NEW FRONT IN LABOUR’S CITY BATTLE

ALEXANDRA ROGERS

SHADOW chancellor John McDonnell has vowed to clamp down on City advisers engaged in promoting tax avoidance schemes, calling for hefty fines and even jail terms under a future Labour government.

McDonnell directed his fire at “big accountancy firms”, which he called “enablers” of tax avoidance, the term used to describe legal efforts to minimise tax liabilities.

In an interview with the Sunday Times, McDonnell said he also wanted to tear up rules of confidentiality between clients and their financial advisers.

However, Dan Neidle, a partner at law firm Clifford Chance who specialises in UK finance and tax, said accountants have never had legal privilege, the mechanism that protects the confidentiality of information shared between clients and their advisers.

He said McDonnell was “attacking a world that... no longer exists”. “Tax avoidance schemes have to be disclosed to HMRC and tax paid up front,” he said. “The courts have struck down just about every scheme they’ve seen in the last 15 years.”

Shadow chancellor John McDonnell has the City in his sights.

He added: “McDonnell is fighting the last war. The tax avoidance schemes of the 1990s and 2000s were rightly killed off by successive governments.”

One such avoidance case to grab the headlines was a film partnership scheme promoted by Ingenious Media, a firm that funded films including Avatar and Brooklyn and which saw celebrities dragged to the dock to defend their tax affairs.

Neidle said the real challenge now, however, was taxing multinational firms and tackling the black market.

Business groups said they supported efforts to clamp down on tax evasion and avoidance, but that greater clarity on the rules was needed.

A spokesperson for the Institute of Directors said: “Successive governments have rightly sought to clamp down on tax evasion and aggressive avoidance. However, just as important as enforcement is clarity in the rules themselves, and there should be a firmer line where authentic tax planning ends and abuse of the system begins.”

Suren Thiru, head of economics at the British Chambers of Commerce, said “addressing unfairness” in the tax system also meant improving HMRC’s service to smaller businesses.

McDonnell also confirmed over the weekend that under a Labour government, the 45p rate of income tax would kick in at £80,000, rather than the current £150,000.

BLAME GAME US points finger at Iran after Saudi oil drone strikes

JAMES BOOTH

THE US BLAMED Iran yesterday for drone strikes on two Saudi oil facilities on Saturday that knocked out about half the kingdom’s output.

US secretary of state Mike Pompeo accused Iran of “an unprecedented attack on the world’s energy supply”. Iran hit back, dismissing the claim and warning that it was ready for war.

“American bases and their aircraft carriers in a distance of up to 2,000 kilometres around Iran are within the range of our missiles,” the head of the Revolutionary Guards aerospace force Amirali Hajizadeh was quoted as saying by Tasnim news agency.

State-owned oil company Saudi Aramco said the attack on two of its facilities would cut output by 5.7m barrels a day, equivalent to five per cent of global output.

Analysts predict that oil prices will spike in reaction to the attacks.
There’s a tax battle on the political horizon

F AND when the UK leaves the European Union, an opportunity will exist for radical tax reform. Action in this area isn’t dependent on leaving the EU, but it’s fair to acknowledge that until Brexit finds some form of resolution, there is little appetite (and even less capacity) for a bold reimagination of the country’s complex web of tax law. The next government could be a Tory majority, a Labour majority or a Labour-led coalition. Whatever the makeup, change is coming – as the shadow chancellor likes to say. If John McDonnell does get his hands on the Treasury, we know what to expect. True to his word, he has been admirably honest about his plans to raise taxes where they already exist and introduce new ones where they do not. The Tory party, meanwhile, retains an instinctive desire for lower levels of tax and the current chancellor, Sajid Javid, has flirted with some bold ideas should he find himself penning a post-Brexit budget. But what of the Liberal Democrats? The strand of economic liberalism promoted by the likes of former MP David Laws and Paul Marshall (of hedge fund Marshall Wace) has failed to take root and the party has found comfort in occupying a more social-democrat position when it comes to economic policy. Yesterday, its members backed a motion at its party conference to raise corporation tax to 20 per cent and its website still boasts of a commitment to reverse Tory cuts to capital gains and inheritance along with Labour-like pledges to “ensure those with the highest incomes are making a fair contribution”. Fortunately for the Lib Dems, their newest MP happens to be one of the most vocal advocates of tax reductions and simplifications. He was also, until recently, a Tory. Sam Gyimah published an article in June calling for governments to stop introducing new taxes and start cutting “the worst ones”. He proposed an unlimited annual investment allowance, the abolition of stamp duty on properties worth less than £1m and a reduction of the higher rate of income tax to 40p. He cites Nigel Lawson as his inspiration for that last one. Gyimah’s defection shows that the Lib Dems will basically take anyone as long they’re anti-Brexit, but it also leaves open the faint possibility that he’ll seek to revive true economic liberalism in a party that needs a reason to exist beyond cancelling Brexit. Stranger things have happened.

HARRY ROBERTSON
@harryrobertson

TWO BRITISH business groups have warned of the damaging effect of the Brexit impasse on UK firms and predicted lower investment and growth. The British Chambers of Commerce (BCC) today downgraded its growth forecast for the UK and predicted that business investment will plummet by 1.5 per cent this year and drop 0.1 per cent in 2020.

It now thinks the UK economy will grow by 1.2 per cent in 2019 and just 0.8 per cent in 2020 as the hangover from Brexit uncertainty and weak global growth drag on the economy. The Institute of Directors (IoD) today said its members face an “impossible situation” of either a no-deal Brexit or another Article 50 extension. It said that in a poll of 950 of its business leader members, 51 per cent said no deal would be the most negative outcome for their organisation while 22 per cent said a further delay would have a worse impact.

The BCC, which represents more than 50 chambers of commerce from around Britain, highlighted that its weak economic predictions assumed a disorderly Brexit is avoided. “A messy and disorderly departure from the European Union would palpably increase the likelihood of the UK economy slipping into a marked downward turn,” said Suren Thiru, head of economics at the BCC.

Even in the event of a deal, the organisation said, Brexit uncertainty and a global slowdown will have taken a big toll. The BCC predicted that productivity will be even more subdued than in its previous forecast, meaning “the UK economy will have experienced its weakest decade of average annual productivity growth on record”.

BCC director general Adam Marshall said: “There’s no dancing round the fact that Brexit uncertainty has hit business investment hard.”

“In addition to reaching a negotiated settlement with the EU, the government should be preparing big new incentives for business investment in the UK, and should reconfirm its unconditional backing for the big infrastructure projects our economy needs to unlock growth.”

The IoD called on both the UK government and the EU to “strain every sinew to find a deal”.

© Getty Images
Woodford fund hit as AI firm’s value is halved

JAMES WARRINGTON
@j_a_warrington
BENEVOLENT AI, the tech startup backed by troubled stockpicker Neil Woodford, is set to lose half its value as it announces a major new investment.

The London-based firm, which is led by former Facebook executive and government minister Baroness Joanna Shields, has secured a cash injection from Singapore sovereign wealth fund Temasek.

It is understood Temasek will take a minority stake in Benevolent AI, giving it a valuation of $1bn (£800m). The AI firm was previously valued at $2bn, and will only narrowly retain its unicorn status.

The revised valuation, first reported by the Sunday Times, will be a further blow for Woodford, who has lost at least £43.5m selling off stocks from his suspended Equity Income Fund.

Benevolent AI makes up roughly 4.5 per cent of the Equity Income Fund and just under 10 per cent of Woodford’s Patient Capital Trust, according to Hargreaves Lansdown.

Benevolent AI, Woodford Investment Management and Temasek declined to comment.
Working with the business, Thea Nattrass helped arrange the finance for Viking Cruisers to design the Viking 300, the flagship of their new range.

By the side of business
Thomas Cook is in scramble to seal rescue deal

ALEX DANIEL
@alexmdaniel

Troubled travel company Thomas Cook is said to be looking to delay a pivotal bondholders’ meeting on Wednesday to give it more time to agree a £900m rescue deal with majority shareholder Fosun.

The 178-year-old holiday firm is still scrambling to wrap up the terms of a restructuring deal with the Chinese conglomerate. However, fears are growing it may not win the support of three-quarters of its bondholders needed for the rescue to go through.

Some bondholders have bet against the company’s debt via credit-default swaps – contracts that pay out if the firm defaults on its debt. They are reportedly looking for an agreement that ensures they get paid for their positions – and may vote against anything that does not do this.

Executives are subsequently trying to get some breathing space in which to finalise the negotiations, according to the Financial Times. In August, Thomas Cook published details of the plan, which will see Fosun pour £900m into the company to help it avoid bankruptcy as it heads into the winter season when holiday bookings are at their nadir.

But Britain’s oldest package holiday firm also needs to convince the Civil Aviation Authority (CAA) to renew its Air Travel Organiser’s Licence (Atol) at the end of this month.

Sources played down reports that the CAA is making contingency plans for the possible collapse of the travel firm, which would likely force it to repatriate thousands of holidaymakers stranded overseas.

The CAA said: “We are in regular contact with all large Atol holders and constantly monitor company performance.

“We do not comment on the financial situation of individual businesses we regulate.”

Thomas Cook reported a £1.3bn half-year loss in May.

Role Models Naomi Campbell struts her stuff for charity at London Fashion Week

SUPERMODEL Naomi Campbell hosted her annual Fashion for Relief gala over the weekend as part of London Fashion Week, which concludes tomorrow. The show was raising funds for social mobility charity the Mayor’s Fund for London.

Optimism in UK financial sector falls as firms fear growth slump

JAMES WARRINGTON
@j_a_warrington

The majority of top executives at UK financial institutions are less optimistic about the country’s economic outlook than they were a year ago.

Almost 60 per cent of firms said they expected UK economic growth to slow in the next 12 months, roughly twice as many as held that view last year, according to a survey published today by Lloyds Bank.

Two-thirds of companies surveyed said they expected domestic growth in the coming year to be weaker than in other G7 countries, in a stark indicator of faltering confidence.

The gloomy outlook was reflected in attitudes towards the financial services sector, with 55 per cent forecasting that growth would deteriorate in the year ahead, up from 27 per cent in 2018.

Despite these concerns, 40 per cent of firms said they expected their own revenue to increase over the next year. However, this figure was down from 64 per cent in 2018.

Oil prices could hit $70 per barrel following attack on Saudi facilities

Continued from front

Yemen’s Iran-aligned Houthi group claimed responsibility for the attacks, but Pompeo said there was no evidence to back up the claims.

