBUS BR	123.50	1.20	133.86	77.50
ALLIANZ	208.70	1.70	218.70	170.50
AMADEUS IT GRP BR-A	67.34	0.16	82.20	58.06
ASML HLDG	221.00	3.95	221.00	130.12
AXA	22.46	0.16	23.99	18.40
BANCO SANTANDER	3.71	-0.01	4.68	3.39
BASF N	64.70	0.81	81.73	55.72
BAYER N	69.00	-0.16	79.69	52.00
BBVA	4.68	-0.02	5.79	4.19
BMW	63.75	-0.41	86.71	58.10
BNP PARIBAS A	44.30	-0.25	55.34	38.14
CRH PLC	31.01	0.45	34.87	26.53
DAIMLER N	47.22	0.04	59.90	40.35
DANONE	80.26	0.76	82.38	59.72
DEUTSCHE POST N	30.88	0.07	32.01	23.43
DEUTSCHE TELEKOM N	15.09	0.05	15.88	13.47
ENEL N	6.44	-0.05	6.76	4.26
ENGIE	13.60	0.05	14.39	11.31
ENI N	14.07	-0.03	16.67	12.92
ESSILORLUXOTT	129.95	-0.35	136.70	95.50
FRESENIUS	45.36	0.08	69.76	38.50
IBERDROLA	9.19	-0.00	9.57	5.68
INDITEX	27.50	-1.11	29.00	21.85
ING GROUP	9.63	0.06	12.14	8.20
INTESA SANPAOLO N	2.11	-0.02	2.47	1.80
KERING	467.50	17.05	539.80	351.70
KON AH DEL BR	22.60	0.38	24.01	18.60
L'OREAL	247.80	-0.30	257.80	182.00
LINDE	169.65	3.40	0.00	0.00
LVMH	378.15	5.00	392.65	242.30
MUENCHENER RUECKV N	228.30	0.90	229.50	180.50
NOKIA	4.60	0.06	5.76	4.17
ORANGE	13.63	0.11	15.25	13.08
ROY.PHILIPS	42.58	0.58	43.67	29.05
SAFRAN	139.25	-0.10	144.00	99.98
SANOFI	79.16	0.40	82.11	71.74
SAP I	109.20	-0.20	125.00	84.02
SCHNEIDER EL	79.88	0.72	81.36	57.54
SIEMENS N	97.43	1.33	112.12	84.72
SOCIETE GENERALE	25.67	0.12	35.01	20.81
TELEFONICA	6.69	0.01	8.06	5.86
TOTAL	47.15	-0.23	55.39	42.65
UNILEVER	54.69	0.21	57.77	45.30
VINCI	97.56	-0.12	101.70	69.98
VIVENDI	24.95	0.00	26.69	20.80
VOLKSWAGEN VZ I	155.34	0.84	163.70	131.02

COMMODITIES

Gold	1498.25	-10.95
Silver	17.99	-0.18
Brent Crude	62.38	-0.21
Krugerrand	1510.15	-13.75
Palladium	1544.00	-5.00
Platinum	938.00	-9.00
Tin Cash Official	17220.00	105.00
Lead Cash Official	2085.00	18.00
Zinc Cash Official	2297.00	-14.00

Copper Cash Official	5770.00	-32.00
Aluminium Cash Official	1769.00	7.00
Nickel Cash Official	17890.00	170.00
Aluminium Alloy Cash Official	1105.00	90.00
Cocoa Futures	2304.00	17.00
Coffee 'C' Futures	103.10	1.50
Feed Wheat Futures	134.00	-1.00
Soybeans Futures Continuation Contract	859.25	2.00

CREDIT & RATES

BoE IR Overnight	0.750	0.00
BoE IR 7 days	0.750	0.00
BoE IR 1 month	0.750	0.00
BoE IR 3 months	0.750	0.00
BoE IR 6 months	0.750	0.00
LIBOR Euro - overnight	-0.461	0.00
LIBOR Euro - 12 months	-0.392	0.00
LIBOR USD - overnight	2.093	0.00
LIBOR USD - 12 months	1.970	0.02
Halifax mortgage rate	3.990	0.00

Euro Base Rate	0.000	0.00
Finance house base rate	1.000	0.00
US Fed funds	2.25	0.00
US long bond yield	2.22	0.03
Euro Euribor	-0.407	0.00
The vix index	14.61	-0.59
The baltic dry index	2393.00	-29.00
Markit iBoxx EUR	248.75	0.25
Markit iBoxx GBP	355.75	-0.15
Markit iBoxx USD	261.27	-1.37

WORLD INDICES

	Price	Chg	%chg
FTSE 100	7338.03	70.08	0.96
FTSE 250	19982.16	243.30	1.23
FTSE All-Share	4032.44	39.95	1.00
FTSE AIM All-Share	880.27	4.87	0.56

	Price	Chg	%chg
S&P 500	3000.93	21.54	0.72
Dow Jones I.A.	27137.04	227.61	0.85
Nasdaq Composite	8169.68	85.52	1.06
Xetra DAX	12359.07	90.36	0.74

	Price	Chg	%chg
CAC 40	5618.06	24.85	0.44
Swiss Market Index	10098.59	78.11	0.78
ISEQ Overall Index	6231.61	85.38	1.39
FTSEurofirst 300	1531.70	11.54	0.76

	Price	Chg	%chg
Hang Seng	27159.06	475.38	1.78
Shanghai Composite	3008.81	-12.39	-0.41
STI Index	3197.64	41.68	1.32
ASX All Ordinaries	6752.20	24.20	0.36

