EY plans private equity expansion as audit reform looms over Big Four

EXCLUSIVE
JAMES BOOTH
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BIG FOUR firm EY is planning a major private equity push as it grapples with potential regulatory changes that could dramatically alter the face of the firm. Its transaction advisory division is understood to be seeking to boost its capabilities in the private equity sector, with the goal of winning more lucrative private equity sell-side mandates.

Options being examined include redirecting current partners to focus on sell-side appointments and bringing in new partners to increase the team’s firepower.

The potential expansion is being looked at as a long-term play, with some of the major deals the firm is hoping to win expected to come to fruition in two to three years’ time. EY is also seeking to strengthen its deal origination function, with sectors such as energy, technology, media and telecoms and life sciences earmarked for investment to help the firm win more deals.

One of the reasons for the expansion is understood to be impending government reforms that could lead to the advisory businesses of the Big Four firms being split from their audit arms. However, a source close to EY denied audit reform had affected the firm’s expansion plans.

A spokesperson said: “Like any well-run business, we are always looking to attract and retain the best talent to support our growth.”

Last week, EY said its UK and Ireland chair and managing partner Steve Varley was stepping down from the latter role, moving to a new position as global vice chair for sustainability.
A willingness to adapt and change, but it must be part of the process. Business is not just about regulations. The freedom to make our own laws is a prize much valued by Brexiters. Javid’s message does not mean regulations will diverge in every case, nor does it mean that standards will necessarily drop – although, to be sure, if Downing Street is hoping to strike a deal with Trump during the run-up to a US presidential election, this logic will be tested. However, a UK-US trade deal is likely to take some time, and there is no need to run for the hills, having the option to diversify and actually using the freedom to do so are not the same thing. Business will need to weigh the pros and cons, consider the economic impact and prepare for a worst case scenario. It will be incumbent on the government to actually use the freedom to do so, not just talk about it.

Don’t run for the hills over EU non-alignment

However, the rise was not enough to tip the market. The number of people looking for jobs in the City surged between November and December, according to a new report, suggesting that Boris Johnson’s emphatic election victory could prove a turning point for the Square Mile’s jobs market. However, the rise was not enough to outweigh the bruising effects of a year of Brexit uncertainty, and the City’s jobs market finished 2019 in a considerably worse position than it was in just a year earlier. The number of people looking for jobs grew by 38 per cent between November and December, according to data released today by recruitment firm Morgan McKinley. The PM has been credited with boosting the UK economy.

Over the same period, the number of jobs available grew six per cent. Yet compared to a year earlier there was a 42 per cent decrease in the number of jobs available in the final three months of the year, reflecting a torrid period as the final Brexit deal was negotiated and a General Election was held. There was a 31 per cent fall in jobseekers over the same period, the report said. Hakan Enver, managing director at Morgan McKinley Financial Services, said the data showed the UK economy is improving after a bad year.

He said: “2020 will mark a turnabout for the City. You could hear a collective sigh of relief across London when the election results came in.”

“Everyone is sick and tired of Brexit and eager to put it in the rear-view mirror.”

However, recent data from Natwest showed that London firms became more worried about Brexit as the government’s position on negotiations became clearer over the last few months of 2019. The capital is now more pessimistic about Brexit than the rest of the country. Enver said that firms are ready for things to change after the year-long transition period that will begin when Britain leaves the EU on 31 January. The government has until the end of 2020 to negotiate a comprehensive trade agreement with its biggest export market. “Businesses have spent over two years preparing for a worst case scenario. It was unpleasant and it was costly, but they are ready. There isn’t much the divorce can throw our way that can’t be handled.”

Square Mile jobs market gains pre-election boost

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ATTENDEES at this year’s World Economic Forum, which begins today in Davos, are set to include US President Donald Trump, German Chancellor Angela Merkel and climate activist Greta Thunberg. Ex-PM Theresa May is also set to give a speech to the assembled bankers and business leaders. The Mail on Sunday said the ex-Tory leader could command a fee of up to £50,000.
Election house price surge sets a winter record

The number of sales agreed spiked 7.4% per cent during the same period as buyers made the most of the renewed political certainty. Rightmove director and housing market analyst Miles Shipside: “These statistics seem to indicate that many buyers and sellers feel that the election result gives a window of stability. The housing market dislikes uncertainty and the unsettled political outlook over the last three and a half years since the EU referendum caused some potential home movers to hesitate.”

He added that the UK should expect an “active spring market” following the release of “pent-up demand”. London’s property market has also benefitted following the General Election. In December, 31 per cent of chartered surveyors saw a rise rather than a fall in enquires from new buyers, up from minus 12 in November, according to the latest Rics data.

“They have absolutely seen a post-election bounce – quite substantially actually,” said Marc von Grundherr, director at Benham & Reeves.

PM proposes to move House of Lords to York in northern appeal

CONTINUED FROM FRONT PAGE

Speaking on Sky News yesterday, Conservative party chairman James Cleverly confirmed the government was considering the move. “What we’re looking at is a whole range of options, making sure that every part of the UK feels properly connected to politics,” he said.

It was also revealed yesterday that Labour leader Jeremy Corbyn has nominated his chief of staff Karie Murphy, former speaker John Bercow, and ex-deputy Labour leader Tom Watson for life peersages. Bercow was the first speaker in centuries to not be awarded a life peerage after resigning his position at the end of last year.

“The snub was seen as a rebuke to his perceived partisanship over Brexit while in the speaker’s chair. Murphy, meanwhile, was nominated after spearheading Labour’s worst electoral defeat since 1935. Former Tony Blair press secretary Alastair Campbell labelled the move as “hypocritical” and “a reward for failure”.

TETE-A-TETE Johnson tells Putin the UK will not thaw frosty Russian relationship

Prime Minister Boris Johnson told Russian President Vladimir Putin yesterday there would be no normalisation of the two countries’ relations until Moscow ends its “destabilising activity” that threatens global security. The meeting followed Putin’s move to shake up the Russian constitution last week, in a bid to secure his own power.

The BBC said leaked documents showed Isabel dos Santos, daughter of the ex-president of Angola, had sent millions out of the country to companies she was connected to. dos Santos’ companies. The firm said it had terminated its relationship with dos Santos and had launched an internal inquiry. A spokesperson for PwC said: “We have also taken action to terminate any ongoing work for entities controlled by members of the dos Santos family.”

PwC investigating links to Angolan billionaire accused of massive fraud

BIG FOUR accountancy firm PwC is in the spotlight over its connection to Africa’s richest woman who has been accused of looting her home country. The firm said leaked documents showed Isabel dos Santos, daughter of the ex-president of Angola, had sent millions out of the country to companies she was connected to.

They added: “We have also taken action to terminate any ongoing work for entities controlled by members of the dos Santos family.”

Tom Keatinge of the Centre for Financial Crime and Security Studies told the BBC that PwC had given legitimacy to dos Santos’ companies. “PwC, if not facilitating the corruption, are providing a veneer of respectability,” he said.

dos Santos said the accusations were politically motivated.
Third of retailers warn on profit in difficult 2019

JESS CLARK
@jclarkjourno

A THIRD of retailers issued a profit warning last year following a “bruising” year for the UK high street.