“Tehran is behind nearly 100 attacks on Saudi Arabia... there is no evidence the attacks came from Yemen,” Pompeo said.

UK foreign secretary Dominic Raab yesterday said he had spoken to Pompeo about the attack.

“This was a reckless attempt to damage regional security and disrupt global oil supplies. The UK condemns such behaviour unreservedly,” he said.

The Saudis lead a Western-backed alliance supporting Yemen’s government against the Houthis.

On Friday, the price of a barrel of Brent Crude was $60.25, analysts expect the price to jump today.

Sam Wahab of SP Angel said: “I wouldn’t be surprised to see the oil price go over $70 in the next week. Analysts also said the attacks could damage the prospects for Aramco’s proposed mammoth Float. Ayham Kamel of Eurasia Group said: “The attacks could complicate Aramco’s IPO [initial public offering] plans given rising security risks and potential impact on its valuation.”
Facebook to face central banks in grilling over digital Libra currency

HARRY ROBERTSON
@harryrobertson
FACEBOOK will be grilled by global central banks today over its proposed Libra digital currency project as the social media giant faces increasing European opposition to its plans.

Libra representatives will head to Basel, Switzerland, to face representatives of 26 central banks, including the Bank of England and the Federal Reserve, according to the Financial Times. The meeting has been organised by the Bank for International Settlements, a global body for financial cooperation, and is titled: “Conference on global stablecoins”.

It will be chaired by European Central Bank board member Benoit Coeure, who on Friday warned that European regulators will set a high bar for approvals for virtual currency projects such as Libra. Mark Zuckerberg’s social network proposed a new global payments system and currency linked to its 2.4bn-member social network in June.

On Friday, the French and German governments said in a joint statement that “no private entity can claim monetary power, which is inherent to the sovereignty of nations”.

Lib Dems vow to ditch Article 50 if it wins election

ALEXANDRA ROGERS
@city_amrogers
THE LIBERAL Democrats yesterday vowed to scrap Brexit if it wins a majority at the next general election.

Party members voted in favour of a motion to revoke Article 50 – the mechanism that allows the UK to leave the EU – on the second day of its autumn conference in Bournemouth.

After the vote, party leader Jo Swinson, said: “We will do all we can to fight for our place in Europe, and to stop Brexit altogether.”

The commitment only comes into force if the party wins the election as a majority government.

Swinson also confirmed that before an election is called, the Lib Dems would continue to work with other opposition parties to campaign for a further referendum, and to prevent a “dangerous” no-deal Brexit.

On Saturday, former Tory MP Sam Gyimah became the latest Lib Dem recruit, taking the party to a total of 18 MPs in Westminster.

And Chiuka Umunna, the Streatham Labour MP who defected to the Lib Dems via the Change UK party, tweeted: “LibDems conference has just voted overwhelmingly to ensure that our policy at the next general election will be to revoke Article 50 and #StopBrexit. A majority Lib Dem government will stop Brexit. I was proud to speak in favour of the motion and policy. #LDConf.”

Previously, the Lib Dems’ policy was to hold a second referendum or people’s vote in which it would campaign to remain. It could now choose to revoke Article 50 without holding a referendum first.

The move marks a further hardening of lines in the Brexit debate, with reports suggesting that Remain-backing MPs could try to force through legislation to revoke Article 50 if Boris Johnson is unable to agree a deal with the EU by October.

Yesterday, London mayor Sadiq Khan said the UK should revoke Article 50 to “take away the panic” of leaving the EU on 31 October, the deadline the PM has said he will stick to “do or die” and “come what may”.

Lib Dems’ Brexit battle lines drawn as battle for our place in Europe, and to stop Brexit altogether.”

Battle lines drawn as Brexit judgment expected on Friday

EDWARD THICKNESSE
THE GOVERNMENT is shaping up for a Supreme Court battle to maintain the suspension of parliament, starting tomorrow.

The ruling – which will effectively decide if Boris Johnson’s decision to prorogue the Lords and Commons on 14 October was legal – is expected on Friday after a three-day hearing.

Yesterday, the Policy Exchange think tank said the Supreme Court should reverse last week’s decision by Scotland’s Court of Session that the suspension was illegal.

Richard Ekins, associate professor of law at the University of Oxford – and head of policy exchange’s judicial power project – argued that “the prerogative power to prorogue parliament is not subject to judicial control The House of Commons had an opportunity to withdraw confidence before prorogation and did not act.”

He said that reversing the decision would “arrest a worrying trend of judicialising political questions”. 
UK outsourcing failures ‘hurting public services’

THE GOVERNMENT’s repeated failure to outsource public services effectively has “caused harm and waste”, stoking calls from Labour to renationalise them, according to research.

In a stinging rebuke of outsourcing failures over recent years, the Institute for Government (IfG) said the policy has, at times, “let down” the people most in need in society.

High-profile failures such as the collapse of Carillion, administration of Interserve and several botched contracts have “wasted millions of pounds, delivered poor services and undermined public trust”, it said.

Among these, G4S allowed a prison to fall into chaos, Capita failed to send letters about NHS cervical cancer screenings to 40,000 women and Serco was found to be charging for work it ran to fall into chaos, Capita failed to send letters about NHS cervical cancer screenings to 40,000 women and Serco was found to be charging for work it ran to fall into chaos.

Alex Spring is planning layoffs as part of a cost-cutting programme that would mainly affect its newspapers, the German media group’s chief executive told the Süddeutsche Zeitung in an interview released yesterday. “It doesn’t only sound like a big cut [in jobs], it is one,” Mathias Doepfner was quoted as saying, though the report gave no concrete figures. “Where we have digital growth we will invest and recruit staff... And where we have declining sales we must restructure and cut jobs.” German newspapers Bild and Welt – owned by the group – will be affected, he added. The cost-cutting exercise comes one month after US private equity firm KKR became the company’s biggest shareholder.

Democrats tell Trump gun bill must include background checks

TOP DEMOCRATS in Congress told Republican President Donald Trump yesterday that any gun control legislation that falls short of universal background checks for gun sales “will not get the job done.”

Senate minority leader Chuck Schumer and House of Representatives speaker Nancy Pelosi said they spoke to Trump by phone on Sunday morning, which marked 200 days since the Democratic House passed legislation to expand background checks to all gun purchases.

In the aftermath of a series of mass shootings in August that killed more than 30 people, Trump has been discussing potential legislation with politicians in both parties.

He said on Wednesday that progress was being made on gun legislation, adding that many areas were under discussion, including universal background checks on people buying guns.

The Republican-controlled Senate has yet to take up the bill. Reuters

A Cabinet Office spokesperson said outsourcing had “helped improve standards and competition.”

Interserve boss Debbie White told City A.M. recent new guidelines for civil servants on public procurement “will enhance the quality and delivery of public services”. A Capita spokesperson added the IfG had “failed to reflect improvements made over the past 18 months”.

A Cabinet Office spokesperson said it had made “great strides” in improving its work with the private sector in the last year.

GERMAN PUBLISHER AXEL SPRINGER PLANS LAYOFFS

Axel Springer is planning layoffs as part of a cost-cutting programme that would mainly affect its newspapers, the German media group’s chief executive told the Süddeutsche Zeitung in an interview released yesterday. “It doesn’t only sound like a big cut [in jobs], it is one,” Mathias Doepfner was quoted as saying, though the report gave no concrete figures. “Where we have digital growth we will invest and recruit staff... And where we have declining sales we must restructure and cut jobs.” German newspapers Bild and Welt – owned by the group – will be affected, he added. The cost-cutting exercise comes one month after US private equity firm KKR became the company’s biggest shareholder.

Audi given ultimatum to remove illegal software

Germany’s motor vehicle authority (KBA) has told Volkswagen’s premium brand Audi that it faces penalties for its failure to remove illegal software from diesel cars that can manipulate emissions levels, the Bild am Sonntag (BamS) newspaper reported yesterday. BamS added that the KBA had told Audi in three letters that it had until 26 September to remove the software from thousands of diesel vehicles with V6 and V8 TDI engines or else face a fine of 25,000 euro for each car still carrying an illegal device. The transport ministry said last year that the KBA watchdog had detected illicit emission-control software in some 127,000 Audi models with Euro-6 diesel engines, including 77,600 cars in Germany.

UAE REGULATOR DOUBTS BOEING 737 MAX 2019 FLIGHT

The head of the United Arab Emirates General Civil Aviation Authority said yesterday he was not optimistic that the Boeing 737 MAX would return to operations this year and that the first quarter of 2020 was more likely. The 737 MAX has been grounded since March while Boeing updates flight control software at the centre of two fatal crashes in Indonesia and Ethiopia that together killed 346 people. Boeing is targeting regulator approval for the fixes in October, though the US Federal Aviation Administration has said it does not have a firm time for the aircraft to be flying again. The European aviation authorities have also announced that they will conduct their own test before pronouncing the jet airworthy again.
Plants capture CO₂. We’re finding ways industry can too.

Scientists believe that carbon capture is a critical technology to help meet the world’s ambitious goals for reducing CO₂ emissions. We do too. As a leader in both research and deployment of carbon capture technology, we’re working on ways to make it scalable and more affordable. This includes new approaches, like using fuel cells that could capture up to 90% of the CO₂ from large industrial sites and capturing CO₂ directly from the air. Learn more about the potential of carbon capture at EnergyFactor.uk.

ExxonMobil
I T WAS a week full of surprises in the world of tech antitrust regulation. On Monday, Google found itself at the centre of a 50-state investigation by the US attorneys general into a range of anti-competitive practices. By the end of the week, publishers had hit out en masse at Google and Facebook for “unscrupulous behaviour” in dominating the digital advertising sector, revealed as part of a probe by the UK Competition and Markets Authority (CMA).

But the biggest surprise of them all was one almost nobody had predicted. EU chief competition commissioner Margrethe Vestager had been pegged for greener pastures, once thought to be in the running for a job at the very top of the organisation. Instead, incoming European Commission president Ursula von der Leyen had other plans.

Vestager’s profile as antitrust chief was something the EU couldn’t afford to lose, it seems. On Tuesday, she was re-appointed for a second term, but with new powers added to her arsenal. Now also the bloc’s executive vice president for digital affairs, Vestager can expand her reach far beyond the world of competition law.

Known to many as the EU’s strong arm on Silicon Valley, Vestager has often complained of the limited scope in her role as competition chief. Following five years of high-profile fines against the likes of Facebook, Google and Apple – which have amounted to tens of billions of euros – she has wanted to do more than simply litigate against market dominance.