US SHARES

	Price	Chg	High	Low
3M	168.08	-0.78	219.75	154.00
ABBOTT LABORATOR	84.52	1.31	88.76	65.44
ADOBE	277.78	1.64	313.11	204.95
ALPHAB RG-C-NV	1220.17	14.17	1289.27	970.11
ALPHABET-A	1220.00	14.30	1296.98	977.66
AMAZON.COM	1822.99	2.44	2035.80	1307.00
AMERICAN EXPRESS	118.00	0.69	129.34	89.05
APPLE	223.59	6.89	233.47	142.00
AT&T	38.74	1.16	38.75	26.80
BANK OF AMERICA	29.46	0.11	31.37	22.66
BERKSHIRE HATH RG-B	210.91	2.60	224.07	186.10
BOEING CO	382.94	13.45	446.01	292.47
CATERPILLAR	133.09	2.80	159.37	111.75
CHEVRON	121.28	-0.57	127.60	100.22
CISCO SYSTEMS	50.03	0.82	58.26	40.25
CITIGROUP	68.90	-0.08	75.24	48.42
COCA-COLA CO	54.77	0.37	55.92	44.25
COMCAST-A	46.40	-0.05	46.69	32.61
COSTCO WHSL	290.69	-6.31	307.34	189.51
DOW	46.88	0.56	0.00	0.00
EXXON MOBIL	71.93	-0.14	87.36	64.65
FACEBOOK-A	188.49	2.32	208.66	123.02
GOLDMAN SACHS GR	216.80	1.17	238.52	151.70
HOME DEPOT	232.66	-0.34	233.87	158.09
IBM	143.60	-1.45	154.36	105.94
INTEL	52.79	0.97	59.59	42.36
JOHNSON&JOHNSON	131.17	1.62	148.99	121.00
JPMORGAN CHASE	117.19	0.32	119.24	91.11
MASTERCARD RG-A	269.95	-2.38	293.69	171.89
MCDONALD'S	210.20	0.52	221.93	156.56
MEDTRONIC	108.63	1.15	109.70	81.66
MERCK	82.92	1.23	87.35	66.10
MICROSOFT	136.12	0.04	141.68	93.96
NETFLIX	288.27	0.28	386.80	231.23
NIKE -B-	86.75	-0.08	90.00	66.53
ORACLE	56.29	0.82	60.50	42.40
PEPSICO	136.36	0.50	139.18	104.53
PEPSICO	118.61	0.56	119.74	101.06
PFIZER	37.41	0.03	46.47	33.97
PROCTER&GAMBLE	121.27	1.39	123.43	78.49
SALESFORCE.COM	154.09	4.44	167.56	113.60
TRAVELERS COS	146.23	-0.34	155.09	111.08
TWITTER	43.25	0.00	45.86	26.19
UNITEDHEALTH GRO	234.21	1.75	287.94	208.07
UTD TECHS	135.95	2.04	144.40	100.48
VERIZON COMM	60.13	0.42	61.58	52.28
VISA RG-A	174.98	-1.37	187.05	121.60
WALGREENS BOOTS	58.06	1.18	86.31	49.03
WALMART	116.02	-0.03	117.96	85.78
WALT DISNEY	136.19	0.40	147.15	100.35
WELLS FARGO	48.85	0.54	57.39	43.02

TECHNOLOGY

EDITED BY STEVE HOGARTY

GOOGLE'S COMING HOME

Bigger, louder and armed with a video camera, the new **Nest Hub Max** is your smart home's dashboard

SMART HOME

GOOGLE NEST HUB MAX
£219, STORE.GOOGLE.COM
★★★★★ | BY STEVE HOGARTY

Last year's Nest Hub placed the Google Assistant at the centre of the connected home, integrating a voice-activated speaker and display into a single device. It brought together disparate smart home services from competing companies – lightbulbs, locks, cameras and thermostats – into one easy to use dashboard, so you could control your house from your kitchen and pretend you were piloting a two-bedroom starship.

Where it lagged behind the competition (namely Amazon's Echo Show) was in Google's decision not to include a camera, a design choice made to allay privacy concerns around a gadget that would often be pointed right at your bed.

As the name implies, the Nest Hub Max is a bigger version of the previous Nest Hub, ten inches rather than seven and with a louder pair of stereo speakers, but the chief upgrade here is the addition of a camera. This is used for more than just making and receiving video calls. The Nest Hub Max can recognise the faces of different family members as they walk past the device, to display things like personal reminders, upcoming flights, potential delays to a commute and calendar appointments all without having to touch or say anything.

The Nest Hub Max can function as a home security camera, using your phone's GPS to determine when you're out of the house and alerting you whenever it detects motion. The camera enables some basic gesture controls too, allowing you to pause and resume podcasts, videos and music by raising your hand. Gestures are most useful in the kitchen, when your hands are covered in all manner of gunk and it might be rude or inconvenient to use your voice.

The wide-angle camera also tracks you during video calls, so you can move around the room and always be in frame. And for those still concerned about privacy, a switch on the back of the screen cuts power to the camera and mic.

> "The camera tracks you during video calls, so you can move around the room and always be in frame

When it's not in use the Nest Hub Max becomes a photo frame, displaying an intelligently curated selection of your most recent pictures from Google Photos. A sensor in the frame detects ambient light levels, and subtly adjusts the display to make your photos look as though they're printed on paper rather than on screen. It's a convincing effect, and a thoughtful way to keep pictures of friends, family and past adventures in rotation.

Bigger and louder, the Nest Hub Max also comes with a new £219 price-tag to match. Its predecessor is £100 cheaper, and is the better value proposition for users who aren't interested in the camera, or who'd prefer a more petite device. For everyone else, this is as smart as home hubs get.

GAMES OUT NOW: CAN THE BLAIR WITCH MYTHOS STILL SCARE YOU 20 YEARS ON?

GAME

BLAIR WITCH
PC, XBOX

BY STEVE DINNEEN

There are moments in Blair Witch that live up to the promise of the source material, recreating the sense of suffocating panic that comes from being lost and alone.

It's an area in which Polish games developer Bloober Team has form: in psychological horror Layers of Fear, doors would flicker out of existence when you turned your back, or creepy dolls would rearrange themselves just out of view. In cyberpunk dystopia Observer, your character's decaying cybernetic implants caused reality itself to twist and glitch, meaning you could never trust what was in front of you.

The same conceit is applied to Maryland's rolling Black Hills, the dense woodland endlessly repeating as your wander its impossible geography, somehow always ending back at the same desolate campsite.

Occasionally the scene will be subtly altered – older, perhaps, or strewn with more detritus – but it's always the same damn tent, no matter how far you run.

But rather than simply lean into the primal fear at the heart of the Blair Witch mythos, Bloober also attempts to tell a story about one man's psychological breakdown in the aftermath of war. Exploring the creeping, maddening horror of PTSD is an interesting idea, and one that's often well executed, but it's forever competing with the witch as this story's primary antagonist.

You're not entirely alone in the woods: also along for the ride is your German Shepherd Bullet. He's such a faithful companion that he actually mitigates much of the horror – as long as I could hear him scrabbling through the brush, I was never too fearful of the ominous sounds coming from deeper within the forest. You're also armed with a classic Nokia that bombards you with strange messages, and a reality-bending camcorder that functions as the game's primary puzzle solving mechanic.

Later there are ill-conceived combat encounters in which you must banish apparitions by shining a torch at them, or sprint past swirling piles of leaves. Each one makes the world more knowable and less frightening, with any residual fear all but dried up by the time you reach the piece-de-resistance: the dilapidated stone house from the movie. It's a shame, because this is the highlight of the game, a brilliantly creepy collection of peeling corridors and rotting staircases that loop around and around, the sense of claustrophobia building each time you're forced to navigate them.

But even here the two competing narratives eventually cancel each other out. Simply put, the witch is less frightening if it's the manifestation of a soldier's PTSD, and the soldier's PTSD is less impactful when it's attached to a story about the Blair Witch. There are two good games in here somewhere. Unfortunately this isn't either of them.

OFFICE POLITICS

The problems caused by superstar CEOs

The fall of Nissan's Carlos Ghosn should serve as a warning lesson to all businesses

EARLIER this year, a new chapter unfurled in the sad saga of former automotive industry leader Carlos Ghosn, when Japanese prosecutors arrested the embattled former chairman of Nissan and Renault for the fourth time since November 2018.

Ghosn has been under house arrest since April, awaiting trial. He faces charges that he understated his income and abused his position for personal enrichment, including the allegation that he committed a breach of trust by funneling $5m of Nissan funds into a dealership under his control. He denies all the charges.

But Ghosn's dramatic downfall stands out among corporate scandals, as he had long been hailed as a visionary reformer who had overseen impressive transformations of the carmakers under his leadership.