For the second year in a row, a third or more of the FTSE retailer sector warned on lower profits over the course of 2019.

The number of profit warnings fell from 36 in 2018 to 32 last year, with just four warnings issued in the final quarter.

However, the crucial Christmas trading period was disappointing for many retailers, and profit warnings in January have already topped many retailers, and profit warnings in January have already topped those in the same month a year earlier.

According to EY research, profit warnings for UK businesses overall were “exceptionally high”, rising nine per cent year-on-year to 313 — the most recorded since 2015.

Retailers issued the most warnings during the year, followed by industrial support services, and software and computer services.

EY restructuring partner Lisa Ashe said: “Weak consumer confidence, rising costs and intense promotional activity have created an exceptionally tough climate for retailers, who face an additional race to adapt to rapidly changing shopping habits.

“Post-Christmas trading updates once again underlined the stark contrast between the retailers that are creating compelling, engaging online and store offering, and those who have fallen behind.”

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During the fourth quarter, 22 per cent of profit warnings blamed political uncertainty, while a third cited delayed or cancelled contracts.

Only 10 per cent blamed changes to the structural business model.

“Retailers who are adapting to the new retail environment are the ones with successful profit warnings,” said Ms Ashe.

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Landlord Intu to seek £1bn emergency cash after spate of retail insolvencies

JESS CLARK
@jclarkjourno

SHOPPING centre landlord Intu is preparing to launch an attempt to raise £1bn in emergency funding following a torrid year for the UK retail industry.

The property firm, which owns Manchester’s Trafford Centre, has been hurt by the challenges facing the retail industry, as brands such as Topshop, Debenhams and House of Fraser have closed stores or sought rent reductions.

The rights issue is expected to be launched with the firm’s full-year results at the end of next month or shortly after, according to the Sunday Times.

In November, Intu said fixing its balance sheet was its “number one priority”.

“We continue to consider all options to put us in the best position to deal with both our short and medium term liquidity requirements as we approach our next material debt maturity in early 2021,” the company said.

“These options include disposing of assets, where we are in the advanced stages of selling two of our Spanish assets, through to raising equity, which is also likely to form part of the solution,” it added.

The company sold its shopping centre in Zaragoza, Spain last month.

City businesses change their tune over Brexit

HARRY ROBERTSON
@harrygrobertson

LONDON firms are now more pessimistic about the effect Brexit will have on the economy than the UK as a whole, a new analysis has shown, despite being less daunted than the rest of the country by the prospect a year earlier.

However, the capital’s businesses remain more confident than the rest of the UK about their trading prospects, hiring intentions and the health of the economy, analysis by Lloyds Bank of its monthly business barometers showed.

Lloyds senior economist Hann-Ju Ho told City A.M.: “London firms’ optimism towards the UK leaving the EU saw a flip change from 2018 to 2019.”

He said that in 2019 “prolonged uncertainty disrupted planning and above average optimism turned into a net balance of 19 per cent of the city’s companies” saying Brexit would be bad for business.

In Lloyds’s latest business barometer, a net balance of 26 per cent of surveyed London felt negatively about Brexit. It marks a change from November 2018, when firms were relatively sanguine.
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HARRY BANKS

THE VALUE of overseas acquisitions by UK private equity firms was more than three times that of domestic deals last year, as investors sought to diversify their portfolios ahead of Brexit.

UK firms acquired £25.7bn of international businesses in the 12 months to 31 August 2019, up 50 per cent from £17.1bn the previous year.

This compared to £7.9bn of UK companies snapped up in the same period, according to data from accountancy and business advisory firm BDO.

Several overseas deals in 2019 included Bridgepoint’s acquisition of Dutch catering and hospitality business Vermaat Groep for close to €790m (£674.5m) and Cinven’s investment in US software provider Jaggaer in a deal that valued the company at around $1.5bn (£1.2bn).

BDO said investing internationally was an “obvious option” for managers looking to insulate their funds against the potential disruption incurred by Brexit.

It added that modest economic growth in the UK over the past three years has seen funds look overseas to build their portfolios in faster-growth economies which may deliver greater returns.

“Accessing faster growth in other economies – even relatively close to home in Eastern Europe and the Baltics – can provide a substantial boost to returns,” said Jamie Austin, head of private equity at BDO.

He added that traditionally UK-focused funds have been given greater flexibility by their partners to invest internationally.

“That has resulted in some of the largest funds acquiring very little in the UK in recent years, and instead focusing on major overseas acquisitions,” said Austin.

JAMES BOOTH

JP Morgan to buy Paris building to relocate teams from London

GWENAILLE BARZIC

US BANK JP Morgan said yesterday it plans to buy a building in central Paris to house up to 450 staff in coming years, as it relocates some services from London after Britain’s exit from the European Union.

The expansion is expected to make the French capital where it currently has 260 staff, its second-largest base in Europe behind London, which has 10,000 staff, JP Morgan said.

It will initially transfer sales teams, followed by trading staff, depending on the Brexit timetable.

“Paris is going to be the second pole for our market activities in Europe,” said chief of JP Morgan France Kyril Courboin.

Forty per cent of senior consultants said their firm had been working with clients to prepare them for Brexit.

Tamzen Isacsson, chief executive of the MCA, called for the UK to use Brexit to make itself more competitive internationally.

She said: “The UK must not squander the opportunity to make a step change in how Britain works, improving our global competitiveness and embracing innovation and technology across

MANAGEMENT consultants on the up in 2019

THE MANAGEMENT consultancy sector grew eight per cent last year, a report published today said.

The survey of members of the Management Consultancies Association (MCA) projected growth of around six per cent over the next 12 to 24 months.

The MCA said expansion in digital and technology consulting and work with the government and the public sector were the main drivers of growth.

The vast majority of firms (86 per cent) said consulting activity had met or exceeded expectations in the past 12 months.

Forty per cent of senior consultants said their firm had been working with clients to prepare them for Brexit.

Tamzen Isacsson, chief executive of the MCA, called for the UK to use Brexit to make itself more competitive internationally.

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KPMG could face legal action for Goals tax fiasco

**JAMES BOOTH**

KPMG is said to be facing possible legal proceedings over its auditing of collapsed five-a-side chain Goals Soccer Centres following an accounting scandal.

Deloitte, which is acting as administrator to Goals, is reportedly pursuing fellow Big Four firm KPMG over an alleged mis-declaration of Goals’ VAT over several years which blew a hole in its accounts.

It is also pursuing ex-finance chief Bill Gow, the Sunday Times reported.

Goals was set up in 2000 by Gow, who joined Scottish confectionery company Tunnocks in 2018, and former chief executive Keith Rogers.

The report also said HM Revenue & Customs was planning to prosecute the directors of Goals over a £16.3m tax bill.

Goals was acquired out of administration by Soccerworld and private equity firm Inflexion last October.

The company delisted its shares from Aim last August after it declared it was unable to file accounts.

Speaking at the time Goals went into administration, the company said its VAT issues were first picked up by BDO in its first audit of the company in February after the board decided to replace KPMG which had audited the company for 15 years.

Goals said it engaged accountancy firm RSM and an independent tax expert to review the firm’s books for the previous four years after BDO reported its concerns.

A separate team of auditors from BDO identified “some very serious issues dating back to 2009”.