“It’s understandable that people sometimes think of competition as a panacea, a universal answer to all society’s problems,” she said in a speech on Friday. “But competition is only part of the issue. Platforms manipulate the way we see the world in ways we don’t even notice.”

According to those close to Brussels, her sights are seemingly set on issues close to her heart, such as misuse of data, abuse of corporation tax law and a lack of press freedom.

Whether or not Vestager will be successful in her new role is in part made harder by the legacy of her first term as competition chief – a period during which she became a unique figure in Brussels, renowned even for knitting elephants during meetings with high-ranking executives.

In the coming months, the Danish politician will face a slew of court cases and appeals over the fines she levied. Silicon Valley is now ready to hit back, and it won’t be pulling any punches. Google promised to appeal each of the three penalties it has been served, totalling nearly €8bn (£7.1bn). Tomorrow, a challenge from Apple will also begin in court over her state aid ruling, in which she ordered the iPhone creator to repay €14bn in back taxes to Dublin authorities.

Although those headline-grabbing fines helped to lift Vestager’s profile, their efficacy has yet to be judged. Some have criticised her office for being too vague to ensure tech giants change their ways after a penalty, effectively allowing the likes of Google to pay its parking ticket and put the affair behind them.

Another thorn in her side is those making noise across the Atlantic. Far from being one to be outdone, US President Donald Trump has made his disdain for “the tax lady” who “really hates the US” known.

Trump’s administration has ordered America’s own authorities to get tough on Big Tech. The US Federal Trade Commission has already given Vestager a run for her money, after it levied a $5bn (£4bn) fine against Facebook this summer.

Similarly, as the UK prepares to leave the EU, it remains a task for the government to analyse how the CMA can be most effective. As of today, the watchdog can impose fines only on a company’s British assets, but with a new tech watchdog on the horizon, its place in a digital-dominant world is up for evolution.

All of this puts pressure on one frequent criticism of the Dane and her squad: their lack of speed. Some of the biggest cases in EU tech antitrust history have taken seven to eight years to compile, followed by a further three to four years before a result is heard.

With Washington and London hot on her tail, Vestager is hard-pushed to find a way to increase the pace of her litigation, while also being effective. Silicon Valley won’t go unchallenged for long.

**Will Vestager’s tech-busting legacy catch up with her?**

Emily Nicolle looks at the EU digital czar’s relationship with the US tech giants

---

**FREE ETORO TRADING COURSE**

in partnership with CITYAM.

Join global multi-asset investment platform eToro for a free trading course which is suitable for all levels of traders.

**The course is split into four key areas:**

- **Key terms**
- **Types of traders**
- **Trading essentials**
- **The currency markets**

20TH & 27TH SEPT 2019
LEVEL 39, ONE CANADA SQUARE, CANARY WHARF, LONDON, E14 5AB

**Strictly RSVP**
Email events@cityam.com with your phone number to confirm attendance.
Sign up for your free Brexit readiness event in London on 20 September to receive tailored advice to help your business get ready.

To register for the event search Brexit Business Readiness Event
Restructuring bosses at KPMG to see pay hike

EDWARD THICKNESSE

SENIOR partners in KPMG’s restructuring division have received a 25 per cent pay rise as the accountancy giant tries to prevent a potential breakup.

The Big Four accountancy firm, which has been involved in high-profile business failures, including the collapse of outsourcer Carillion in January 2018, had been holding talks about separating its turnaround business from its core audit and consultancy divisions, according to the Sunday Times.

Unlike rival PwC, which has announced a £30m a year overhaul of its turnaround divisions, according to the business, KPMG has managed the overhaul of retailers such as Debenhams, Mothercare and Paperchase, has about 20 partners, and was responsible for about five per cent of KPMG’s £2.1bn UK revenue in the year to August.

Last year, Sky News reported that KPMG had received a number of bids for the restructuring unit from buy-out firms, including an offer from Permira, the European private equity fund that bought professional services firm Duff & Phelps for $1.7bn (£1.87bn) in 2017.

The move comes after the collapse of Carillion and department store BHS and the discovery of a hole in the accounts of cafe chain Patisserie Valerie left the auditing sector under intense levels of scrutiny, with some including Work and Pensions Committee chair Frank Field calling for a break-up of the Big Four.

Last year, KPMG UK’s 603 partners were paid an average of £661,200. Last month, Deloitte UK announced that its 699 equity partners would receive their biggest payout in a decade, with an average sum of £882,000.

KPMG declined to comment.

Anti-money laundering fines hit $8bn as 2019 set for record

JAMES BOOTH

The total value of anti-money laundering fines this year has hit $8.7bn as the US regulator on financial crimes, the Financial Crimes Enforcement Network (FinCEN), announced that $352.5m were imposed globally between 1 May and 31 August, taking the total for the year so far to $8.7bn.

Wayne Johnson, chief executive of Encompass, said: “There is a good chance that 2019 could break the record set in 2014 for the highest value of AML fines given out.”

Micro Focus to tap Goldman as firm mulls sale

JAMES WARRINGTON

STRUGGLING software firm Micro Focus is said to be close to appointing advisers at Goldman Sachs as it ramps up its review into a potential sale of the business.

Micro Focus, which helps to extend the life of old software businesses, could also explore a spin-off of Autonomy, which it bought in a £1.6bn reverse takeover of Hewlett Packard Enterprise’s software business in 2017, the Sunday Times reported.

The Newbury-based company last month said it would accelerate its strategic review after lowering its forecasts for full-year revenue.

The warning caused Micro Focus’s share price to fall by a third, and the firm dropped out of the FTSE 100 after a market reshuffle earlier this month.

The company said the weak sales had been “compoundd by a deteriorating macro environment resulting in more conservatism and longer decision making cycles within our customer base”.

Micro Focus said it expected full-year revenue to fall by between six per cent and eight per cent.

END CREDITS Disney boss Bob Iger quits Apple board as streaming wars heat up

JAMES WARRINGTON

The FTSE 100 firm was among the many to announce a reshuffle earlier this month.

Disney boss Bob Iger has resigned from Apple’s board as the streaming wars heat up, Iger stepped down on the same day Apple unveiled the price and launch date of its new streaming service.

Micro Focus is said to be close to appointing advisers at Goldman Sachs as it ramps up its review into a potential sale of the business.

Micro Focus, which helps to extend the life of old software businesses, could also explore a spin-off of Autonomy, which it bought in a £1.6bn reverse takeover of Hewlett Packard Enterprise’s software business in 2017, the Sunday Times reported.

The Newbury-based company last month said it would accelerate its strategic review after lowering its forecasts for full-year revenue.

The warning caused Micro Focus’s share price to fall by a third, and the firm dropped out of the FTSE 100 after a market reshuffle earlier this month.

The company said the weak sales had been “compoundd by a deteriorating macro environment resulting in more conservatism and longer decision making cycles within our customer base”.

Micro Focus said it expected full-year revenue to fall by between six per cent and eight per cent.

The total value of anti-money laundering fines this year has hit $8.7bn as the US regulator on financial crimes, the Financial Crimes Enforcement Network (FinCEN), announced that $352.5m were imposed globally between 1 May and 31 August, taking the total for the year so far to $8.7bn.

Wayne Johnson, chief executive of Encompass, said: “There is a good chance that 2019 could break the record set in 2014 for the highest value of AML fines given out.”

Micro Focus is said to be close to appointing advisers at Goldman Sachs as it ramps up its review into a potential sale of the business.

Micro Focus, which helps to extend the life of old software businesses, could also explore a spin-off of Autonomy, which it bought in a £1.6bn reverse takeover of Hewlett Packard Enterprise’s software business in 2017, the Sunday Times reported.

The Newbury-based company last month said it would accelerate its strategic review after lowering its forecasts for full-year revenue.

The warning caused Micro Focus’s share price to fall by a third, and the firm dropped out of the FTSE 100 after a market reshuffle earlier this month.

The company said the weak sales had been “compoundd by a deteriorating macro environment resulting in more conservatism and longer decision making cycles within our customer base”.

Micro Focus said it expected full-year revenue to fall by between six per cent and eight per cent.

END CREDITS Disney boss Bob Iger quits Apple board as streaming wars heat up

JAMES WARRINGTON

The FTSE 100 firm was among the many to announce a reshuffle earlier this month.

Disney boss Bob Iger has resigned from Apple’s board as the streaming wars heat up, Iger stepped down on the same day Apple unveiled the price and launch date of its new streaming service.

Micro Focus is said to be close to appointing advisers at Goldman Sachs as it ramps up its review into a potential sale of the business.

Micro Focus, which helps to extend the life of old software businesses, could also explore a spin-off of Autonomy, which it bought in a £1.6bn reverse takeover of Hewlett Packard Enterprise’s software business in 2017, the Sunday Times reported.

The Newbury-based company last month said it would accelerate its strategic review after lowering its forecasts for full-year revenue.

The warning caused Micro Focus’s share price to fall by a third, and the firm dropped out of the FTSE 100 after a market reshuffle earlier this month.

The company said the weak sales had been “compoundd by a deteriorating macro environment resulting in more conservatism and longer decision making cycles within our customer base”.

Micro Focus said it expected full-year revenue to fall by between six per cent and eight per cent.

Micro Focus is said to be close to appointing advisers at Goldman Sachs as it ramps up its review into a potential sale of the business.

Micro Focus, which helps to extend the life of old software businesses, could also explore a spin-off of Autonomy, which it bought in a £1.6bn reverse takeover of Hewlett Packard Enterprise’s software business in 2017, the Sunday Times reported.

The Newbury-based company last month said it would accelerate its strategic review after lowering its forecasts for full-year revenue.

The warning caused Micro Focus’s share price to fall by a third, and the firm dropped out of the FTSE 100 after a market reshuffle earlier this month.

The company said the weak sales had been “compoundd by a deteriorating macro environment resulting in more conservatism and longer decision making cycles within our customer base”.

Micro Focus said it expected full-year revenue to fall by between six per cent and eight per cent.

Micro Focus is said to be close to appointing advisers at Goldman Sachs as it ramps up its review into a potential sale of the business.

Micro Focus, which helps to extend the life of old software businesses, could also explore a spin-off of Autonomy, which it bought in a £1.6bn reverse takeover of Hewlett Packard Enterprise’s software business in 2017, the Sunday Times reported.

The Newbury-based company last month said it would accelerate its strategic review after lowering its forecasts for full-year revenue.