Although Ghosn's case has attracted particular attention in the media, the unfortunate truth is that integrity failures on the part of chief executives and other senior corporate leaders are not as rare as they should be.

In our work advising boards and chief executives on crisis response in the wake of major ethical scandals, we have seen numerous respected leaders forced to step down amid allegations of misconduct that occurred under their watch. They had executed faulty strategies, put weak oversight systems in place, and become blind to widespread misconduct within their organisations. In almost every instance, the resulting damage to their company's reputation long outlives their tenures.

We have also seen bad guys celebrated as good guys for far too long. That is, we have seen corporate "superstar" leaders – including chief executives – feted and rewarded, even as their behind-the-scenes conduct slowly rotted away the culture of integrity that the firm was trying to maintain.

This is not really surprising; unethical superstars are a natural byproduct of a ruthlessly competitive global marketplace with its unceasing demands for growth. Such leaders are highly intelligent, creative, and driven – which makes them both effective and dangerous.

We have seen superstar leaders feted and rewarded, even as their conduct slowly rotted away a firm's culture of integrity

They are afforded a great deal of latitude in which to operate. They also tend to be very charismatic to the people they need to charm, and monstrous to those they want to control.

Individuals with this much power frequently end up being the focal point of corruption in their companies. They are, by nature, the people most likely to believe that the rules do not apply to them, and they have a way of infecting the company culture through their outward persona and influence.

So, how can businesses keep these individuals in check? The important work of reining in these superstars begins with the board of directors.

Boards cannot allow themselves to be dazzled by strong profits at the potential expense of the company's reputation and ethical compass. They must not take the credentials or financial target-based performance of entrepreneurial executives at face value, but should instead focus on their working methods. They must also pay close attention to deviations from corporate culture, established strategy, and policies and procedures.

Some superstars maintain and expand their power by carving out fiefdoms within the company, and then promoting fear and silence within their mini-empires. In response to this, board-members need to open their eyes and ears: listen to the messages sent by whistle-blowers, representatives of gatekeeping functions, internal audits, and investigations.

Misconduct may be inevitable, but scandal is not. By heeding the early warning signs and having the courage to hold leaders accountable, directors can play a critical role in protecting their companies from those – like Ghosn – who can do so much damage.

José Hernandez is chief executive and Mark Laurie is a consulting director at Ortus Strategies.

KEEP IT SAFE

Password Boss
Free

Be honest, is your password something really easy to guess? Is it 123456 or Passw0rd with a zero instead of a letter? Come on, you know that's risky. This app creates a "password wallet" that will create new secure phrases for the sites you visit, stores them, and then automatically logs you into any of your regular websites.

COFFEE BREAK

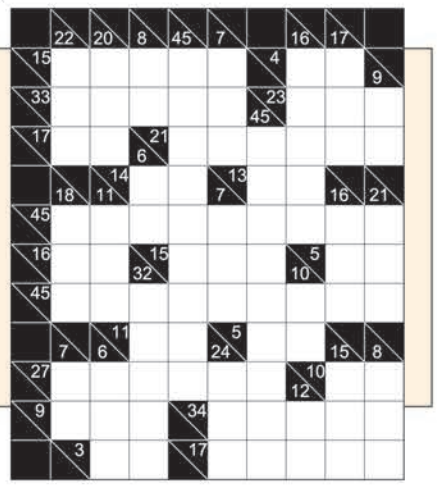
SUDOKU

Place the numbers from 1 to 9 in each empty cell so that each row, each column and each 3x3 block contains all the numbers from 1 to 9 to solve this tricky Sudoku puzzle.

1		8		4	7			
	5					4		
	7		5					6
		7		6		3		
		1	8		9	6		
		6		5		1		
9					2		3	
		2					6	
			4	1		2		9

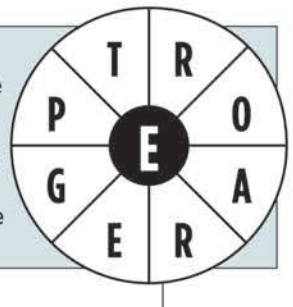
KAKURO

Fill the grid so that each block adds up to the total in the box above or to the left of it.
You can only use the digits 1-9 and you must not use the same digit twice in a block. The same digit may occur more than once in a row or column, but it must be in a separate block.

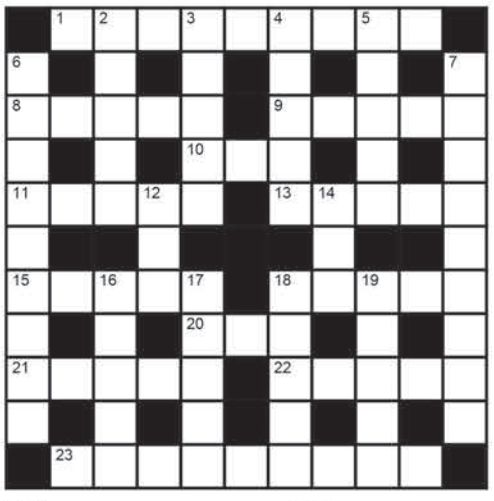


WORDWHEEL

Using only the letters in the Wordwheel, you have ten minutes to find as many words as possible, none of which may be plurals, foreign words or proper nouns. Each word must be of three letters or more, all must contain the central letter and letters can only be used once in every word. There is at least one nine-letter word in the wheel.



QUICK CROSSWORD



ACROSS

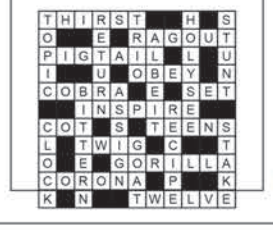
1 Point out perceived flaws (9)
8 Japanese film cartoon genre (5)
9 Harden to (5)
10 Tear (3)
11 Move to music (5)
13 Entice and trap (5)
15 Legendary creature resembling a tiny old man (5)
18 Christ (5)
20 Moldovan monetary unit (3)
21 Large family (5)
22 African river that flows into the South Atlantic (5)
23 Lowest female singing voice (9)

DOWN

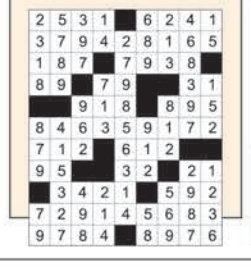
2 Have sovereign power (5)
3 In that place (5)
4 Counters used to represent money when gambling (5)
5 Finnish steam bath (5)
6 Nominee (9)
7 Essential (9)
12 Mongrel (3)
14 Named prior to marriage (3)
16 Mexican comrade (5)
17 Group of ships (5)
18 Military dictators (5)
19 One of the five senses (5)

LAST ISSUE'S SOLUTIONS

QUICK CROSSWORD



KAKURO



SUDOKU

7	4	1	5	6	3	2	8	9
8	2	6	9	1	4	7	5	3
5	3	9	2	7	8	1	6	4
2	8	3	6	9	1	5	4	7
1	7	4	8	3	5	9	2	6
9	6	5	7	4	2	3	1	8
3	9	2	4	5	6	8	7	1
6	1	8	3	2	7	4	9	5
4	5	7	1	8	9	6	3	2

WORDWHEEL

The nine-letter word was **TARGETING**

Growthfinance.co

An SME's guide to

Growth Finance

Ambitious growing businesses need to learn about their financial options. With innovative lenders changing the landscape for SME finance, there are more choices than ever before.