These included the apparent creation of false fixed assets, false revenues and fake invoices.

BDO also identified the wrongful payment of cheques to “individuals associated with the company” in 2014.

Goals said it believed the profits of the business may have been overstated by as much as £40m since 2009.

Deloitte declined to comment and KPMG did not respond to requests for comment. Gow did not respond to requests for comment via Tunnocks.

**BBC would be ‘delegitimised’ by licence fee revamp, says ex-boss**

**JAMES WARRINGTON**

The former director general of the BBC has warned that any move to overhaul the licence fee would “delegitimise” the broadcaster.

Mark Thompson, who left the BBC in 2012 to take over as chief executive of the New York Times, said proposals to decriminalise non-payment of the licence fee would have a “pretty negative” impact on the corporation.

“Once you delegitimise, you delegitimise a given service or a given tax because all the people who actually pay it can see other people who are still enjoying the service for nothing,” he told the BBC’s Andrew Marr yesterday.

Thompson said a debate about the future of the BBC’s funding model was “entirely appropriate” in the face of a changing media landscape and shifts in viewing habits.

“But I worry that decriminalisation is a de facto beginning of the abolition of the licence fee, but without the courage to simply say that,” he added.
**Jingye clammers to complete sale of British Steel**

**STEFAN BOSCIA**

@Stefan_Boscia

Prospective British Steel buyer Jingye has called in PwC and McKinsey to help finalise the company’s plans to close the deal.

The Chinese deal maker needs to finalise its £50m takeover of the insolvent British Steel by the end of next month.

Consultants from PwC and McKinsey have now been brought in to ease concerns about how well Jingye can handle public money and to “fine-tune” the business plan, according to the Sunday Telegraph.

The government is reportedly planning to hand over a £120m support package to the Chinese firm in an attempt to protect jobs at the firm.

Jingye are also promising £1.2bn of investment into the Scunthorpe steel manufacturer.

Business secretary Andrea Leadsom and business minister Nadhim Zahawi met executives from Jingye last month to discuss completing the purchase.

Leadsom said the meeting was “highly productive” and that she “remained optimistic about progress” on the sale.

However, the sale could reach a stumbling block due to a British Steel plant in France.

French officials are concerned about the potential for Jingye to stop using the factory, which is located in Hayange, and could block the sale on national security grounds.

Jingye are trying to win over support from the unions that represent the 4,500 staff in order to ensure the move goes ahead.

A Jingye spokesman told the newspaper: “We continue to make progress in our discussions with the unions, government and other stakeholders and expect to complete the transaction in the first quarter of the year.”

**Former ITV boss in talks to chair market research group Kantar**

**JAMES WARRINGTON**

@j_warrington

The former chief executive of ITV is trying to win over support to help finalise the company’s plans to close the deal.

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A Jingye spokesman told the newspaper: “We continue to make progress in our discussions with the unions, government and other stakeholders and expect to complete the transaction in the first quarter of the year.”

**UK food and drink sector continues to shake off Brexit woes and uncertainty**

**HARRY ROBERTSON**

@harrygrobertson

The UK’s food and drink production industry has continued to shrug off the Brexit woes afflicting other manufacturing sectors, with employment at its highest point in 15 years, according to new analysis of the latest data.

Yet the European Union remains the industry’s biggest export market, leaving it vulnerable should trade become more difficult after Brexit.

Food and drink production made up 16 per cent of the manufacturing sector in 2018, according to industry body Make UK and Santander, an increase of 7.6 per cent in two years.

This made it the largest component of the UK’s manufacturing output.

Employment rose 5.3 per cent between 2016 and 2018 to 444,000, Make UK’s analysis showed, the highest since 2004.

The EU remained the total biggest market for exports — with UK firms sending 61 per cent of all exports there. The UK also imports twice as much food and drink as it exports, predominantly from the EU.

Make UK chief economist Seamus Nevin said the strong economic ties with the EU mean “it is vital that frictionless trade continues in any post Brexit agreement if the remarkable growth pattern of the sector is to be maintained”.

**EU immigration rules could be changed early**

**STEFAN BOSCIA**

BORIS Johnson is drawing up plans to limit low-skilled European Union immigration at the start of 2021 — a full two years earlier than previously promised.

Under previous proposals, freedom of movement with the EU would continue until 2023. The promise had been made by Theresa May, after an extended period was demanded by business groups.

However, Home Secretary Priti Patel is now set to present proposals to cabinet this week outlining a change in EU immigration rules from January 2021, according to the Sunday Telegraph.

A Number 10 source told the newspaper: “We need to deliver change and businesses need to be prepared for uncontrolled migration of low skilled workers to end this year.”

The decision may cause a row between the government and business groups, such as the CBI.

It has previously said that British companies need at least two years to adapt to a change in immigration systems.

The CBI declined to comment.
SOME of Britain’s largest water companies have given away hundreds of millions of pounds to shareholders in recent years, despite promises to stop paying dividends.

Southern Water, Thames Water and Yorkshire Water all promised to stop paying dividends to shareholders, after watchdog Ofwat told them to invest in more infrastructure and cut bills.

However, the Sunday Times reported yesterday that the trio had continued to give out hundreds of millions of pounds in dividends in order to service debt obligations.

Thames has paid out £115m over the past two years, while Southern handed out £152.1m in the same time period.

Yorkshire paid out £168.4m, with £107m of it used to service inter-company debts.

The other two companies similarly have inter-company debt between the parent company and the service provider.

Southern Water said: “We will only pay dividends to external shareholders if we meet stringent criteria for ensuring we are delivering value for customers, protecting the environment and financial management.”

Yorkshire Water said: “Our shareholders have received no cash dividends for the past three years and none is forecast for the next five years.

“Inter-company payments shown in the accounts are purely accounting charges to cover inter-group debt and office costs.”

Thames Water declined the opportunity to comment.

It comes after an Ofwat ruling, which decreased the maximum permitted return on capital by private water companies from 3.19 per cent to 2.96 per cent.

The watchdog also imposed several other demands in December for companies to pay their debts faster, become more efficient and treat customers better over the next five years.

Uber at risk of Birmingham ban as firm appeals London ruling

HARRY BANKS

UBER could face a delay to the renewal of its license in Birmingham pending the outcome of its appeal in London.

The ride-hailing app’s licence in Birmingham, which expires on 31 January, could be at risk if it fails to address safety concerns in the capital, the Sunday Times reported.

Uber has applied for a five-year extension to continue operating in the midlands city, but the council is understood to be withholding a decision on its long-term prospects until after a London court rules on its future.

Transport for London (TfL) refused to renew Uber’s license in November, claiming a “pattern of failures” had put passenger safety at risk.

The firm has lodged an appeal at Westminster Magistrates Court, and is allowed to continue operating before a ruling is made.

An Uber spokesperson would not comment on its license application but told City A.M. that safety was its “top priority”.

SONY’s Bad Boys for Life, the third entry in the Will Smith and Martin Lawrence-led film series, beat box office expectations and towered over rivals Dolittle and 1917 over the weekend. The film raked in $59m (£45m), a cool $14m more than expected.
China set to increase imports from US according to ‘market principles’

CHINA will negotiate with American companies and increase imports of US goods and products according to market principles, an official with its state planner said yesterday.