The warning caused Micro Focus’s share price to fall by a third, and the firm dropped out of the FTSE 100 after a market reshuffle earlier this month.

The company said the weak sales had been “compoundd by a deteriorating macro environment resulting in more conservatism and longer decision making cycles within our customer base”.

Micro Focus said it expected full-year revenue to fall by between six per cent and eight per cent.

Micro Focus is said to be close to appointing advisers at Goldman Sachs as it ramps up its review into a potential sale of the business.

Micro Focus, which helps to extend the life of old software businesses, could also explore a spin-off of Autonomy, which it bought in a £1.6bn reverse takeover of Hewlett Packard Enterprise’s software business in 2017, the Sunday Times reported.

The Newbury-based company last month said it would accelerate its strategic review after lowering its forecasts for full-year revenue.

The warning caused Micro Focus’s share price to fall by a third, and the firm dropped out of the FTSE 100 after a market reshuffle earlier this month.

The company said the weak sales had been “compoundd by a deteriorating macro environment resulting in more conservatism and longer decision making cycles within our customer base”.

Micro Focus said it expected full-year revenue to fall by between six per cent and eight per cent.
UK house prices have witnessed their first September fall since 2010, according to closely-watched gauge, as Brexit uncertainty continues to dampen sales.

The average price of property coming to market fell 0.2 per cent, in September, the house price index from real estate website Rightmove today reveals.

“As we approach yet another Brexit deadline, there are signs that the increasing gnashing of teeth is causing some to hesitate,” said Miles Shipside, Rightmove director and housing market analyst.

“The autumn bounce normally kicks off at the same time as kids go back to school, but this year it’s a late starter at best.”

UK house prices have been subdued in 2019 as political uncertainty has put people off making big-ticket purchases and a global slowdown has provided a tough economic backdrop.

London house prices have been hit particularly hard, falling 3.1 per cent in May – the biggest drop since the financial crisis – and 2.7 per cent in June, according to the latest official figures.

The average annual rate of price increases fell to just 0.2 per cent in September, Rightmove said. This was buoyed by the north and dragged down by parts of the south: London has properties now coming to the market at an average of 2.1 per cent cheaper than a year ago.

Yet the Rightmove figures showed that the number of sales agreed fell in September in all regions compared to the same period a year ago, indicating widespread rather than just regional hesitation.

Shipside said this has provided an opportunity for some. “Those who are planning to buy or trade up and can keep their nerve whilst others hesitate may find that they are in a stronger negotiating position to get a favourable deal,” he said.

“Sellers in all regions are seeing fewer sales go through, so should be more willing to negotiate with prospective buyers if they want or need to get a deal done.”

Number of UK private equity acquisitions drops 12 per cent

JAMES BOOTH
@JamesBooth1

THE NUMBER of private equity acquisitions of UK businesses has fallen 12 per cent this year, from 311 in 2017/18 to 274 in 2018/19, according to data from law firm Mayer Brown.

“Private equity funds have significant capital to deploy, but Brexit has certainly increased caution among some,” Tam said.

The value of deals jumped 37 per cent to £30.9bn, driven by major acquisitions by US buyers.

Deals include the £4.2bn purchase of satellite business Inmarsat by a consortium, including Warburg Pincus, and the £4.1bn acquisition of aerospace firm Cobham by Advent.
Taiwan ready, willing and able to contribute

Taiwan has been left out in the diplomatic cold for too long, writes its foreign minister

Joseph Wu

E

ARLIER this year, President Tsai Ing-wen of the Republic of China (Taiwan) travelled through New York, an icon of diversity and freedom and home to the United Nations, as a prelude to her state visit to Taiwan’s diplomatic allies in the Caribbean.

Her message was clear: while meeting the Permanent Representatives to the UN of Taiwan’s allies, she stated clearly that Taiwan’s 23 million people have the right to participate in the UN system to which they remain cut off. She also emphasized that Taiwan has done more than most to make the UN’s goals its own.

Taiwan is committed to joining hands with global partners to help achieve the UN Sustainable Development Goals (SDGs) to forge the world we want, and the future we need. The SDGs form a blueprint for a better and more sustainable future, aiming to guide the world down a sustainable and resilient path with “no one left behind.”

The principles of inclusiveness and leaving no one behind are key to realizing the SDGs and Taiwan, a full-fledged democracy, has made considerable progress in fulfilling those goals and has provided assistance to countries in need.

Nevertheless, it continues to be barred from participating in related meetings, mechanisms and activities due to political interference. This has seriously undermined the principle of partnership, the foundation of the SDGs, which requires the participation of all countries, stakeholders, and peoples.

After many years of effort, Taiwan has made great strides in alleviating poverty and achieving zero hunger. Its percentage of low-income households has been reduced to 1.6 per cent. In 2018, its waste recycling rate reached 55.69 per cent, our literacy rate 98.8 per cent, and our infant mortality rate 4.2 per 1,000. These figures far surpass SDG standards.

And in recent years, Taiwan has been providing development assistance to and engaging in cooperation programs with partner countries in the Pacific, Asia, Africa, Latin America, and the Caribbean.

In 2018 alone, Taiwan conducted development projects in SDG areas of interest in 39 countries. We will continue to track international trends and the needs of partner countries to ensure that all operations are aligned with the SDGs.

Considering Taiwan’s robust experience and contributions, it is absurd that we are barred from sharing experience and critical information that could be used to better coordinate international efforts.

The oft-cited legal basis for excluding Taiwan from the UN is Resolution 2758 (XXVI), adopted by the UN General Assembly in 1971.

However, the resolution does not address the issue of Taiwan’s representation in the UN, nor does it state that Taiwan is part of the People’s Republic of China (PRC). In fact, Taiwan is not, nor ever has been, part of the PRC. Only Taiwan’s democratically elected government can represent its 23 million people.

Unfortunately, the UN continues to misinterpret the resolution to justify its wrongful exclusion and isolation of Taiwan.

International organisations are created to meet the economic objectives of its members, not to serve the interests of just one member. Article 100 of the UN Charter states that “In the performance of their duties the Secretary-General and the staff shall not seek or receive instructions from any government or from any other authority external to the Organization.”

Regrettably, the UN sits idly by whenever China seeks to impose its so-called “one China principle” on the UN system. The most recent example involves dozens of NGOs being denied Consultative Status by the UN Economic and Social Council simply because a reference to Taiwan in their documents contradicts China’s demands.

A truly inclusive UN would not leave anyone behind. Today, however, Taiwan passport holders are blocked from entering UN premises for public visits and meetings. Taiwanese journalists and media outlets are also denied accreditation to cover UN meetings. These practices are unjust and discriminatory, and contravene the principle of universality upon which the UN was founded. The UN should make its actions and words congruent, and take immediate action to rectify its exclusionary practices.

This dire situation does not, and never will, intimidate Taiwan. Taiwan is ready, willing and able to contribute. If the UN continues to yield to China’s coercion, rejecting Taiwan’s participation, it will only encourage Beijing’s callousness.

Efforts to fulfill the purpose of achieving international cooperation in solving international problems of an economic, social, cultural, or humanitarian character, and in promoting and encouraging respect for human rights and for fundamental freedoms for all, as stated in Article 1 of the UN Charter, will also be impaired. If the host of nations is serious about promoting inclusion and making development sustainable for all, it should open its doors to Taiwan.
Italian politics gets messy (again) as Renzi looks to set up breakaway

CRISPAN BALMER

FORMER Italian Prime Minister Matteo Renzi is poised to break away from the ruling Democratic Party (PD) and set up a new centrist force from the ruling Democratic Party.

However, Renzi has had an abrasive relationship with the PD after he quit his party to set up a new party with him a group of disaffected parliamentarians.

EDWARD THICKNESSE

THE UK is no longer one of Europe’s lowest tax jurisdictions, with its high earners paying three per cent more than the European average.

EDWARD THICKNESSE

Hustlers racks up solid $33m debut but The Goldfinch bombs

DO THE HUSTLE

New York governor Andrew Cuomo yesterday announced a ban on all flavoured e-cigarettes besides tobacco and menthol in response to a recent nationwide spate of sometimes deadly lung illnesses that US health officials are linked to vaping.

Cuomo said vaping was dangerous and that he was concerned fruit- and sweet-flavoured e-cigarettes were leading young people to get hooked on nicotine. “These are obviously targeted to young people and highly effective at targeting young people,” he told a press conference in Manhattan.

Nearly 400 people around the country have been stricken with a lung illness that is potentially vaping-related, according to the US Centers for Disease Control and Prevention. Six people have died.

NEW YORK SET TO BAN FLAVOURED E-CIGARETTES

New York governor Andrew Cuomo yesterday announced a ban on all flavoured e-cigarettes besides tobacco and menthol in response to a recent nationwide spate of sometimes deadly lung illnesses that US health officials are linked to vaping.

Cuomo said vaping was dangerous and that he was concerned fruit- and sweet-flavoured e-cigarettes were leading young people to get hooked on nicotine. “These are obviously targeted to young people and highly effective at targeting young people,” he told a press conference in Manhattan.

Nearly 400 people around the country have been stricken with a lung illness that is potentially vaping-related, according to the US Centers for Disease Control and Prevention. Six people have died.

UNION CALLS NATIONAL STRIKE AGAINST GM

The United Auto Workers (UAW) said yesterday that its roughly 48,000 hourly workers at General Motors facilities would go on strike as of today after US labour contract talks reached an impasse, the first nationwide strike at GM in 12 years.

“We do not take this lightly,” Terry Dittes, the UAW vice president in charge of the union’s relationship with GM, said at a press conference in the centre of Detroit, the home of the US car industry yesterday.

“This is our last resort.” GM said in a statement that its offer to the UAW during talks included more than $75bn (£56bn) in new investments, 5,400 jobs – a majority of which would be new – pay increases, improved benefits and a contract ratification bonus of $8,000.

IN BRIEF

To book, contact Vijay Vaish, Sales Manager on:
Tel: 07970 032 037
Email: vijay_vaish@leonardohotels.co.uk
Jurys Inn London Holborn
60 - 60 Southampton Row, London WC1B 4AR
Exclusive use is subject to minimum numbers/spend

For the best rates, visit jurysinns.com

Jurys Inn London Holborn

Book your private rooftop party today for exquisite views of the city’s skyline

Holborn Tube Station, a two minute walk away

FINANCIAL CRISIS comedy Hustlers starring Jennifer Lopez and Constance Wu, was the highest grossing film in the US this weekend, collecting $33.2m (£26.5m) when it debuted in 3,250 North American cinemas. However, Warner Bros’ The Goldfinch, adapted from Donna Tartt’s Pulitzer Prize-winning novel, misfired with just $2.6m.