Free access to the full version of *A Comprehensive Guide to Growth Finance* at **Growthfinance.co**

Businesses have choices

Although the UK is home to many start-ups, we tend to struggle growing and scaling our businesses.

GUY TOLHURST

Managing Director, Intelligent Partnership

The past ten years have seen a surge in finance providers servicing the needs of SMEs, necessary and welcome innovations and interventions post financial crisis and in its wake a community of growth finance providers has emerged.

With them, they bring an array of financing to support growing businesses, including options such as peer-to-peer lending, invoice financing and venture debt. More than 50 new banks have also been given licences in the UK since 2008, with many of these new market entrants focusing their efforts on making things simpler, better and quicker for SMEs.

But education hasn't kept pace with innovation. Even though SMEs have much more choice to help realise their ambitions, relatively few are aware of everything that's available, from who, and the differences between them. Too many still believe that their business isn't suited for finance, and a significant majority shun finance due to fear of rejection. But in reality, many of the new growth finance providers are unencumbered by the legacy issues that have held back established lenders from supporting SMEs. Growth finance is now very attainable and approval rates are high.

This short guide is a starting point and an excerpt from our new and upcoming 68-page **Guide to Growth Finance.** In this supplement you'll find a breakdown and comparison of the main types of growth finance, expert commentary from leading growth finance providers, and advice and tips if you think your business could benefit from borrowing. I hope you enjoy the read.

powered by intelligent partnership

Understand the options for your business

LOANS & OVERDRAFTS A wide range of high-street banks and new challengers provide loans and overdrafts to businesses of all shapes and sizes.

ASSET-BASED LENDING Businesses with large assets can free up cash by raising finance against them, using the cash to fuel their future growth.

PEER TO PEER LENDING Online platforms link multiple lenders to businesses that need finance, often providing loans quickly when other lenders can't due to legacy issues.

VENTURE DEBT This hybrid product allows fast-growth start-ups to borrow in between equity rounds, helping them to increase their valuation further down the road.

LEASING & HIRE PURCHASE Leasing companies allow SMEs to rent assets for an agreed period of time, saving a business from having to buy them outright.

DIRECT LENDING Non-bank lenders often offer finance to SMEs directly, helping to diversify the market and provide growing businesses with more options.

INVOICE FINANCE & FACTORING Specialist lenders can free up cash flow by ensuring that a business gets paid its outstanding invoices in a timely fashion.

EXPORT FINANCE For companies hoping to sell their products and services abroad, banks and government offer a wide range of support.

First steps: things to consider

The things a growing business should focus on as it weights up growth finance.

How does an SME arrange growth finance?

1 Do it yourself

Approach a growth finance provider and start a discussion about your business's needs.

2 Hire a professional

Hire a part-time or full-time finance director or corporate financier to guide the company's financial strategy.

3 Join a network

Join one of the UK's business associations and benefit from their advice, resources and networking.

IS DEBT OR EQUITY BEST?

First things first. If your business needs external capital to grow, then make sure to decide whether debt or equity funding is best.

Debt includes products like loans and overdrafts, with which a business borrows money from a lender and then pays it back in regular instalments with interest.

Equity involves selling shares in a business to investors. Whether to choose one, or both, depends on the stage that a company is at, the type of business it is, what it plans to use the proceeds for, as well as its mission and growth plan.

There are advantages to both. Funding a business with debt alone means that its owners can hold on to all of the company's shares and shape its future without having to answer to new shareholders. On the other hand, if an owner is willing to sell shares in their business, they can free up capital for long-term investment. And especially in the early stages, it may allow a growing business to find experienced, hands-on investors who will use their knowledge and experience to help it grow more successfully.

GRANTS

If your business is eligible for a grant then consider applying for one. After all, it's better to fund your business with money that you don't have to pay back.

There are many different grant schemes available to growing businesses, from many different sources, with the majority of them being publicly-funded. Some are focussed on helping businesses at a specific stage in their growth journey. There are also grants designed to stimulate research and development, while others are geared towards certain regions of the country.

What information does an SME need to provide?

Lenders want to know that a business will be able to pay them back. They usually require documentation that shows the business is generating the cash it needs to meet repayments for a loan. At a minimum, this usually includes:

• The amount a business wants to borrow	• Information about all the business debts
• Details on how the business will use the loan	• Annual turnover (if an established business)
• Details about the company's business plan	• The company's net profit (if an established business)
• Personal information about the directors	• The forecasted annual turnover (if a start-up)

PERSONAL GUARANTEES

For loans to early-stage businesses, lenders often require a personal guarantee from the business owner.

This means that if the business defaults on the loan, the director is personally liable to repay the amount owed. For obvious reasons, this is something to consider carefully before taking out a loan.

Terms will vary on a case-by-case basis, so make sure that you've established exactly what you are liable for. It might be worth considering getting legal advice before agreeing the loan.

The good news is that there are ways to reduce personal risk. The size or duration of the guarantee can be negotiated, and sometimes personal guarantees can be capped at an agreed amount.

For example, elements of the guarantee can often be negotiated if the bank is comfortable that an entrepreneur is also invested in the business - perhaps by part-funding the company through their own savings.

Getting your house in order

What sorts of things will a growth finance provider want to know about your business?

1. HOW MUCH MONEY DO YOU NEED?

- Have a precise figure worked out
- Make it clear exactly how the proceeds will be spent
- Explain how the spending will drive future growth

2. WHAT IS THE GROWTH STRATEGY?

- Help a lender understand where you want the business to be in the future
- Create financial projections, incl. sales and cash flow forecasts, as well as budget
- Do you plan to borrow again in the future?
- Will you sell equity at some point?

3. HOW IS THE BUSINESS PERFORMING?

- Prepare detailed financials from previous years
- Include information such as spending, cash flow, revenue and profit
- Help lenders to understand your journey so far

4. HOW DOES THE BUSINESS DIFFER FROM ITS COMPETITORS?

- What does your business do compared to others that offer similar things?
- How will you make sure that you compete effectively with them?

5. WHO ARE THE CUSTOMERS?

- Tell potential lenders about your customers and how you provide them
- How will the market grow or develop in the future?
- How will your business keep offering them products or services that they want?

6. WHO ARE THE KEY PEOPLE?

- What's your background and what is your role in the business?
- What about the other senior people?
- How will you be hiring as the business grows?

7. ARE THERE ANY HURDLES HEAD?

- Be upfront about any areas of vulnerability
- Think about how your customers' behaviour might change in the future, whether your costs could increase, or whether your market could become more competitive

Access the full version of *A Comprehensive Guide to Growth Finance* at Growthfinance.co

THOUGHT LEADERSHIP: INVOICE FINANCE

Taking your business to the next level by tackling financial challenges

JOSH LEVY, CEO, Ultimate Finance

Looking back, most business owners would say that they have been plagued by suppliers making late payments. It has long been an issue for their cashflow and one that doesn't look like it is going to go away anytime soon.