The United States has high quality supply in the fields of energy, manufactured goods, agricultural products, medical care and financial services, said Meng Wei, spokesperson for China’s National Development and Reform Commission (NDRC), at a press conference yesterday.

China will boost purchases of US goods and services by $200bn (£153.6bn) over two years in exchange for the rolling back of some tariffs under an initial trade deal between the world’s two largest economies.

Chinese vice premier Liu He, who signed the trade deal with US President Donald Trump last week, said the deal would not affect “third parties’ interests”, apparently in reference to deals made with other suppliers of farm goods.

Chinese companies will import US agricultural goods according to consumers’ need, and demand and supply in the market, Liu told reporters, according to Chinese state television.

EU casts off fear of 5G delays on equipment ban

EUROPEAN industrial policy chief Thierry Breton has dismissed claims that relying on European companies to build a 5G network would delay its rollout, weighing in on an increasingly tense debate in Germany over the risk posed by China’s Huawei.

In a speech at the DLD conference in Munich yesterday, Breton, a former French finance minister, warned policymakers in Germany and elsewhere that the new 5G technology will require more stringent security rules than previous generations.

“Setting up strict security conditions will not create delays in the rollout of 5G in Europe,” he said.

“Europe, including Germany of course, is on track. We are not, and won’t be, late in Europe on the deployment of 5G.”

The warning by Breton contrasts with comments by German interior minister Horst Seehofer who said earlier this week that if Chinese companies were excluded, the construction of the 5G network would be postponed for at least five to 10 years.

German Chancellor Angela Merkel’s conservatives are divided over whether to support a proposal by their Social Democrat junior coalition partners that, if approved, would effectively shut out the Chinese technology giant from the network.

Merkel’s right-left government, like all of Europe, is under pressure from the US to bar Huawei, whose gear Washington says contains “back doors” that would enable China to spy on other countries.

Breton, who heads the vast Single Market portfolio in the new European Commission which includes industrial policy, has said Europe should preserve its “technological sovereignty” by ensuring it has domestic alternatives in strategic areas.

Prime Minister Boris Johnson is expected to give Huawei the green light to participate in the UK’s 5G network, despite opposition from some security chiefs and prominent Tory MPs.

Treasury freezes all UK assets of ‘terrorist organisation’ Hezbollah

STEFAN BOSCIA

@Stefan_Boscia

THE TREASURY has designated the entire organisation of Hezbollah as a terrorist outfit, freezing all its UK assets.

The Lebanese party’s military wing was previously designated as a terrorist organisation by the Treasury, however its wider operations were not.

The call to place Hezbollah on the terror black list follows home secretary Priti Patel’s decision to proscribe the Shiite Islamist organisation last year.

A note from the Treasury read: “Hezbollah itself has publicly denied a distinction between its military and political wings.

“The group in its entirety is assessed to be concerned in terrorism and was proscribed as a terrorist organisation in the UK in March 2019.

“This listing includes the Military Wing, the Jihad Council and all units reporting to it, including the External Security Organisation.”
Britain pledges £620m towards African projects

STEFAN BOSCIA
@Stefan_Boscia

MORE than £600m of government funding will be given to help build vital infrastructure in Ghana, Zambia, Gabon and Uganda.

International trade secretary Liz Truss will today unveil the spending plans at the UK-Africa Investment Summit in London, announcing that UK Export Finance (UKEF) is set to fund the initiative.

In Ghana, the £620m will go toward 750 hospital beds for maternity care, and an upgraded terminal at Ghana’s Kumasi airport. Meanwhile 600 hospital beds and 108 rural healthcare centres powered by solar energy will be funded in Zambia. In Uganda it will fund an industrial business park and equipment toward a Ugandan roads project, and there will be upgrades to over 80 kilometres of road surfaces in Gabon. British companies have been awarded the contracts to deliver the construction projects.

“Africa is home to eight of the 15 fastest growing economies in the world and its economic prosperity matters to the UK,” Truss said. “We want the UK to be the partner of choice in Africa so I am delighted that, with UKEF’s support, British expertise will form a key component of these infrastructure projects.”

Boris Johnson will attend today’s summit and will call for Britain to be the “investment partner of choice” for African countries.

Africa’s economic boom is happening now and is quickly gaining momentum.

Last year, the continent was home to five of the 15 fastest-growing economies in the world. Now it is home to eight, and British businesses should have an active role in the region’s success. This can’t be done by firms in isolation. It requires governments, business and individuals working together.

That’s why the government has re-doubled its efforts to enhance our trade relationships with emerging markets in the region. In the last two years, government-backed export finance provided by UK Export Finance (UKEF) has secured close to £2bn of financing for British firms breaking into African markets.

In turn, our increased trade has opened new opportunities for African investors in the UK. Ambitious African businesses want increased access to the UK market and the City of London is already the top global exchange for African businesses.

Of course, there is more we can do. To maximise our trading potential, we need to ensure that firms that can trade do so, and that means making them aware of the full range of government support available.

That is what we will showcase to UK and African businesses alike at the UK-Africa Investment Summit.

As investment minister, I will speak directly to businesses on both sides of this relationship, showing them how the government can make trade and investment easy so they can seize opportunities in burgeoning African markets.

To African investors, I will say that they can access government-backed export finance in over 60 pre-approved local currencies when they buy from the UK.

I will outline new trade and investment services to provide business advice, match trading firms and help African countries export to the UK.

The work we do will help the UK be the natural partner of choice for African nations.

The initiatives we launch will safeguard trade and investment between the UK and Africa for the next decade, building partnerships which will reach into the future for years to come.

©Graham Stuart is MP for Beverley and Holderness and minister for investment
**UK BETTING firms have gained access to a database containing information on roughly 28m children in a huge breach of sensitive government data.**

The companies have used the trove of data, which contains names, ages and addresses of children aged 14 and above in schools and colleges across England, Wales and Northern Ireland, to boost the number of young people gambling online.

The breach, revealed following an investigation by the Sunday Times, relates to the Learner Record Service, which is designed to help education providers verify a student’s academic records.

The Department for Education (DfE) said it has disabled the database and referred the incident to the Information Commissioner’s Office.

Education secretary Gavin Williamson is said to have told his department to “leave no stone unturned” in its inquiry of the matter.

The DfE said it had not approved any data sharing with gambling firms, adding that a third-party company was responsible for providing access to the information.

“Today was completely unacceptable and we have immediately stopped the firm’s access and ended our agreement with them. We will be taking the strongest possible action,” a spokesperson said.

The breach relates to data intelligence firm GB Group, which signed a contract with another company to access the data, according to the report.

GB Group used the data for age and identity verification services it provides to clients, which include gambling firms 32 Red and Betfair.

The DfE said it provided database access to employment screening firm Trustopia. The department is investigating whether Trustopia in turn provided access to GB Group — something the company has denied.

GB Group said: “We can confirm that we use the Learning Records Service dataset via a third party.

“We take claims of this nature very seriously and, depending on the results of our review, we will take appropriate action.”

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**Tesla moves step closer to opening first EU factory with Germany deal**

US ELECTRIC car pioneer Tesla has agreed to buy a property on the outskirts of Berlin, bringing it a step closer to opening its first European factory, local authorities said yesterday.