FLAVOURED E-CIGARETTES

NEW YORK SET TO BAN FLAVOURED E-CIGARETTES

New York governor Andrew Cuomo yesterday announced a ban on all flavoured e-cigarettes besides tobacco and menthol in response to a recent nationwide spate of sometimes deadly lung illnesses that US health officials are linked to vaping.

Cuomo said vaping was dangerous and that he was concerned fruit- and sweet-flavoured e-cigarettes were leading young people to get hooked on nicotine. “These are obviously targeted to young people and highly effective at targeting young people,” he told a press conference in Manhattan.

Nearly 400 people around the country have been stricken with a lung illness that is potentially vaping-related, according to the US Centers for Disease Control and Prevention. Six people have died.

UNION CALLS NATIONAL STRIKE AGAINST GM

The United Auto Workers (UAW) said yesterday that its roughly 48,000 hourly workers at General Motors facilities would go on strike as of today after US labour contract talks reached an impasse, the first nationwide strike at GM in 12 years.

“We do not take this lightly,” Terry Dittes, the UAW vice president in charge of the union’s relationship with GM, said at a press conference in the centre of Detroit, the home of the US car industry yesterday.

“This is our last resort.” GM said in a statement that its offer to the UAW during talks included more than $75bn (£56bn) in new investments, 5,400 jobs – a majority of which would be new – pay increases, improved benefits and a contract ratification bonus of $8,000.

IN BRIEF

To book, contact Vijay Vaish, Sales Manager on:
Tel: 07970 032 037
Email: vijay_vaish@leonardohotels.co.uk
Jurys Inn London Holborn
60 - 60 Southampton Row, London WC1B 4AR
Exclusive use is subject to minimum numbers/spend

For the best rates, visit jurysinns.com

Jurys Inn London Holborn

Book your private rooftop party today for exquisite views of the city’s skyline

Holborn Tube Station, a two minute walk away

FINANCIAL CRISIS comedy Hustlers starring Jennifer Lopez and Constance Wu, was the highest grossing film in the US this weekend, collecting $33.2m (£26.5m) when it debuted in 3,250 North American cinemas. However, Warner Bros’ The Goldfinch, adapted from Donna Tartt’s Pulitzer Prize-winning novel, misfired with just $2.6m.
LONDON REPORT

Brexit deal hope buoys market as rates in focus

Pessimism that a no-deal Brexit could be avoided spurred a rally in stocks with domestic exposure on Friday, overpowering losses in blue-chip exporter stocks that were 10-year stronger sterilizing. The FTSE 100 rose 0.3 per cent to 7,367.46 points, with homebuilder Barratt jumping nearly six per cent to top the gainers. The country’s big high street banks, Lloyds, Royal Bank of Scotland and Barclays added more than five per cent.

The mid-cap index FTSE 250 climbed 1.2 per cent, at 19,455.75, to a near one-year high, tracking gains in sterling. A surge in the pound was triggered by a media report that Northern Ireland’s largest political party, the Democratic Unionists, had agreed to some EU rules after Brexit.

“Sterling’s breakout coincides with a breakthrough of optimism, albeit slight, that a thaw in the impasse between Brussels and London may be beginning,” City Index analyst Ken Odeluga said.

Gains for the pound prompted a sell-off in exporter stocks, including Diageo and British American Tobacco, peeling a lid on FTSE 100’s gains for the day. Interest rate decisions from the Bank of England (BoE) and US Federal Reserve are set to be in the spotlight this week.

The BoE will make its monetary policy announcement on Thursday when it meets for the last time before Brexit on 31 October. While the BoE is likely to keep rates at 0.75 per cent, the betting is that the Fed will cut rates when it meets on Wednesday.

On the company front, Kingfisher chief executive Veronique Laury will on Wednesday announce her last set of results before exiting the door.

Laury will be replaced by Thierry Garnier a week after the first-half results are published following a torrid period for the DIY retailer. Payments company Paypoint has long helped Britons pay their bills. But can it adapt to the modern world? Analysts at Canaccord Genuity seem to think so. They highlight that Paypoint boss Patrick Headon “is undertaking a thorough review of the business with a view of reporting a strategic update” in November. The focus will be on boosting engagement with and satisfaction of the firm’s roughly 28,000 shop-owner partners and encouraging them to upgrade to Paypoint’s higher-tech products. Canaccord analysts say “Buy” with a target price of 1,450p.

BEST OF THE BROKERS

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

NEW YORK REPORT

Fed put in the spotlight but Apple weighs

A drop in Apple shares countered cooling US-China trade tensions on Friday as the S&P 500 ended the day down slightly but the Dow Jones closed the week in positive territory.

The Dow Jones Industrial Average rose 37.07 points, or 0.14 per cent, to 27,071.78. The S&P 500 lost 2.18 points, or 0.07 per cent, to 3,007.39 and the Nasdaq Composite dropped 17.75 points, or 0.22 per cent, to 8,176.71.

Apple was the biggest drag on the major stock averages feeling 10.99 per cent after Goldman Sachs cut its price target for the iPhone maker’s shares. “Apple is holding back the chip revenues,” said Peter Cardillo, chief market economist at Spartan Capital Securities in New York. “Another factor is we have a huge rally in [Treasury] yields, the 10-year up substantially. Those two factors are holding back the market and dampening the enthusiasm that some kind of cosmetic trade deal is on its way.”

Meanwhile, this week, as US-China trade tensions continue to roll markets, investors are counting on support for stocks coming from a Federal Reserve willing to cut interest rates to help the economy avoid a severe downturn. A quarter-point rate reduction is widely expected when the Fed issues its policy statement on Wednesday, which would be the central bank’s second such cut after lowering rates in July for the first time since 2008.

“If the Fed gives forward guidance that suggests less than what the market is thinking, then you will probably see markets sell off,” said Jamie Cox, managing partner of Harris Financial Group in Richmond, Virginia.

Markets are pricing in a near 90 per cent probability that the Fed will shave another quarter point from its current overnight lending rate of two to 2.25 per cent, according to the CME Group’s FedWatch tool. There is a roughly 65 per cent probability that the Fed makes at least one more quarter-point cut by the end of the year, according to FedWatch.

DELOITE

David Harris has been appointed as the first creative director of Deloitte in-house agency 366. David will oversee the firm’s creative studio, experiential and UX & Dev teams. He brings over 30 years of agency experience to Deloitte, with more than 20 years’ experience as an executive creative director, and joins the firm from Gryn London. Prior to this, David held the position of executive creative director at Wunderman, DraftFCB and IMP London. In 1999, he co-founded LDA, a creative agency specialising in customer communications, where he held the position of creative partner for eight years.

BDO

Accountancy and business advisory firm BDO has expanded its regional expertise with the appointment of two new partners. David Bouye, who has previously worked for BDO’s London office in Baker Street, joins the firm’s Guildford office as a tax partner, advising private clients on their tax and financial affairs. He rejoins the business following two years at Menzies.

David will specialise in developing tax strategies to help entrepreneurs and owner managed businesses to become more tax compliant and guide them to achieve their business and personal goals. Also joining the firm is Richard Cameron-Williams, who will be based at the firm’s Manchester office. His previous role saw him lead the Manchester office of BTYA Advisory. Richard joins BDO’s Northern forensics team, working with clients across Manchester, Liverpool and Yorkshire. He will primarily focus on valuation and investigation matters, appearing as an expert witness and developing an insurance offering at BDO. Paul Eland, managing partner at BDO, said: “Both David and Richard are bringing their expertise to our national offering, at what can only be described as a really exciting time for BDO. So far 2019 has seen us complete a successful merger with Moore Stephens, welcome more than 400 new trainees, our biggest intake yet, and appoint and promote over 30 new partners. These latest appointments demonstrate our commitment to continuing to help the UK’s ambitious, entrepreneurially-spirited businesses succeed.”

SP ANGEL

London-based investment bank and stockbroker SP Angel has appointed Sam Wahab as head of oil and gas. Sam has extensive oil and gas sector and market experience having been a ranked analyst at Cantor Fitzgerald, Arbuthnot Securities and Moody’s. Sam is a prize winning chartered accountant, qualifying from PwC’s energy team in 2010. SP Angel covers multiple sectors where it provides creative, investment banking solutions to growing companies.
HAVING been part of several world-class rugby teams, I reached a stage post-retirement when it was impossible to imagine ever being part of a team that was so trusting and technically brilliant again. Whether playing for Bath, England, or the British and Irish Lions, I had to adapt to my teammates very quickly. But now, as a co-founder of a company, I realise that there are many practical examples of rugby lessons that translate into the business world.

RULES AND REBELS
On the field, if you tell a talented player what to do, they tend to rebel. Conversely if you give players a framework, and then coach them to the point that they feel empowered enough to identify new ways forward, the rewards are much greater. The same applies in the workplace – employers need to give their talented workers the freedom to excel.

COMMON GOALS
In rugby, we defined monthly goals, which would then be broken down into milestones. These might relate to style of play in response to our competition, or the physical conditions that we were playing in. To succeed, we would need everyone on the team to be moving in the same direction on the pitch.

Sharing a common understanding of purpose and objectives, as well as an aspiration of the legacy that the team would want to leave behind, was critical for our success.

BE A GOOD SPORT
Understanding the personalities of your teammates and how they work is as important as understanding your own role and where your value lies. It may be that during the final moments of a game there’s an opportunity to come up with a new idea to help you win. We had to be able to trust that idea and execute the move.

The same principle applies in the corporate world. Having the ability to step into someone else’s shoes and understand what they are trying to achieve enables far greater levels of collaboration and productivity.

HEADS-UP
We always talked about “heads-up” rugby, which is about players having the foresight to seize an opportunity rather than moving to a pattern. Players will set out to execute a pre-agreed plan, but once the ball is in play, they need to be able to respond in flight. Similarly, in business there’s a clear advantage in retaining a broader perspective and being able to act intuitively to deal with a situation as it unfolds. The trick is planning for multiple scenarios.

VICTORY GAMES
In the sporting world, there’s an opportunity to improve every single day. A rugby team will have their next game in seven days, so there isn’t the luxury of waiting for a three-month review. This makes the environment extremely fast-paced.

There is huge scope in the business world to be more agile when it comes to making decisions and rewarding small achievements in the same way. Just ask yourself every day, how can I make this better?