Research by BACs revealed that it costs SMEs 6.7bn just to collect the money owed to them from overdue invoices. In 2017, when the government introduced its 'Duty to Report' legislation with the explicit aim of tackling late payments, the figure was an already alarming 2.6bn. On top of this, government research highlights a shocking trend, as 82 per cent of businesses admit that not getting paid at all for their work is a significant issue. Clearly, current regulation isn't working.

Regulation with teeth

Change is coming though – it was announced in June that, for the first time, the Small Business Commissioner could have the power to fine large corporations for failing to pay smaller suppliers. Entire company boards may be held accountable too, rather than just the finance team who may have their hands tied by execs in certain situations.

It's a welcome initiative but, it would be na ve to think the issue will disappear completely overnight. This is why a solution which relieves the stress of slow payments, so that a business's growth is not hampered, is often a necessity.

Invoice Finance

This is where Invoice Finance enters the fray, providing a way to release the money tied up in a company's sales ledger. Rather than waiting for customers to pay their balance, it helps businesses control cashflow and accelerate planned growth. Employees and suppliers can always be paid on time and there is no need to hold back on scaling-up and reinvesting in operations.

It's quick and easy to set-up and within 24 hours the business will be advanced a significant percentage of the money they are owed (often up to 90 per cent). So, instead of having to plan around a gap in finances, businesses will gain access to much needed cash almost instantly.

At Ultimate Finance, we don't stop at simply providing funding. It can take a considerable amount of time pursuing outstanding payments, so as part of this service, we also chase debtors on our clients' behalf to make sure we're taking every step possible to remove the burden. That way, SME leaders can retain control over their cashflow while focusing on building and progressing the business.

HOW THE KEY TYPES OF GROWTH FINANCE COMPARE

The data in this table are drawn together from the websites and published materials of the industry's leading lenders. Numbers are representative for typical loans and SMEs and are for illustrative purposes only.

	LOANS & OVERDRAFTS	P2P BUSINESS LOANS	LEASING & HIRE PURCHASE	INVOICE FINANCE & FACTORING	ASSET BASED LENDING	VENTURE DEBT	DIRECT LENDING	EXPORT FINANCE
Typical deal size	£10,000+	£10,000-£500,000 (more if secured)	Depends on the asset being leased	£50,000	< 1m	£1m-£5m	£2m-£15m	up to £5m
Typical interest rate	5%-10%	5%-10% (often lower than bank loans)	5%-10%	3% fee	5%-10%	10%-15%	5%-10%	5%-10%
Typical term	6 months - 5 years	6 months - 5 years	Short or long-term	50 days	<10 years	3-5 years	5 years	2+ years
Secured or unsecured?	Either (but affects interest rate & loan maximum)	Either (but affects interest rate & loan maximum)	Secured	Raised against invoices	Secured	Either	Usually secured	Benefits from up to 85% UKEF guarantee
Best suited for long-term or working capital?	Loans = long-term Overdrafts= working capital	Long-term	Either	Working capital	Long-term	Long-term	Long-term	Long-term
What stage does your business need to be?	Established	Established	Any	Established (also needs invoices)	Established	Early	Established	Established (also needs export contracts)
What is the min business turnover?	£1m	£50,000	Any	£100,000 per year (less with some newer providers)	Yes	Often provided before company is generating profit	£10m	Yes
Who provides it?	Banks, challenger banks, specialists, government	Online platforms	Specialists	Banks, challenger banks, online platforms, specialists	Banks, challenger banks, online platforms, specialists	Specialists	Direct lending funds	UKEF alongside an approved bank
Does it came with support for business owners?	Rarely	Rarely	Rarely	Can involve management of credit controls	Rarely	Yes if investor is hands-on	Rarely	Rarely
Combines well with equity funding?	Yes	Yes	Yes	Yes	Yes	Yes, but often involves purchase options so can affect future raises	Yes	Yes

Supporting growth through innovation

Innovations need different types of funding support depending on how close they are to market.

NIGEL WALKER, Director, Innovate UK

The world is changing rapidly, in terms of technology, politics and societal trends. More than ever, the UK's ability to thrive in the face of change depends on ideas, with innovative companies driving a productive, growing economy and solving the challenges we face as a society.

Innovation is risky, though, and the lack of funding available to innovative businesses at the right time is a barrier to their productivity and growth. To support these risk takers, Innovate UK is running a pilot programme of 7 loan competitions over 3 years to the end of 2020. A total of 50 million has already been committed to 73 highly innovative small or medium-sized enterprises (SMEs) and a further 25 million is available in 2 further competitions.

We are working to broaden the range of innovation finance support available to businesses, so they can access funding at all stages of innovation. Innovation loans are, we believe, most useful for innovations near to market, whereas grants are more suitable for earlier stage, riskier innovations.

Through the pilot, we are offering innovation loans to UK SMEs that want to scale up and grow by developing new or improved products, processes or services. They can be used for late-stage research and development projects that have not yet reached the point of commercialisation.

Over the last 12 years Innovate UK has invested over 2.2 billion in innovation. This has spanned more than 11,000 projects that have generated up to 16 billion in Gross Value Added for the UK economy and 70,000 jobs.

We have delivered these results by supporting businesses to develop and commercialise ideas drawing on their own know-how or research, from the UK's world-leading research base, and through collaboration with partners.

Our new strategy takes more of an investment-driven approach to innovation. It focuses much more closely on creating the conditions for private investment in R&D, on creating an enabling environment by championing and assisting industry to innovate, on nurturing the sectors and technologies that will transform the UK, and on encouraging innovation in all businesses with the potential to grow and scale, right across the country.

Innovation loans are an example of how we are moving to make the most of public funding, ensuring maximum impact as an investor in business innovation.

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THE PUNTER

Bill Esdaile previews today's action at Doncaster

RACING TRADER

@BillEsdaile

Cloak Of Spirits was mightily impressive on debut at Ascot in July

ATZENI WILL PUT PUNTERS IN FINE SPIRITS AT DONNY AGAIN

IT IS not the same as York but nearby Doncaster has its own charms, particularly during the four-day William Hill St Leger Festival.

The highlight of the meeting, the world's oldest Classic on Saturday, could have a big impact on the destination of the trainers' title with John Gosden and Aidan O'Brien battling it out.

We'll look at that race in detail tomorrow, but Gosden could add a few more pounds to the kitty this afternoon with Enbihaar in the Group Two DFS Park Hill Stakes (2.40pm).

Jim Crowley's mount has won three of her four starts this campaign, including a dominant display in the Group Two Lillie Langtry Stakes at Glorious Goodwood last month.

She should take the world of beating, but it's not going to be an easy task to concede 10lbs to Ed Vaughan's Dame Malliot so it's just a race to be watched for me.

A better bet is **CLOAK OF SPIRITS** at 5/2 with Coral in the Group Two William Hill May Hill Stakes (3.45pm), with the king of Town Moor, Andrea Atzeni, in the saddle.

Richard Hannon's daughter of Invincible Spirit produced an outstanding performance on debut at Ascot back in July where she looked a star in the making.

An entry in next month's Group One Fillies' Mile indicates what Hannon thinks of her and she can book her place in that with a win here.