The US car maker last November announced plans to build a giant factory in Grünheide, in the eastern German state of Brandenburg, giving it the coveted “Made in Germany” label just as local rivals prepare to launch competing models.

Tesla’s board of directors approved a purchase agreement with the state of Brandenburg over the weekend to acquire a 300-hectare property, a Brandenburg government spokesman Florian Engels said in a statement. The state parliament’s finance committee had already approved the sale on January 9.

A Tesla spokeswoman confirmed the deal.

The agreement states a preliminary property price of €40.9m (£34.9m) which can be amended if an external review provides a different value, Engels said.

The property is in a designated industrial area and is being checked for weapons from World War II as there are most likely unexploded US bombs still in the ground.

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**Netflix shows to remain on Sky as pair sign multi-year contract**

SKY YESTERDAY said it has signed a new multi-year agreement with Netflix to keep the US streaming service’s programming on its pay-TV network.

The companies said the extended deal builds on a “successful partnership built over the past two years”, with Sky customers already able to access Netflix hits such as Sex Education through the app.

The agreement means Sky Q customers will also have the option to take up Netflix’s basic plan as part of their subscription, meaning the services are tied together in one monthly payment.

In addition, Netflix will be fully integrated into Sky Q, so viewers can access shows and films on the home screen and select episodes without needing to open a separate app.

“This is a great start to what is set to be another strong year for Sky,” said Stephen van Rooyen, chief executive of Sky UK and Ireland.
Matt Kilcoyne proposes a set of reforms to the way taxpayer money is used on services

A drive exists amongst brokers to achieve critical mass to get economies of scale.

Goldman's invested in Aston Lark, and Aston Lark in turn invested in Dublin based Wright Insurances and Robertson Low and Poole-based Highworth Insurances. Qatar Re acquired the Kent-based Markerstudy Group for nearly £108 million, while Markerstudy invested in Co-op Underwriting for £185 million. Bravo Group, owner of Broker Network and Compass, spent a total of £35 million on acquisitions in 2018 alone.

Return on investment is the main driver for private equity as experienced by Aquiline Capital Partners who bought Simply Business from AnaCap, resulting in a 4.5x return on a three-year investment for AnaCap.

Levels of broker acquisitions are peaking, however, given that acquisition prices are rising and investors have a return of investment obligation to their shareholders. This means that only those with the prospect of an exit. Expect additional investments in 2020 but expect to see strong preparations for realisations of returns too.
I have attended this jamboree in the past. I remember before my first visit the journalist Ragesh Omzar told me that it’s a bit like visiting Madame Tussauds only to discover that the wax models have become animated. He’s got a point — though there are certainly surreal moments such as when one finds oneself in a queue behind Christine Lagarde and in front of Ilonka. But most of my time at that sort of altitude over the years has been spent skiing which, from the point of view of a wine columnist, raises the issue of what to drink when up a snow-covered mountain. I used to think that skiing and alcohol don’t mix, but as my skills on the slope have developed I have come to realise that they can very happily rub along together if managed properly. I’m sure we all know someone whose ambition is only to ski ‘from one knife and fork on the piste map to another’ and for whom the afternoon is a ski-free zone. One friend of mine, Richard, back in the early days of GPS technology, was delighted to be...
LONDON’S FTSE 100 rose to more than five-month high on Friday as China’s economic growth met expectations and the pound slid after weak British retail sales raised the prospect of an imminent interest rate cut by the Bank of England.

The exporter-heavy index surged 0.9 per cent, boosted by miners, as China’s 2019 growth came in within Beijing’s target range and signalled an improvement in business sentiment following a de-escalation of the trade war with the United States.

Companies that book most of their earnings in the US dollar such as Astrazeneca, GSK and Diageo also rose, helping the blue chip bourse bag its first weekly gain of the new decade.

British Airways-owner IAG climbed five per cent to its highest level since September 2018 after it lifted a restriction on non-EU investors’ ability to buy its stock.

HMC Health advanced eight per cent after an independent review committee tapped a former FII director to compile a report on allegations by US firm Muddy Waters.

The FTSE 250 rose 0.8 per cent, as more domestically-exposed stocks firmed amid the increasing likelihood that the Bank would loosen policy after data showed consumers did not increase their spending for the fifth straight month in December.

“Seeing as the December report includes the important Christmas period, the sharp fall is particularly distressing,” said CMC Markets analyst David Madden.

The rally in domestic stocks and food processing company Cranwicc.

IAG jumped on Friday after details of its shares outside of Europe which jumped 9.4 per cent to a record high after it forecast annual profit above market expectations, helped the midcaps to a 1.5 per cent gain for the week.

But motor insurer Hastings slid four per cent after it forecast a slump in annual earnings and a lower dividend, sending its shares to their lowest level since July 2016.

“A big challenge for the company is that motor insurance is a very competitive market,” said Russ Mould, investment director for 22

rising company LUXSHARE-ICT.

FTSE 100 hits a five-month top amid China GDP

The team at London-based miner Central Asia Metals are trying out a new mining method, known as “cut and fill.” It is a “more selective” method that is safer and lets mines last longer. Analysts at Peel Hunt say the change could add around eight per cent to earnings, paying higher dividends. Yet they say the change is unlikely to bear fruit until 2025. Peel Hunt brokers have also updated their 2020 estimates to reflect that their previous production assumptions were lower than management guidance for the year. They say “buy” with a target of 290p.

HALFORDS

High street stalwart Halfords seems to have been one of the few UK retailers to have a decent Christmas period. It cited higher sales of that got greatest of Christmas presents: bicycles. Analysts at broker Liberum note this, and say “green shoots” are beginning to show at Halfords despite the grim backdrop of a gloomy retail sector. The analysts also cite online sales as a strong area, which is increasingly important as trading tastes change. Overall, Liberum says that cheap shares and a high dividend yield means you should “buy,” with a 250p target price.

WHITBREAD

Premier Inn-owner Whitbread last week reported falling sales in the third quarter as political uncertainty kept Brits at home. Analysts at Canaccord Genuity say this is a sign of things to come and predict a “challenging year” for the company. Business optimism has recently risen following the election, but Canaccord analysts say there is more upbeat about the future following the truce in the China-US trade war.

“We think the most important thing [executives] say about their outlooks, “said Scott Lader, chief investment officer at Horizon Investments.

“Because of the speed in which global uncertainties are resolved, it’s unlikely we will see those things coming through in the numbers,”

In a thin day for earnings, oilfield service provider Schlumberger reported a slightly better-than-expected quarterly profit, but its stock dipped 1.1 per cent.

Google parent Alphabet rose 1.2 per cent, extending gains after it became the fourth US company to top a market value of $1 trillion (£770bn) last Thursday.

Technology majors including Visa, Apple and Qualcomm provided among the top boosts to the S&P 500.

CLOSE BROTHERS

UK-based Close Brothers Asset Management has appointed Tim West as managing director in its London office. Tim joins from Rathbones where he was a senior investment director for 12 years. While at Rathbones, Tim managed investment portfolios for individuals, trusts and charities, and was a team leader in the firm’s London office. Tim was also responsible for research in listed private equity and small company funds, as well as representing Close Brothers Asset Management on the Wealth Management Association (WMA) Indices Committee. Martin Andrews, chief executive of Close Brothers, said: “The appointment of high-calibre professionals, such as Tim, is key to delivering our strategy. I look forward to working with him as we continue to grow and enhance our high net worth proposition in 2020.”