ON THE BALL
When coming off the field, players should be able to review that day’s performance and have input as to what can be done better. It’s important to invite a culture where individuals are able to put their ideas forward, with respect to both what they are doing and what the company is doing.

The environment that you create, both on and off the field, allows the players to thrive.

Matt Perry won 45 caps for England, Barbarians and British & Irish Lions between 1997 and 2002. He is the co-founder and chief executive of Transition 15.
As London’s Indian summer continues, the City is looking east for future partners

Peter Estlin

I believe that London, and more broadly the UK, can be a key knowledge partner for India in its fintech journey. I also recognise that we are in a strong position to help India access the innovation taking place in our country.

To this extent, during our visit I’ll be offering to help find solutions for Indian businesses, leveraging the expertise of UK fintechs to solve outstanding issues and plug gaps in know-how.

India is an important partner for the City, and we are home to more than 15 Indian financial services firms, including the State Bank of India and GIC, as well as the world’s largest market for Rupee-denominated Maturities.

The City of London Corporation has a longstanding programme of work in India, opening an office in Mumbai over 12 years ago. We work with the UK government and the Indian High Commission in London in various areas, including fintech, helping Indian and UK firms enter each other’s markets.

The announcement last week that international students will be allowed to stay in the UK for two years after graduation to find a job was an important signal that we remain open to the world’s best talent. Whatever happens with Brexit after 31 October, the City’s future will continue to be determined by the strength of our international ties, particularly with important economies like India. It is vital we don’t forget this, come rain or shine.

Peter Estlin is lord mayor of London.
Ignore the doom-and-gloom headlines – people in today’s Britain keep getting happier

THE NEWS gives us plenty to worry about these days. From trade wars to political polarisation, the world seems full of risks. It is therefore perhaps surprising that – as far as we can tell – people are getting happier.

The Office for National Statistics (ONS) surveys 150,000 people in the UK every year, and has been finding that levels of satisfaction with life and a sense of purpose have steadily increased since the survey started in 2012. Large-scale surveys from the United Nations tell a similar story.

So, what could be that is making people so happy?

Having a job makes a big difference. Money is obviously important, but a sense of belonging, structure and purpose matters too.

Levels of satisfaction with life and a sense of purpose have steadily increased since 2012

More spending power than they did in 2008. The minimum wage has increased by 26 per cent in real terms since 2007 – far faster than growth in average incomes.

Household balance sheets have also benefited from low interest rates, which have increased the value of housing and reduced the cost of borrowing. The wealth of the average UK household has risen from just over £43,000 to about £70,000 since 2008. The burden of debt relative to income has fallen, and debt-servicing costs are at their lowest ever levels.

It is not just the economy that has lifted the nation’s mood. The fact that people in Northern Ireland consistently exhibit higher levels of happiness than higher-earning Londoners, or even that people in Costa Rica, a middle-income country, report greater levels of happiness than in far wealthier Japan demonstrates that there is more to happiness than money.

A raft of less publicised social and welfare indicators for the UK suggest that, whatever the headlines might be telling you, our everyday lives could be getting better.

Healthy life expectancy has continued to rise, as have survival rates for all the main cancers and heart disease.

Our roads are getting safer. Atmospheric pollution, measured by the emission of chemicals such as sulphur dioxide, nitrogen oxide and particulates, has fallen significantly since the turn of the century.

Binge-drinking, drug use and smoking have declined among 16-24-year-olds. The divorce rate has been on a downward path since its high-point 25 years ago. The number of offences recorded by the Crime Survey for England and Wales has fallen from a peak of 19.1m in 1995 to 10.3m in 2009, and 6.1m today.

Of course there are plenty of areas where society is facing serious problems – obesity, homelessness, and knife crime, to name but three.

But the good news is that, on average, people appear to be getting happier. Could it be that life isn’t, after all, quite as bad as we at times think?

Are business transformation programmes a waste of time and effort?

Alarm bells should go off in a leader’s mind whenever anyone claims to offer a silver bullet for improving employee behaviour and transforming a firm. The best any business can achieve is “promising practice”. Each organisation can only expect to succeed in its transformation if the programme is uniquely designed to match that of its own culture and people.

Additionally, people do not always behave in a rational way. Even if employees are presented with information to offer them an improved way of working, evidence suggests that they won’t change their behaviour. A study by Said Business School looked at failed transformation programmes, and found that the most common cause of project failure was cognitive bias or issues caused by personal assumptions.

They therefore need to think through how that unit will drive change into the rest of the organisation, or run it as a stand-alone business.

If you keep this in mind from the start, these programmes can drive a successful transformation and ensure that, with everything changing, your business isn’t left behind.
The pound has been one of the biggest casualties of Brexit so far. Sterling has lost around 10% of its value against the US dollar and the euro since the UK voted to leave the EU in June 2016 and shed 5% versus the yen. It has lost over 16% since the referendum was called in February 2016.

One consequence of this is already clear: foreign firms are taking advantage by buying UK assets on the cheap. Companies from North America, Europe, Asia and elsewhere have bought nearly 1,000 UK companies for over £230 billion since the referendum was held, according to data from the Office for National Statistics. In comparison, UK businesses have purchased just under 500 overseas businesses for £106 billion.

Brexiters claim Britain can reinvigorate its position on the world stage after it leaves the EU, but the fact is UK businesses are being swallowed up by foreign firms, not the other way around. This includes well known consumer brands like GHD Group and Dairy Crest, but the UK has also lost some of its most strategically important businesses to overseas buyers, like semiconductor makers ARM Holdings and Imagination Technologies, as well as vital infrastructure like Gatwick Airport.

Japan’s Softbank launched its bid for ARM less than one-month after the referendum was held and Hermann Hauser, one of the founders of the chipmaker, said the sale was opportunistic considering the pound had lost so much value versus the yen. He said Softbank’s takeover of ARM was “sadly one of the unintended consequences of Brexit”.

The president of French firm Vinci, which recently completed its purchase of a majority stake in Gatwick Airport after launching a bid late last year, said he “would not even have dreamed of being able to acquire such a prized asset for so cheap just a few months earlier.

There are other factors at play. Private equity groups are flush with cash and many UK assets have had Brexit-discounts slapped on them. The state of sterling is not the sole reason for the slew of foreign takeovers, but it has encouraged them to take the plunge.

Most of the biggest takeovers since the referendum have looked flatter- ing at first glance, often being made at large premiums. But, in some cases, these ‘premiums’ are not as appealing as they first seem. Take one of the most recent takeovers as an example. A company controlled by Hong Kong’s richest man, Li Ka-shing, has agreed to buy British pub chain Greene King for £4.6 billion. That is 50% higher than Greene King’s share price before the bid was launched, which understandably wooed investors. But the price is less enticing when you consider the stock had lost more than 28% since the referendum vote while sterling had dropped 10% against the Hong Kong dollar. The notion that Greene King has potentially been sold off on the cheap is cemented by the fact its property portfolio alone was valued at £4.5 billion at the end of April.

The pound is still flirting with its post-Brexit lows against the dollar and the euro, and investors should expect more foreign takeovers while the pound is low. However, they should take a closer look at the premium before celebrating.

British business is currently the target of short-term opportunists, but this will have long-term consequences. Many have called for the UK government to tighten controls over foreign takeovers but to no avail. For now, Britain remains a bargain for overseas investors and the shop doors are open.
ENTREPRENEURS

Luke Graham finds out how tech is innovating the gym market from the founder of F45

Fitness is a cut-throat business. Competition is intense: there are over 7,000 gyms in the UK, and the market is worth about £3bn. Around one in seven people are paying some form of gym fee.

Unsurprisingly, new fitness brands are popping up all the time to capitalise on the health and wellbeing trend. To stand out in this crowded field, innovative gyms are adopting the latest technology in order to take exercise into the global era.

One of the most successful of these – the fastest-growing chain in the world, in fact – is F45. F45 (the “F” stands for functional) is a franchise business of boutique workout studios. For around £200 a month, gym members gain access to unlimited 45-minute classes which combine high-intensity interval training with exercise circuits.

Human instructors are present, but video screens around the studio also guide members through each exercise. Workouts are varied and the focus of classes changes every day, just to keep customers on their toes.

F45 is innovating in this space by putting a far higher price on their training – it has been described as having a “cult-like” appeal. That appeal seems to be working, as F45 has become something of a global phenomenon.

Since first opening in Sydney in 2011, the company now operates in 45 countries with a network of 1,750 studios. It first appeared here in early 2017, and by the end of 2018, it had opened 30 studios in the UK (including two in the heart of the City, in Leadenhall Market and Cannon Street). The plan is to have 100 UK franchises by 2020.

As a result, the brand is reportedly worth about £5bn. Around 1,100 new fitness brands open each year, with most of them failing within the first year. But F45 has a cult-like appeal that is attracting huge numbers of people.

For him to give the tick of approval to the workouts is very rewarding for me and the team.”

F45’s fees may seem steep compared to budget providers like Pure Gym, where a membership costs just £13 a month. But with consumers placing an ever higher value on their fitness, Deutsch argues that boutique gyms offer something special and innovative.

“Mark loves it. I think he loves it more than me,” exclaims F45 co-founder Rob Deutsch.

“His an amazing ambassador, and he’s seen everything – he’s had every great personal trainer and been to every gym you can possibly imagine. So for him to give the tick of approval to the workouts is very rewarding for me and the team.”

WARMING UP

The idea for opening F45 came when Deutsch – a former equities trader and keen sports fanatic who had played semi-professional cricket and rugby – believed that he’d spotted a gap in the health and fitness market.

“Commercial gyms were charging $5 a week, where all clients were getting was a rack of dumbbells and barbells. But the only people I could see getting results were those paying personal trainers $80 to $100 a session, so $300 a week,” he explains.

“That’s why I started at $45 a week, which sat in that sweet spot. I wanted to provide an environment where clients got tonnes of innovation, motivation, and results in their sessions.”

NO PAIN, NO GAIN

Fans of the brand boast about the sense of community that F45 generates – it has been described as having a “cult-like” appeal. That appeal seems to be working, as F45 has become something of a global phenomenon.

Since first opening in Sydney in 2011, the company now operates in 45 countries with a network of 1,750 studios. It first appeared here in early 2017, and by the end of 2018, it had opened 30 studios in the UK (including two in the heart of the City, in Leadenhall Market and Cannon Street). The plan is to have 100 UK franchises by 2020.