The biggest danger could well be Mark Johnston's West End Girl who won the Group Three Sweet Solera Stakes at Newmarket on her last start.

That was a good effort after her previously unlucky run at Sandown and I would fear her more than Passion who will have to step up on her Cork maiden success.

With so much prize money on offer for the Weatherbys Racing Bank £300,000 2-Y-O Stakes (3.15pm), it is no surprise to see O'Brien fire three bullets at the pot.

His main hope appears to be market leader Harpocrates who looked to have last month's Acomb Stakes at his mercy with a furlong to run before being reeled in late on by Valdermoro.

The first-time blinkers seemed to work the oracle that day and the slight drop back in trip is bound to help too.

Pistoletto will find this a lot easier than the Gimcrack, but it is harder to make a case for King Neptune.

However, I am going to take on the Ballydoyle trio with the in-form Keith Dalgleish's **GLASVEGAS** who hasn't been seen since finishing third in the Windsor Castle Stakes at Royal Ascot.

The son of Zebedee was arguably unlucky not to beat O'Brien's Southern Hills that day when denied daylight at a crucial point.

He sneaks in here at the foot of the weights off just 8st 6lbs and looks to be crying out for this sort of trip.

With those at the top of the weights giving him 10lbs, he looks a great each-way bet at 7/1.

While on the subject of those potentially leniently treated because of their relatively cheap purchase price, it may also pay to take a small each-way chance on **SKONTONOVSKI** at 33/1.

There aren't many better trainers of a juvenile around than Richard Spencer and this son of Harbour Watch shaped well last time suggesting a drop back to this trip would help.

Admittedly, he is in much deeper waters here, but he is worth taking a chance on for his shrewd connections.

There is also a bet to be had after the ITV cameras have been turned off, as I like the look of **SAVALAS** in the Silk Series Lady Riders' Handicap (4.20pm) at 14/1.

This race is for pro-am female jockeys, so it has to be of interest that the in-form Kevin Ryan has booked Josephine Gordon, as well as reaching for a first-time visor.

The key to this four-year-old is six furlongs on quick ground which he'll get here and he looks very well-handicapped off a mark of 88.

TODAY'S BIG RACE AT DONCASTER — RACING POST

Going: GOOD TO FIRM

3.45 WILLIAM HILL MAY HILL STAKES (GROUP 2) (1) £39,697 1m — ITV

1 (9) 21 **ALPEN ROSE** (26) (CD) (S) — C Appleby 2-9-0 ..... **W Buick 99**
Runs: 2 Wins: 1 Places: 1 £4,968

2 (4) 315 **ANANYA** (33) (G) — P Chapple-Hyam 2-9-0 ..... **B Doyle 108**
Runs: 3 Wins: 1 Places: 1 £7,289

3 (6) 1 **ANNA OF SUSSEX** (35) (GF) — S Kirk 2-9-0 ..... **T Marquand 78**
Runs: 1 Wins: 1 Places: 0 £3,428

4 (2) 411 **BOOMER** (19) (GF,G) — T Dascombe 2-9-0 ..... **R Kingscote 115**
Runs: 3 Wins: 2 Places: 0 £33,299

5 (8) 1 **CLOAK OF SPIRITS** (48) (GF) — R Hannon 2-9-0 ..... **A Atzeni 108**
Runs: 1 Wins: 1 Places: 0 £6,727

6 (5) 51 **PASSION** (11) (D) (Y) — A P O'Brien (IRE) 2-9-0 ..... **R L Moore 99**
Runs: 2 Wins: 1 Places: 0 £10,098

7 (1) 1 **POWERFUL BREEZE** (20) (GF) — H Palmer 2-9-0 ..... **James Doyle 103**
Runs: 1 Wins: 1 Places: 0 £5,175

8 (3) 341 **RUN WILD** (15) (D) (A) — J Gosden 2-9-0 ..... **O Murphy 105**
Runs: 3 Wins: 1 Places: 1 £5,266

9 (7) 151 **WEST END GIRL** (33) (GF) — M Johnston 2-9-0 ..... **F Norton★ 117**
Runs: 3 Wins: 2 Places: 0 £36,277

2018: Fleeting 2 9 0, D O'Brien 12/1 (A P O'Brien), 11 ran.

★BETTING: 11/4 Cloak Of Spirits, 9/2 Boomer, West End Girl, 5 Passion, 7 Alpen Rose, 8 Run Wild, 12 Powerful Breeze, 20 Others

POINTERS

Glasvegas e/w	3.15pm	Doncaster
Skontonovski e/w	3.15pm	Doncaster
Cloak Of Spirits	3.45pm	Doncaster
Savalas e/w	4.20pm	Doncaster

STERLING HITS NEW HIGH

England star shows why sponsors are queuing up, writes **Frank Dalleres**

LAST month it emerged that Raheem Sterling was being courted by Air Jordan, the Nike sub-brand reported to be considering making him the face of a new range of football boots in a £100m deal.

If anyone was in any doubt why Sterling is in line for one of the sport's most lucrative ever boot deals then they only needed to tune in to England's extraordinary 5-3 win over Kosovo on Tuesday.

Teenager Jadon Sancho may have grabbed some of the headlines with his first two goals for the national team but it was Sterling who ran the show in his most scintillating display yet for the Three Lions.

Of England's five goals, Sterling scored one and set up three more. He made nine dribbles and had five shots. But numbers alone do not capture the extent of his influence on this chaotic game.

The Manchester City player glided across the turf at St Mary's, slicing a gung-ho Kosovo side to shreds. Every time he ran with the ball it looked sure to end in a goal. Often it did.

UNMISTAKABLY ELITE

Sterling's importance to England is not new. He was their best performer, too, when despatching Bulgaria 4-0 on Saturday, and in the previous two Euro 2020 qualifiers. But he has now eclipsed Harry Kane as Gareth Southgate's most indispensable figure. This qualifying campaign may not pose the greatest test, but with England's midfield unable to pierce even these workmanlike defences it is Sterling who provides the cutting edge.

It could be argued that he has also become the key piece in City's lavish jigsaw. Having broken the 20-goal barrier in his last two seasons, he is averaging more than a goal a game this term.

Sterling just gets better and better and he is now hitting new heights. These numbers and performances are unmistakably elite level and usually the preserve of Messis, Ronaldos and Mbappes.

Nike has traded on Rapinoe's edgy image

Sterling ran the show in England's 5-3 win

His hero status is some transformation from 18 months ago, when he remained a misunderstood and unfairly maligned presence in the England side even as they reached a World Cup semi-final.

LINE IN THE SAND

Credit must go to Southgate for switching to a 4-3-3 formation that has liberated Sterling to recreate the devastating displays coaxed out of him in a similar system by City coach Pep Guardiola.

Since that tactical tweak, he has scored eight in nine games for his country.

Also decisive in the change in perception of him has been his social media post criticising the portrayal of young black footballers after he was racially abused from the stands last season.

Sterling's words not only drew a line in the sand but encouraged other players, such as England team-mate Marcus Rashford, to speak out and marked him out as an Athlete With Something To Say alongside the NFL's Colin Kaepernick and US footballer Magan Rapinoe.