FREEDOM FINANCE

John-Paul “J-P” Wilkins has been appointed as a non-executive director at Freedom Finance, a lending platform that uses smart sourcing to generate more personalised loan offers for customers. J-P has extensive senior level experience supporting the growth of technology-led businesses, and brings over 20 years of experience in financial services to the role. James joins from M24, where he was a partner and head of the firm’s investment law team in London. He has over two decades of experience in advising on strategic, engagement, renewal and disputes. He recently advised an international motorsport championship organisation and a number of privately owned businesses operating in the real and leisure sectors. Commenting on the appointment, Jane Amphlett, partner and head of employment at Howard Kennedy, said: “Following a busy year for the employment team, we are delighted to welcome James to the partnership. His considerable experience in a wide range of employment disputes complements our current offering.”
In the rush to get an EU trade deal, the needs of the City must not be forgotten

Catherine McGuinness

First, global markets need global standards. Regulating the financial services sector to be innovative and dynamic is critical. The City is a world leader in this space, with its rules respected globally. A September report from International Capital Markets Association (ICMA) showed the rulebook is used in 42% of deals worldwide. The City is united on this. We want there to be global financial standards, with the City in the driving seat. Only then can we compete.

Second, we must remain open to international businesses and markets. London is the capital of capital, and has long been the world’s number one foreign exchange hub, clearing more dollars than New York, more yen than Japan, more euros than the EU, and more RMB than any country outside Greater China.

Third, the City needs to be better regulated by a globally leading regime that encourages innovation, while delivering appropriate accountability, transparency, and consumer protection. Whatever the outcome of Brexit, it is right that we secure a forward-looking regulatory framework which takes advantage of the UK’s competitive edge by enabling the sector to be innovative and dynamic. Fourth, we need to be open to international skills and talent. The UK’s future success depends on attracting, retaining and developing high quality talent, and this is particularly the case in the diverse financial and professional services sector.

And finally, any regulatory changes cannot happen overnight. They need to be gradual, thought-through, and follow better regulation principles. One of the great strengths underpinning the success of the UK’s financial sector has been its world-leading regulatory framework. As we look forward, it is vital that regulation keeps pace with a fast-changing world after Brexit and beyond.

These pillars should remind us that “getting Brexit done” does not mean doing away with our services sector. The December 2020 deadline for EU trade talks is clearly ambitious, but a significant proportion of the City’s business is crucial for the trade negotiations and the future of the UK’s financial services industry.

Dr. John C. Hulsman is a senior columnist at City A.M., a life member of the Council on Foreign Relations, and president of John C. Hulsman Enterprises. He can be reached for corporate speaking and private briefings at www.chartwell speakers.com.
Our education system is still stuck in the twentieth century

Anthony Seldon

How do we expect our business community to thrive if we aren’t arming young people with the basic skills they need to rejuvenate Britain?

Anthony Seldon is vice-chancellor of the University of Buckingham.

We should be aiming for an education system that teaches entrepreneurship by doing, not watching. After all, we improve our skills by putting them into action — by failing, working out what we did wrong, and then trying again. It is this risk-taking attitude and real-life problem solving that will get young people engaged with education once again.

For a decade now, leading business networks including the CBI, Institute of Directors and the British Chamber of Commerce have been telling us just this: we cannot continue with the old, stale ways of education.

And educational bodies are also joining this call to action, with Nesta and Ofsted urging schools to use their curriculum to prepare students for the world of work. Business leaders and entrepreneurs are stepping forward to become part of the solution. At the University of Buckingham, we are lucky to receive support from business-leading donors, which allows us to offer match-funding for students who want to learn about entrepreneurship. This will help to level the playing field and allow young people from all backgrounds to have access to quality enterprise education.

However, this is only one small part of the puzzle — business, industry and government need to work more closely together to champion enterprise education. Let this be the year when we start to turn words into actions and become part of the solution.

Sir Anthony Seldon is vice-chancellor of the University of Buckingham.

S WE embark upon a decade of major change, with a new government racing towards Brexit, we must take a moment to consider how we are helping our next generation triumph in spite of all this upheaval.

Our education sector has been stagnant for some time now and has failed to catch up with the employment skills taught in the rest of the world. For millions of school children, what they experience day-to-day in the classroom has little relevance to the modern working world.

Since the turn of the century, the digital revolution has transformed our workplaces, and new technologies like artificial intelligence are continuing to reshape the job market. So why is our educational system still stuck in the twentieth century?

The answer is that our concept of education is still based on passive learning and exams as the only validation. Passive learning is underpinned by the idea that if you absorb as much information as you can, you will pass your exams and be ready for independent adulthood.

Employers are in despair, and so are the young who our schools churn out. The truth is that the exam-heavy school system prepares the young neither for work nor life well enough.

While there will be young people who thrive in this academic environment — and there certainly are passionate teachers who are finding new ways to engage students — as long as learning remains passive, many of the next generation will spend their school years bored and unmotivated.

This is where enterprise education can make a real difference. Research conducted by the University of Buckingham revealed that only one in four young people received any type of education in enterprise or entrepreneurship at school — including basic information about the different roles and functions required to start or run a business.

So how do we expect our business community to thrive if we aren’t arming our young people with the basic skills they need to rejuvenate Britain after exiting the EU?

Global elites are flying into Davos this week for the annual meeting of the World Economic Forum in Davos. But with public scrutiny mounting every year, the pressure to keep the mountain air-induced rhetoric real is higher than ever.

The watchful eyes of the media counting the number of private jets flying in ensures that the Davos men (and, increasingly, women) keep their feet on the ground when it comes to climate change. This — climate crisis — has long been a main subject at Davos, and hopefully this will be the year when some meaningful action is taken.

With a potential global catastrophe on the horizon, the importance of an intergenerational conversation at Davos cannot be underplayed. Greta Thunberg and Autumn Peltier might be headlining, but it goes beyond that. It’s an important annual temperature check on the international political, humanitarian and business leaders, as well as an opportunity for the world’s young activists and campaigners to get in front of them, and present a powerful message as today’s agents of change.

Thunberg, and Autumn Peltier might be headlining, but it goes beyond that. It’s an important annual temperature check on the international political, humanitarian and business leaders, as well as an opportunity for the world’s young activists and campaigners to get in front of them, and present a powerful message as today’s agents of change.

Elia Robertson is managing director of One Young World.

Ella Robertson

Is there any point to the annual World Economic Forum in Davos this week?

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You know that sustainability is good for your business. But have you thought about what you feed your people? A simple switch to sustainable food delivered by e-bike can reduce your company’s carbon impact and improve your employees’ wellbeing.

These days every business benefits from a sustainable strategy, as it’s what today’s conscious consumers demand, and it’s an important consideration for millennials and the employees of the future when choosing who to work for. Studies indicate that the next generation, Gen Z, are driven even more by purpose and ethics, and don’t want to join a company that doesn’t reflect their values.