As a result, the brand is reportedly worth about £5bn. Around 1,100 new fitness brands open each year, with most of them failing within the first year. But F45 has a cult-like appeal that is attracting huge numbers of people.

For Hollywood’s Mark Wahlberg to give his tick of approval to the workouts is very rewarding for me and the team.”

F45 is innovating in this space by putting a far higher price on their training – it has been described as having a “cult-like” appeal. That appeal seems to be working, as F45 has become something of a global phenomenon.

Since first opening in Sydney in 2011, the company now operates in 45 countries with a network of 1,750 studios. It first appeared here in early 2017, and by the end of 2018, it had opened 30 studios in the UK (including two in the heart of the City, in Leadenhall Market and Cannon Street). The plan is to have 100 UK franchises by 2020.

As a result, the brand is reportedly worth about £5bn. Around 1,100 new fitness brands open each year, with most of them failing within the first year. But F45 has a cult-like appeal that is attracting huge numbers of people.

For Hollywood’s Mark Wahlberg to give his tick of approval to the workouts is very rewarding for me and the team.”

F45 is innovating in this space by putting a far higher price on their training – it has been described as having a “cult-like” appeal. That appeal seems to be working, as F45 has become something of a global phenomenon.

Since first opening in Sydney in 2011, the company now operates in 45 countries with a network of 1,750 studios. It first appeared here in early 2017, and by the end of 2018, it had opened 30 studios in the UK (including two in the heart of the City, in Leadenhall Market and Cannon Street). The plan is to have 100 UK franchises by 2020.

As a result, the brand is reportedly worth about £5bn. Around 1,100 new fitness brands open each year, with most of them failing within the first year. But F45 has a cult-like appeal that is attracting huge numbers of people.

For Hollywood’s Mark Wahlberg to give his tick of approval to the workouts is very rewarding for me and the team.”
**TRAVEL**

**ZURICH, SWITZERLAND**

**WHERE TO STAY**
Baur au Lac is a discerning five star hotel a few skips away from the lake. Steeped in history, it offers sumptuous suites, delicious afternoon tea at Le Hall and an outdoor restaurant, Baur au Lac Terrace. Visit bauraulac.ch

**WHERE TO GO**
Take a round trip cruise on Lake Zurich to enjoy the surroundings from a different perspective. Take the longer tour to Richterswil, where you’ll be fed depending on the time. Visit zurich.com

**WHERE TO DRINK**
Head over to Barfly’z, this stylish bar which fills up with Zurich’s local trendy crowd. It has over 200 different cocktails on offer and plenty of spirits to indulge. It’s a relaxing bar oozing casual elegance. Visit barflyz.ch

**WHERE TO EAT**
Head to Brasserie Lipp, where you’ll feel like you’ve stepped back in time in this art deco restaurant. It offers great classic French cuisine, delightful cocktails and the perfect pairing of wine. Visit brasserie-lipp.ch

**Josh Martin joins some old dogs learning new tricks on the edge of the Serengeti**

We bounced along at high speed, our eyes glued on the dramatic chase unfolding on the Serengeti plains. An agile, golden-coated beast bounded forward in pursuit, its rowdy team straining to catch up. The target now covered in a small thicket of acacia tree, a fairly lame strategy but it looked to be all it had. This wasn’t going to be pretty.

Heading on a Tanzanian safari, it was a near-certainty I’d bear witness to a little “circle of life” carnivore carnage. I was expecting the most intense encounters with lions, hyenas, and maybe some cheetahs and leopards too. But the most exciting savannah chase where a domestic dog is the star pursuer? That’s a new one. The canine, a rescued Belgian Malinois named Dj, took less than a minute to reach its “prey” – that would be the two stand in animal poachers cowering with contraband. Gun shots permeate the air for heightened drama.

We’re joining a training session with ex-British Army man Wesley Gold and his Canine Anti-Poaching Unit on the Grumeti Reserve, where a squad of four dogs and nearly 20 handlers and team members are put through their paces. Wesley shares impressive statistics of the unit’s total haul of illicit animal goods, stressing that it’s not just rhino horn and elephant tusk being trafficked through these plains from the Serengeti National Park, but the more-prolific, less-headline-grabbing bushmeat trade which slaughters monkeys, impalas and zebras for human consumption and with it, decimates the herbivore foundation of the famous ecosystem. A chocolate lab mutt named Tony is now on the hunt. He may look more at home in the leafy suburbs of London, but out among the tall grasses and thickets of Grumeti he’s earning his keep, sniffing out a lion’s touch within a thicket less than two minutes after he jumped from his cage.

The unit’s militant approach to conservation is in stark contrast to the history of the Grumeti concession. Less than 20 years ago it was attempting to lure game hunters, and was faced with a total collapse in the numbers of big cats and herbivores and the healthy ecosystem that these crowd pleasing animals symbolise.

In 2002 the Grumeti Fund, a not-for-profit organisation, was granted the right to manage the 350,000 acres of grasslands adjacent to the Serengeti National Park. The owners brought in South African luxury safari company Singita to operate an exclusive quartet of boutique lodges and camps. Now wealthy tourists can pay to join anti-poaching canines and have sundowners and tracker dogs dicing with the big beasts that have in time returned to the Grumeti.

But before learning of the conservation effort or meeting tracker dogs Dj, Popo, Radar and Tony, the evidence of the dramatic turnaround greeted us minutes after touching down on Singita’s red dirt airstrip. Our guide for the week, Anicet, interrupted pleasantries and handed me binoculars to see a herd of buffalo grazing by the airport. Moments into our transfer to Singita Sabora Tented Camps we were face-to-face with a family of elephants numbering two dozen making short work of some roadside shrubbery. Two of Africa’s Big Five in the first ten minutes – these guys are good.

While conservation and sustainability is woven through the work of Singita within Grumeti reserve, it was abundantly clear that our trip was to arrive at both Singita Sabora Tented Camp and its sister property Singita Faru Faru Lodge. As a safari novice, when I saw a tented camp on my itinerary, thoughts of music festival yurts popped into my head. Singita’s version now becomes my bare minimum of camping, although I doubt I’ll be gazzing out at zebras and Thomson’s gazelles grazing from my outdoor shower at my next canvass-covered accommodation. There was a perfect dichotomy of emptiness and abundance. With no fences, no blocks of concrete on the far horizon, nothighbours numbering a few buffalo and a family of warthogs, we were blissfully cut off and living on the edge of the world. Yet, in our cocoon we were expected nothing: Manambo, our butler, oversaw a craft gin collection to rival any shelf in Shoreditch, serengeti lagers were downed poolside staring out at the beer’s namesake and, somehow, lobster tail and expertly-seared yellowfin tuna steaks made an appearance at dinner.

Singita’s collection of tented camps and lodges are undoubtedly five-star, but levels of luxury on here are not measured on the usual regal Richter scale of thread counts, butler service and infinity pools – although Singita Faru Faru Lodge easily ticks those boxes as well. Singita spoils us with exclusive access and its unrivalled location: If the world-famous Serengeti National Park is the National Geographic version of a nightclub dancefloor, Grumeti Reserve is the cordoned-off VIP area of 350,000 acres. Life is very good behind the velvet rope. And good enough too for the BBC crew filming the latest Serengeti series who we parked beside to watch a cheetah laze in the shade of an acacia tree.

Anicet, who sticks with us from Sabora to Faru Faru on the other edge of the reserve has conjured up a herd of thousands of migrating wildebeest a week before they were due and ensures we know how lucky we are – not just to see part of one of the world’s greatest migrations but to have the view all to ourselves. “The Mara river crossing is iconic so there are many tourists, but it’s having consequences for the animals. Most manage to avoid the croco-
diles, but when they make it to the other side and up the bank, they’re confronted with 40 to 50 safari jeeps and cameras and they get scared and often fall back into the Mara. It’s terrible.”

Scanning across our amber plain at more than 2,000 wildebeest, two herds of zebra, scores of impala, a few loner kudu, one lioness taking her sweet time to pick a target as they all trudged past her and there is just one other Singita Land Rover. I struggled to envisage Anicet’s concerns of human obstruction at the Mara river crossing while we were this outnumbered. As if by prompt, and just as Anicet says “c’mere baby, when will you strike,” the lioness we’re stalking lunges at a wildebeest who’d wandered too close. Dust rises as the migrating cohort marches past, the predator’s taut muscles and suffocating bite overwhelming this unlucky grazer.

Circle of life, I tell myself. Anicet reminds us this is only one of a handful of time he has witnessed a lion kill. To us it now seems all part of the Grumeti service: personal drivers, ponchos, pools and elephants on arrival. Scandi-mets-Serengti decor. Sipsmith G&Ts and tree-scaling leopard cubs. And – best of all – the lesser-spotted Canine Anti-Poaching Unit.

**NEED TO KNOW**

*Expert Africa* ([expertafrica.com](http://expertafrica.com)) offers a 6-day safari in the Serengeti staying at Singita Sabora Tented Camp and Singita Faru Faru Lodge from £7,715pp, based on two sharing. Includes 5 nights full board accommodation on safari, including all drinks, conservation fees, wildlife activities in the private Grumeti Reserve, local light aircraft flights and all local transfers, one night at an airport hotel at Kilimanjaro International Airport and return economy flights from London.

---

**Monday blues?**

[Text ads]

---

**norwegian**

The world has never been closer
Sale now on.

Fly from

£135"
Check your passport is valid for travel to keep your journey on track

The rules are changing for UK passport holders travelling to Europe after Brexit. This means you may need to renew your passport earlier than planned.

Plan ahead and use the online passport checker today at [gov.uk/brexit-check-passport](https://www.gov.uk/brexit-check-passport)

Get ready for Brexit
THE WORLD CUP WIDOWS

Michael Searles examines which Premiership clubs will be hardest hit by the tournament

T IS always a special occasion when Bath Rugby play Bristol Bears under the floodlights at Ashton Gate in a West Country derby, even more so when it is the opening fixture of the Premiership season.

On this occasion, however, there will be some notable differences. The Premiership’s opening weekend will take place later than usual, commencing on 18 October, and with the World Cup simultaneously reaching its latter stages, there will be a number of key personnel missing.

The blue, black and white of Bath will be forced to line up on that Friday night without England stars Anthony Watson, Joe Cokanasiga, Jonathan Joseph, Sam Underhill and Ruairidh McConnochie – brought in last season due to the absence of key personnel.

From the Somerset outfit are one of the clubs hit hardest by the World Cup, although were he not he would be representing his country.