That is all down to him. One industry insider who has worked with Sterling says he spoke out spontaneously, without taking advice – indeed, they believe this off-the-cuff approach could be refined to amplify and leverage his new image, as Nike has with Kaepernick and Rapinoe.

His persona is authentic, though, as he showed by lingering pitch-side after the final whistle on Tuesday, signing autographs for massed ranks of children.

One plucky youngster asked for and received his boots. That footwear is very much in demand.

England need to make case for the defence

FOOTBALL COMMENT

Trevor Steven

ENGLAND'S high-scoring wins over Bulgaria and Kosovo will have left Gareth Southgate broadly happy, although the Euro 2020 qualifying double-header did highlight their shortcomings.

They were always going to takes six points from these fixtures – anything else would have been a huge shock – but I'd suggest Southgate would have expected two clean sheets as well. While England achieved that in Saturday's 4-0 stroll against Bulgaria, Tuesday's 5-3 victory over Kosovo laid bare how defensively lax they can be. They simply have to get mentally stronger.

England defended badly both individually and as a group. It felt complacent, as though they believed they were playing so well that they would simply roll the opposition over. But they looked really uncomfortable in the face of Kosovo's high press, which hustled Michael Keane into handing the visitors a surprise lead inside 35 seconds. The hosts looked shaken and embarrassed. The positive is that they reacted very well, running in five goals before half-time.

INVALUABLE COG

I like the look of the defence on paper but they need more minutes together, and while Harry Maguire is nailed on for the left centre-back slot there remains a question mark over who partners him. It looks to be between Keane and John Stones. The former is guilty of lapses of concentration, as on Tuesday, but so is the latter. While both are good players, I'd lean towards Stones because of his superior ability on the ball.

Keane's error led to Kosovo's early goal

Southgate's midfield is also very much a work in progress. Jordan Henderson is an invaluable cog in the machine so his place is safe, but the other two spots are up for grabs. At 20, Declan Rice is still learning the game, while Ross Barkley has not yet shown that he can be the dominant creative player – the Kevin De Bruyne – that England need to become a great team.

Barkley is 25 but against Kosovo was still playing blind flicks around the corner. You don't do that at international level; you get a hold of the ball, link up and go again. England's midfielders ought to look to Raheem Sterling and the improvement he has made. It can only be admired and they need to make the leap in performance that he has. Maybe Mason Mount or James Maddison will prove a better option than Barkley, although I still think he can be that player if he irons out the creases still blighting his game.

With four qualifiers left to play and nine months until Euro 2020, the big picture is that England have a really good squad now. Southgate has been bold and has built well. I like the energy – they have a level that is guaranteed whoever comes into the side. The front three of Sterling, Harry Kane and Jadon Sancho is as good as anything in international football. But as these two games showed, the men behind them need to find an extra 10 per cent.

Trevor Steven is a former England footballer who has played at two World Cups and two European Championships. @TrevorSteven63

SPORT

GOING THE EXTRA MILE

England's path to World Cup glory in Japan is longer and more arduous than most, writes **Michael Searles**

IF ENGLAND needed any reminding of the logistical hurdles to winning the World Cup, they received it on Monday when they were held up at Tokyo Narita Airport for six hours on their arrival to Japan due to travel chaos caused by Typhoon Faxai.

Eddie Jones's side already had one of the most demanding schedules at the tournament, which starts next week, with the team set to travel thousands of kilometres around Japan – considerably further than most of their rivals for the trophy – to play their fixtures.

England's opening match against Tonga on Sunday 22 September takes place in Sapporo, by far the tournament's most northern host city, before they must fly more than 1,000km south to Kobe to face the USA just four days later.

There will be some respite when England head 400km east to play Argentina in Tokyo on 5 October, before a week later facing France in nearby Yokohama's 72,000-seater stadium.

But should they qualify as expected for the quarter-finals, where a likely encounter with Wales or Australia awaits, England will be required to travel almost 800km to south-west Oita – and if they win, then cover the same distance back to Yokohama for a semi-final and potential final.

England's additional travel burden, along with the eight-hour time difference and alien environment, means the role of strength and conditioning coaches will be particularly important over the coming weeks.

CRAMPED AND BORED

The first problem they must overcome is jet-lag. "For every time zone travelled they will need a day to acclimatise," says Professor Craig Twist of the University of Chester.

"For some players this will be worse than others, but the team will have a strict strategy in place. Often it will be behavioural – focusing on nutrition, hydration, stretching – and it will be well prepared in advance."

The changes in routine and culture could contribute to an "initial fatigue", and so the team are likely to train lightly to begin with. They then face the challenge of taking multiple short-distance flights around the country in between games.

"More time on planes and buses is not really conducive to good recovery," says Professor Ian Jeffreys of the University of South Wales. "Although it could be that a short flight in business class is more conducive than what looks like a shorter journey but takes longer on a bus."

While it is not known whether England will fly chartered or standard flights, they will likely spend plenty of time on both planes and buses.

Jeffreys points out that targeting emotional and psychological recovery during this time will be just as important, if not more, than the physical. Fellow conditioning expert Twist agrees.

"Travel fatigue can occur from lots of short-distance flights," he says. "There's little evidence of any physical effects, it's mostly psychological and comes from being cramped and bored on the plane.

8 2019 RUGBY WORLD CUP DAYS TO GO

"It will be about doing things like making sure the bigger players have extra leg room and getting them to do some very light exercise. One of the biggest things we've observed is that getting the players to buy into it and giving them ownership over that process can help."

England found an unconventional way to deal with the tedium this week when players staged an impromptu game of cricket while they waited at the airport.

But each individual will have different requirements for recovery and many of the methods used to mitigate the impact of travel, back-to-back matches and heat will have already been decided.

"For all teams it will be educated guesswork because it's not an exact science," says Jeffreys, vice president of the National Strength and Conditioning Association. "They will have used training camps to replicate some of the challenges they are going to get."

England did just that when they flew from a camp in Treviso, Italy to Newcastle last week to play at St James' Park. Detailed planning will be key, Jeffreys says, suggesting they will have looked at individual recovery rates as part of the selection process as well as drawing up provisional starting XVs based on the fixture list.

"The typical approach in rugby is to give players options for their recovery, like doing some recovery training the next day," Twist says. "Often now a points system is used where players can select different activities for recovery but must accrue a certain number of points."

> "England's fixtures mean they are set to travel considerably further than most of their rivals

COMPRESSION SUITS

Travel and turnaround issues face all teams, but England will be hurled at least 3,050km around the country, while Wales and Ireland's games are all located centrally or in the south west and would both travel fewer than 2,000km if they went all the way. Champions New Zealand's itinerary is similar in length.

France, who are in England's pool, could have to travel even further than Jones's men, while Australia appear to have the biggest burden in a potential 3,590km trek. South Africa, Scotland and the hosts face total journeys of 1,000km or less.

For each team logistical plans will be hugely important, planning whether to fly out following a match or sleep first and incorporate a training or match analysis session beforehand. Preparing for the next game will be just as important as recovery, but preventing injuries could be the most important aspect of all.