What’s more, research from the Universities of Greenwich and Sussex, which has been laid out in a report by the CIPD (professional body for HR and people development), suggests an ethical ethos can help retain staff and attract new talent. It says that companies with a sustainable and environmental strategy make their employees happier, as their leaders demonstrate ‘purposeful leadership’ – strong morals, a clear vision and a solid commitment to stakeholders. Taking the rhetoric (and let’s be honest, hot air) of mission statements, and turning it into something tangible and meaningful.

**YOU ARE WHAT YOU FEED**

Employees want actions to show they talk isn’t just hot air, which is why if you say you’re sustainable, you need to demonstrate you are through and through. Providing your staff with sustainable food and drink is an easy yet effective way to prove your credentials, as it’s a noticeable change all your staff can benefit from and will be interested in hearing about.

**WHAT IS SUSTAINABLE FOOD?**

It’s food with a production process that minimises the impact on the environment and the surrounding communities where it’s grown – for example, it’s taken locally, not air-freighted, and directly traded with the local farmers who grow it. It’s also food that’s made and delivered by businesses with a commitment to support employees’ livelihoods and their wellbeing, plus other social concerns, not simply to focus on profits – such as Certified B Corps and their triple bottom line of people, planet and profits.

**WHY ORGANIC?**

People might have a vague idea of what organic is, but don’t realise its environmental benefits. The way the soil is cared for in organic farming means it’s rich in millions of small organisms that make it alive and healthy. This means it can store more carbon than non-organic soil – one reason why there are significantly less carbon emissions in organic farming. A statistic from the Soil Association states that, ‘If all the farms in the UK switched to organic, at least 1.3 million tonnes of carbon would be taken up by the soil each year – the equivalent of taking nearly 1 million cars off the road.’ Which is why organic farming has been touted as having significant potential to help tackle climate change.

**REDUCE YOUR CARBON IMPACT**

And it’s not only how it’s grown that’s important, but the way it’s delivered to your office. Zero-emission electric cargo bikes (e-bikes) are becoming more common as an alternative to vans and lorries for deliveries, especially in central London where, as Transport for London’s campaign ‘Let London Breathe’ tells us, air quality is now toxic due to the carbon dioxide and nitrogen oxide emissions from petrol and diesel transport. Choosing suppliers and partners that use e-bikes is a quick way to reduce your business’s carbon impact right now.

**COME TOGETHER OVER FOOD**

So, switching to sustainable food and drink for your office is a simple step to prove your green and ethical values, yet the benefits for your people and your business don’t stop there. Getting the team together over breakfast, lunch and drinks is a natural and effective way of building the close bonds and better relationships that people need to feel confident, supported and happy at work – all of which increase employee satisfaction and collaboration so staff are more likely to stay.

**QUALITY IS KEY**

Although the quality of the food you give is just as important as who you eat it with. As psychologist and author Ron Friedman Ph.D writes in the Harvard Business Review, ‘Food has a direct impact on our cognitive performance, which is why a poor decision at lunch can derail an entire afternoon.’ Skipping meals or processed foods high in salt and refined sugar let glucose levels drop too low, which is bad for both the brain and overall performance, something we’ve all felt at one time or another – often called the 3pm slump.

The International Labour Office reports that poor diet in the workplace (high in processed food and low in fresh fruit and vegetables) has cut productivity by up to 20%. This is because fruits and vegetables aren’t simply good for the body, they’re great for the mind too, containing vital nutrients that help with the production of dopamine, which plays a key part in the experience of curiosity, motivation and engagement. While their antioxidants improve memory and enhance mood.

Which means sustainable food should also be fresh fruit, milk with more A2 protein, low-GI snacks, nutritionally balanced lunch bowls, low-sugar prosecco and wine with less sulphites. Plus, of course, handmade treats (but with no artificial colours or preservatives).

**A WIN-WIN**

Therefore, it’s clear that high-quality sustainable food is a win for your business and for your people, as it’s a tangible demonstration of your sustainability mission, plus it can increase wellbeing and performance, as well as help retain and attract staff – especially the future generations, like Gen Z, who are fast becoming an influential consumer and employee demographic. Might be worth making the switch now.

We’re London’s only 100% organic food delivery service for offices, with over 30 years’ experience in sourcing high-quality organic food and drink from independent farmers and producers who share their commitment to ethics and sustainability. To switch your office today and get 20% off your first order with CITY20, go to fedteam.co.uk or call 020 3984 8300.

**FEED YOUR TEAM - FUEL THE CHANGE**

20% off your 1st month with CITY20

fedteam.co.uk
ENTREPRENEURS

GIVEN how busy life in the capital can get, and how hard the people here work, most Londoners must live on coffee. It’s the only plausible explanation for the explosion in coffee shops in recent years. Independent coffee houses are thriving alongside the big brands like Costa and Pret a Manger.

According to research by the London Coffee Festival, the number of UK coffee shops has increased from 10,000 in 2007 to more than 24,000 today. There has even been speculation that coffee shops may outnumber pubs by 2030.

So given all that competition, how can a coffee business carve out a niche in a crowded market? I put that question to David Abrahamovitch, chief executive and co-founder of Grind. London’s hybrid chain of coffee-shop-cum-cocktail-bars, which employs over 300 people and achieved annual sales of £9.4m in 2018.

“It’s easy to post-rationalise what you did with the benefit of hindsight. We just wanted to make somewhere that we thought was cool, that was done how we thought it should be,” he recalls. “We didn’t sit down at the start and say ‘this is the plan’. It was meant to be a one-off, a bit of fun. We never even wrote a business plan.”

I meet Abrahamovitch at Liverpool Street Grind. Its design is modern and chic, with funky music playing over stereo. Even on a cold Tuesday morning, it has plenty of customers, either chatting or working on laptops.

Grind started life in June 2011 (“It feels like a hundred years ago”, Abrahamovitch quips) with the first branch on Old Street Roundabout itself. Since then, it has grown to 11 locations across London — a mix of larger venues that sell lattes in the morning and espresso martinis in the evening, and small stores serving busy commuters near the capital’s train stations. Some of these are company-owned, while others are franchises, and Grind also has a thriving retail operation, selling coffee directly to consumers either online or in super-markets like Sainsbury’s.

Abrahamovitch’s journey to running a multi-million coffee chain wasn’t straightforward. Before starting the business, he had helped found the legal claims firm InterResolve, while still studying economics at University College London.

“It was a tech business aimed at the insurance and legal sector. It was a small startup, and exciting. We moved offices three times, and went from a team of no one to 100 people. The typical crazy startup journey,” he says.

But then, 10 years ago, his father passed away after contracting prostate cancer. This tragic event caused Abrahamovitch to switch priorities.

“My dad had a business running mobile phone retail stores, which he started in the mid-80s. I’d effectively inherited this mobile phone business that I didn’t want, but one of the buildings was the main one that I’d spent most of my time in and I’d worked in when I was 13. That was on Old Street Roundabout.

“I never considered selling the building, so I thought it made sense for it to be a meeting spot of some kind. That led me to the conclusion that it should be a coffee shop or wine bar, something like that. That was what kicked off the project.”

This coffee shop experiment took off, and by 2014, Abrahamovitch decided to leave the tech business and work full-time on Grind, opening several new locations, as well as the chain’s first restaurant site on London Bridge. I ask him what the biggest challenge was of switching from the tech industry to running a coffee bar.