Premiership clubs have already begun their pre-season training and the Somerset outfit are one of the clubs hit hardest by the World Cup, although like all teams they will be accustomed to at times dealing without their international stars.

SURPRISINGLY FEW

In the absence of top-flight games, the Premiership Rugby Cup, which replaced the Anglo-Welsh Cup last season after a last-minute opportunity for young players to shine, will bring a feeling of normality.

Yet ramifications of the World Cup will be felt well into the start of the Premiership season as players return to their club sides at various stages, dependent on how far their country progresses, what their fitness or injury status is, and how much time off they are owed.

Unsurprisingly, Saracens are set to be hardest hit, with 15 players involved in Japan and many likely to reach the knockout stages. Among them are the likes of England’s Owen Farrell, Maro Itoje, Billy and Mako Vunipola, Liam Williams of Wales and Scotland’s Sean Maitland.

They are perhaps equally the team best placed to cope with the loss of key players, though, as they have tended to on their way to back-to-back Premiership titles, with players such as Will Skelton, Alex Lozowski, Ben Spencer and European Player of the Year Alex Goode all absent from the World Cup.

Their rivals, successful Premiership runners-up and the likely biggest challengers to their crown again, Exeter Chiefs, have surprisingly few set to be involved in Japan.

With Sam Simmonds, Ben Moon, Gareth Steenson and Ollie Devoto all left behind, the Chiefs could run away with the league and finally progress to the Champions Cup knockout round, although it will come too soon to help them overtake Saracens should they meet in another play-off next year.

Saracens are the hardest hit, with 15 involved in Japan and many likely to reach latter stages and Joe Marler, who made a late decision to rescind his retirement from international rugby, Northampton will be without Courtney Lawes, Lewis Ludlam, Piers France and Welsh fly-half Dan Biggar among their seven absent players.

Newly-promoted London Irish also boast a number of players who have signed for the new campaign and will only join the squad for the first time after the World Cup: Australia’s Adam Coleman, Samoa’s TJ Ioane, who joins from Sale, Scotland’s Allan Dell, who joins from Edinburgh, and former Leicester lock Steve Mafi of Tonga.

Elsewhere the Bears will be missing Samoa quarter James and Jordan Lai, Chris Vui and Alan Puia as well as Tonga’s Siale Piutau, and there could be cause for concern at Exeter Tigers, who were embroiled in a relegation scrap and finished outside the top six for the first time ever last season.

They will have to start the campaign without key players, including Ben Youngs, George Ford, Manu Tuilagi and Jonny May among their eight absentees, although the promoted 13-team league from next year may yet spare them and mean no relegation this season anyway.

Norwich win showcases early-season excitement

New players to purr over and a wobbly City back four? Perfect, says Frank Dalleres

THERE is an invigorating unfamiliarity to the new Premier League season, with some eye-catching displays from the promotion rivals, showcasing a new cast of exciting players and, most surprisingly of all, a feisty start to their title defence from Manchester City.

Norwich City’s improbable 3-2 victory over City on Saturday evening wrapped all of those elements into one thrilling package.

Daniel Farke’s team arrived in the top flight on the crest of a wave, having swept to the Championship title with ruthlessness and swagger, and while their opening 4-1 defeat at Liverpool last month was chastening it served notice of their intention to remain on the front foot.

ANOTHER WAY

It might be a gamble – at Carrow Road they have thrashed Newcastle and ended up on the wrong side of a five-goal contest with Chelsea, while away from home they lost at West Ham – but it is a calculated one. When it works, their plan delivers exciting, intricate football.

Against City it delivered in spades. They rode out the early storm and then got a foothold through Kenny McLean’s header. Once there, it would have been easy to retreat, but instead they continued to pour forward on the break and doubled their lead.

Inevitably, the move involved three of the stars of their season so far, Emi Buendía, Teemu Pukki and Todd Cantwell. The tigerish Buendía won the ball in midfield, poacher Pukki scammed clear and then, with a superbly disguised pass, teed up the languid Cantwell for a tap-in. Pukki would later get his sixth goal already this term.

Some clubs – Fulham last year, Aston Villa this and those two on their way to promotion for winning promotion in the belief that the men that took them up will not be easy to stay there.

Norwich, like Bournemouth and Brighton before them, are proving there is another way.

City manager Guardiola now finds his team five points off leaders Liverpool already and in the midst of something a defensive crisis.

CHASING

Nicolas Otamendi contrived to hand Liverpool a defensive opportunity as he and John Stones attempted to play out from the back.

Bruno Varela and Stones are City’s only fit recognised central defenders, with Aymeric Laporte still well off the pace for at least another month and Vincent Kompany sidelined.

With Liverpool yet to drop a point, Guardiola is in a race to find a solution before City see the gap with 36 matches coming and it is all the more fascinating for it.
Sanchez Flores puts the bounce back in Watford

Manager enjoys rousing draw as Hornets sting sloppy Arsenal, writes Frank Dalleres

NEw manager bounce is not reserved for brand new managers, as Quique Sanchez Flores proved on Sunday when his second spell at Watford began with a rousing come-from-behind draw with Arsenal.

Trailing 2-0 against the run of play after two Pierre-Emerick Aubameyang goals in the first 32 minutes, it looked like being a bittersweet return to Vicarage Road for Sanchez Flores.

But if the Hornets had lost momentum with a run of 11 defeats in 15 Premier League games then this was a game to restore it. They may have only drawn and remain bottom of the table, but it felt like a win.

DEULOFEU IN DRIVING SEAT

Watford had not managed more than three shots on target in a league game this season before this weekend. Against Arsenal, they had 31 attempts on goal, of which 10 were on target.

At the forefront of most of their attacking play was the manager’s fellow Spaniard, Gerard Deulofeu. The winger tormented Arsenal’s jittery back four and it was his alert interception of the visitors’ shambolic attempt to play a short goal kick that allowed Tom Cleverley to slam past Bernd Leno and ignite the comeback.

GUNNERS DIG OWN HOLE

For all of Watford’s improvement, however, Arsenal were architects of their own downfall with yet more suicidal defending. Unai Emery’s team invited the hosts on to them all game and were fortunate to take the lead, let alone by two goals.

Matteo Guendouzi twice gave the ball away in dangerous areas when trying to play out before Sokratis restored a measure of justice to the scoreboard with a weak excuse for a pass to the Frenchman that was pounced on by Deulofeu.

David Luiz then handed Watford the penalty from which Roberto Pereyra equalised by dangling a leg in the way of the Argentina midfielder.

It is no coincidence that Arsenal have made more errors leading to goals than any other Premier League team since the start of last season. They have now conceded penalties in their last three games, too.

EMERY TACTICS BACKFIRE

Emery’s tactical tinkering, meanwhile, continues to baffle.

Here he reheated the diamond midfield that fell flat in the 3-1 defeat at Liverpool and, again, those involved seemed incapable of exerting even a modicum of control on proceedings as the match flowed wildly from one end to the other.

If the point of adopting different tactics away from home is to be more compact, less cavalier, then this had the opposite effect. Like much of Emery’s thinking, it is hard to decipher, and Arsenal are now seventh, without a win in three matches.

He seems hell bent on switching formations from one game to the next. Arsenal might be better served devising one strategy that gets the best out of their key players and perfecting that first.

AUBA, ARSENAL’S CRUTCH

This marked Mesut Ozil’s first appearance of the season, having been eased back into action following a security scare and then illness, and he put in a typically enigmatic display.

Ozil’s chief contribution was a perfectly weighted pass inside the full-back for Ainsley Maitland-Niles to square for Aubameyang’s second goal. Other than that, however he struggled to make an impact – perhaps not helped by a lack of midfield support.

With Alexandre Lacazette injured and record signing Nicolas Pepe still peripheral, Arsenal remain ever-more dependent on Aubameyang, who showcased his singular talents with a smart spin and instant finish past Ben Foster for the opening goal.
ENGLAND have produced two draws this summer, and while the first might ultimately be looked back on more fondly as it brought a trophy, the second carries plenty of meaning too.

In July England won the World Cup without winning the final in normal time. Yesterday they lost the Ashes despite not losing the series. And yet, as was repeated in every on-field interview at The Oval yesterday, 2-2 does indeed sound a lot better than 3-1.

The first drawn Ashes series since 1972 meant it was Australia popping the champagne corks and lifting the famous urn, but England’s 135-run win in the fifth Test did, in the words of visiting captain Tim Paine, put a “dampener” on proceedings.

After losing the fourth Test at Old Trafford to surrender any hope of reclaiming the Ashes, a dampener was the best England could hope for. Yet when Joe Root clung onto a brilliant one-handed catch at midwicket to dismiss Josh Hazlewood and seal the win with a day to spare, it felt like more.

Throughout a topsy-turvy series there have been many legitimate questions asked of England, who have so frequently veered from the sublime to the ridiculous. They left it until the final Test, and undoubtedly received some assistance from their opponents, but a convincing win went a long way to reassuring themselves and their doubters.

Root himself is the biggest beneficiary of England finishing an unforgettable summer on a high note.

With a second unsuccessful Ashes series guaranteed following the 185-run mauling in Manchester, the wolves were beginning to circle around England’s captain. His tactical decisions on the field, declining record with the bat and failure to convert starts into centuries had begun to develop from whispers into fully-voiced concerns.

Although scores of 57 and 21 at The Oval failed to silence his critics, the closing stages of the season had his name front and centre.

His off-spin had Mitchell Marsh grabbed at short leg by Jos Buttler before he stepped up to finish off the innings. Matthew Wade was stumped for 117 to break the final resistance and low catches in the legside did for Nathan Lyon and Hazlewood as Jack Leach returned 4-49. Root’s bowling and catching may not be his most important assets to England, but they provided a fitting conclusion to a vital win for team and captain.

The positives don’t stop there either. Leach’s efforts were exactly what was required from a spinner in the fourth innings. Stuart Broad’s brilliance, especially against left-handers, saw him lead the attack in the absence of Jimmy Anderson and finish with 23 wickets at an average of 26.65.

Jofra Archer’s emergence as a world-class Test pace bowler was assumed yet shouldn’t be downplayed. Throw in Rory Burns’s 390 runs in 10 innings at opener and Joe Denly’s battling 94, and England have ticked more boxes.

With Trevor Bayliss leaving, England need a new head coach. Thankfully it looks as though they don’t need many other replacements.

The best stories are yet to be written

We believe in creating opportunities with football.

That’s why we’re committed to helping every girl have access to football in schools by 2024.

#AllToPlayFor