"The unfortunate thing is injuries will play a huge role in who wins," Jeffreys says. "An injury to a key player, like Johnny Sexton with Ireland, and confidence starts to sap, a result goes the wrong way, and then your strategic ice baths and compression suits aren't really going to account for those elements."

While behind the scenes Jones's team will be doing everything to minimise the impacts of travelling, the majority of work will have been done in the form of thoroughly planning England's schedule before even flying out to Japan. To win, though, they may just need a little bit of luck too.

WHO'S GOING FURTHEST?

How far selected World Cup teams will end up travelling if they go all the way to the final in Yokohama on 2 November.

England 3,051km
Wales 1,948km
Ireland 1,755km
Scotland 880km
Australia 3,591km
South Africa 995km
Japan 520km
New Zealand 2,010km
France 3,358km
Italy 2,219km

NO LET UP Australia ready for Ashes 'Grand Final' against England

Tim Paine insists Australia won't take their foot off the gas for the final Ashes Test at The Oval today, despite having already retained the urn. Victory in the fourth Test last week means Australia hold an unassailable 2-1 lead. "We're very hungry," Paine said. "Last week's result at Old Trafford was brilliant but all the guys know this is bigger, this is our Grand Final. We want this Test just as much as any other in this series."

SPORT DIGEST

ROY DROPPED FOR FINAL TEST AFTER POOR FORM

England have dropped Jason Roy and Craig Overton and brought in Sam Curran and Chris Woakes for the final Ashes Test against Australia at The Oval today. Roy has been taken out of the firing line after scoring just 110 runs in eight Ashes innings, while Woakes replaces Overton in a straight swap from the defeat at Old Trafford. Ben Stokes will play as a specialist batsman due to a shoulder injury, with Surrey all-rounder Curran taking up the role as fifth bowler. England have failed to regain the Ashes, but can still tie the series at 2-2 with victory.

BROWN: I'M STILL THE BEST FULL-BACK ENGLAND HAVE

Mike Brown says he is still the best full-back available for England despite missing out on World Cup selection. Brown, 34, was involved in pre-tournament training camps but wasn't selected in Eddie Jones's 31-man squad for the tournament, which starts in Japan next week. "I feel like I'm the best English full-back, and I think I showed that last season," he told BBC Radio 5 Live. "I still think my game is changing and evolving all the time, and my body still feels good."

GUNNERS PLAYERS WARNED AFTER ATTACK ON OZIL

Per Mertesacker says Arsenal have spoken about the threats footballers face after the attack on Mesut Ozil and Sead Kolasinac. The Gunners duo were caught up in an attempted carjacking by masked men in July and academy manager Mertesacker revealed steps have been taken to ensure it doesn't happen again. "The major part is what car you drive, what you wear in terms of your jewellery," he said. "So you need to be risk-aware in those days that anything can happen at any time. These are examples you are trying to avoid."

COLEMAN HITS BACK OVER ANTI-DOPING ACCUSATIONS

American sprinter Christian Coleman has hit back at authorities after being accused of breaching anti-doping regulations. Coleman was facing a one-year ban after missing three whereabouts checks in 12 months but the US Anti-Doping Agency dropped the case. The 23-year-old admitted the failures were due to him forgetting to say where he was, but accused Usada of "going after the biggest name in the sport" and leaving him with "a smear on my reputation".

MCILROY BEATS KOEPKA TO PGA PLAYER OF THE YEAR

Rory McIlroy has won the PGA Tour Player of the Year award for the third time in his career. The 30-year-old beat world No1 Brooks Koepka to the award, despite the American winning the PGA Championship. McIlroy scooped the FedEx Cup title last month to cap a consistent season.

Bayliss leaves lopsided England legacy

Outgoing England coach led his side to World Cup glory but Tests suffered as a consequence, writes **Felix Keith**

Trevor Bayliss (centre) succeeded in his main goal, helping England win their first ever World Cup on home soil in July

TODAY'S final Ashes Test match at The Oval marks the end of Trevor Bayliss's four-year tenure in charge of England and, naturally enough, the landmark has prompted an assessment of his body of work.

The man himself rates his time in charge as a five out of 10 – a straight-down-the-middle judgement which is fairly in keeping with his overall persona. Bayliss has been a hands-off, laid-back figurehead of England since May 2015, establishing an environment for the players and coaching staff, rather than being an old-school, dictatorial leader.

"I've probably taken a step back on purpose because we have plenty of coaches and they're all hands-on," was how he described his work this week. "How do you find time for everyone to be hands-on? It's not as if I just let it flow without anything happening."

That coaching philosophy has drawn criticism of late, with England's failure to win back the Ashes understandably raising the question of where it went wrong.

Could the playing group have benefitted from a more regimented approach? Should the man at the top of the tree fit the literal bill of being a "head coach" instead of resembling a wise, reserved mentor?

WHITE-BALL FOCUS

It's inarguable that Bayliss has fallen short in some areas and, with his departure coming, whether England win or lose this week, directly after an Ashes disappointment his legacy will be tarnished by recency bias.

But ultimately England got exactly what they signed up for. After the embarrassment of failing to get out of the group stages at the 2015 World Cup, England, under new director of cricket Andrew Strauss, prioritised improvement in 50-over cricket.

"I prefer Test cricket," Bayliss insisted. "I've been lucky enough to be in charge of a few white-ball teams that have done well and that was the biggest area England had to turn around when I arrived. The way they played in the World Cup made a big deal of us having to do better and that became the focus. But when Straussy rang me the priorities were 50-50 for white-ball and Test cricket."

Despite Bayliss trying to retrospectively cover his employers' tracks, everything was geared towards the 2019 World Cup on home soil, and to quote Kiwi commentator Ian Smith's memorable turn of phrase, they succeeded by the barest of margins.

INNOVATION

It was a fitting conclusion to a four-year spell of sustained improvement, innovation and boundary-pushing – and it is borne out in Bayliss's record.

In One-Day Internationals the 56-year-old Australian has a wonderful record, which reads: played 88, won 62, lost 24, drawn two, while 15 of England's 20 totals over 350 in ODIs have come under his tenure.

However, that revolution, which has seen the likes of Alex Hales, Jason Roy, Jonny Bairstow, Eoin Morgan, Ben Stokes and Jos Buttler redefine ODI batting, has bled across into the Test arena where batting collapses, like the 67 all out at Headingley, have become a regular occurrence.

His team have been bowled out for under 100 four times in Tests, compared to just once in the five years prior to his arrival. That frailty has contributed to his overall record in the longest format of played 58, won 26, lost 25, drawn seven.

England were fifth in the Test rankings when he took over in 2015, and unless they win at The Oval, they will drop back to fifth upon his departure.

> "The ODI revolution bled across into the Test arena and batting collapses became regular

"It's true Test cricket hasn't gone as well as we would have liked even though we've had more wins than losses," Bayliss said. "Trying to create the depth in our Test ranks that we have in our white-ball side has been a challenge and will continue to be."

Finding a coach who could have dragged England into the modern age of white-ball cricket to peak this summer, while simultaneously coaching completely different skills to the Test side was a tricky brief.

In the shadow of a first home Ashes failure since 2001 it is hard to say it, but Trevor Bayliss, through his unique, seemingly detached style, has delivered what was asked of him.