“The biggest lesson is just how important people are, particularly in hospitality. You see a complete correlation between the quality of the general manager and the performance of a site at all levels, even sales. You’ve got to have a great team, as well as a great recruitment programme and retention scheme.”

Grind has completed three fundraisers on the Crowdcube platform in the last five years — in 2019 it raised £3.5m from 1,786 investors. Abrahamovitch says crowdfunding has enabled the brand to remain independent rather than turn to venture capital or private equity.

“Because of the audience we’ve been able to build — the social audience online, and the physical one in our stores — that’s enabled us to crowdfund, because when you don’t have many shop windows or see many customers it is harder to do that,” he explains.

“We like to make long-term decisions about what’s best for the brand, rather than just have short-term goals like ‘we must open five sites’ or ‘we must open 10 sites this year’. That approach almost has to come with private equity, because those guys need to get in and out and make a return in three to five years. I think we prefer to stay independent and maintain our flexibility.”

Looking ahead, Abrahamovitch says the chain will expand to 16 locations by April and forecasts it to grow to 30 sites by 2022. It is also planning to branch out beyond London, with a location in Glasgow Central Station and others in the pipeline.

“We’re also tendering on airports with our franchise partners — that includes some European airports. And we’re having early conversations about international joint ventures in key cities,” he says proudly.

So is it more likely that the next Grind will be in Berlin or Brussels than Bognor Regis?

“We’re a very metropolitan brand. We suit New York or Berlin better than regional towns in the UK. Certainly when we look at where our Instagram following comes from or where traffic to our online store comes from, we see a disproportionally amount in those kinds of cities, rather than regionally across the UK.”

Abrahamovitch is clearly ambitious, and bullish about the company’s growth, but it is operating in a challenging environment. I ask him about the downturn in the restaurant sector and how it is affecting Grind.

“We’re at the end of the scale where we’re younger, faster growing, and have less of the problems of the bigger guys. But competition is higher than ever, the cost base is higher than ever, and none of those things show any sign of getting better.

How Grind will fare in a major downturn remains to be seen. But I save my most important question for last: what’s his favourite coffee?

“Oat flat white. I’ve switched to oat milk for the reduced CO2 mainly.” Very fitting, for Veganuary.
A growing controversy exists which is being discussed with increased frequency by commentators concerning the restrictions on UK firms that wish to invest in the overseas cannabis industry.

The controversy arises from the uncertainty regarding the legality of investing in a foreign company, based somewhere that cannabis is legal. In the UK, cannabis and synthetic cannabinoids are categorised as Class B drugs under Part II, Schedule 2 of the Misuse of Drugs Act 1971 and the Proceeds of Crime Act 2002 (POCA).

So while cannabis is becoming legal in a growing number of countries, funds generated due to investment in the recreational cannabis sector may be classified as proceeds of crime in this country.

Such investments could potentially mean that an investor risks committing a substantive money laundering offence, or could face other regulatory consequences. Meanwhile, fund managers and investors run the serious risk of violating POCA, not just from their initial investments, but from any revenues – including the increased share price or profit from the sale of such assets – that are derived from cannabis enterprises.

Even the US is struggling to legitimately bank the proceeds of lawful cannabis enterprises.

**GREEN DANGER**

The modern cannabis industry’s funding and investment mirrors the greater convolution of the financial trading world in which it occurs. Cannabis entities are now found on public indices or incorporated into diverse investment portfolios.

For a UK domiciled investor, this can result in profits from cannabis investments — no matter if they occur at arm’s length — being regarded as “criminal property” under POCA. Profits derived from investments in entities involved in the production, sale, and use of cannabis products, including ancillary services that cannabis monies pass through, may therefore result in a UK investor breaching this country’s anti-money laundering laws.

And for British-based banks that hold the accounts through which the proceeds pass, or which receive money from investors who profit from legitimate overseas cannabis holdings, the same risks arise.

Furthermore, UK entities which do not transact with foreign cannabis businesses, but (for example) receive funds by way of a dividend or cash pooling from a company which does, could also be caught by POCA, because they may receive or deal with monies which are arguably tainted (even the slightest amount of criminal property can taint a wider asset, such as money in a bank account).

**PREPARE YOUR DEFENCES**

So what can British investors and entities do to protect themselves? A form of affirmative defence against money laundering does exist under POCA. An entity concerned about the origin of funds it anticipates handling may make an “authorised disclosure” via a Suspicious Activity Report (SAR) to the National Crime Agency (NCA) regarding the relevant anticipated act, and seek consent from the NCA as to how to proceed.

But taken to its logical extreme and risking any other option, investors, bankers, and other professionals who in some way are the recipients of gains or revenues generated from investments in cannabis-related entities would be compelled to repeatedly submit SARs to remain compliant.

This would likely result in the burden of creating an entire department within their organisation dedicated entirely to drafting and filing proactive SARs, and then tracking the NCA’s response to each individual filing. It is an easy exercise to extrapolate the volume of filings that could be anticipated from any one active trading company or fund manager with daily shifts buying and selling within multiple portfolios.

As the NCA has up to seven working days to respond to any single proactive SAR filing, and trading can occur hundreds if not thousands of times in a given day or week, it can be foreseen that by the time a response has been received from the NCA, the monies in question may likely have been traded multiple times – magnifying the number of resultant laundering violations.

**ENTER THE IDEA OF AN INDEPENDENT MONITOR**

One alternative answer may lie in the appointment of an independent third-party monitor.

An appointed monitor could take on the role of being responsible for identifying all cannabis-related investments, the tracking and isolation of any profits or proceeds emanating from those investments, and the ring-fencing of the resulting monies or value, in order to remove the possibility of the inadvertent co-mingling with other investment proceeds or funds.

Further investments in cannabis-related vehicles would not be precluded by the entity being monitored, but profits from cannabis investments could not be re-invested; they would need to be held in the monitored account.

This notion anticipates that, sometime over the next few years, legislation that legalises such investments would occur, thus allowing the independent monitor to release the cannabis-derived gains back to the investor or fund manager.

The monitor would also be able to identify investments that are connected to cannabis revenue, and could then segregate those investments and confirm that the proceeds are not commingled with other investment revenue.

Any revenues derived or interest earned would need to be placed in a special fund. For example, if a stock or holding went up in value, it would need to be placed in the fund. This could become complicated for large investment firms that regularly conduct trading in large volumes, because the connection to the cannabis industry is very broad.

But, like having a neutral trustee in a bankruptcy or asset forfeiture proceeding, a third-party monitor would assume responsibility for making sure that the cannabis investment assets do not violate POCA. This is a concept that might be worth considering.
How to see London’s blind community in a new light

The UK is a welcoming city that is full of opportunity — unless you’re someone with sight loss, reveals Alan Pickering

UNDON is a wonderful place to live and work. I meant to stay for just two years when I first came here in 1972 from my Yorkshire home. Today, 47 years later, I’m a true Londoner — though still a Yorkshireman at heart. I was partially sighted when I arrived in London. My sight continued to deteriorate, and by 30 I was blind. However, I have been able to enjoy an endlessly fascinating career and the many things that this great city has to offer.

I realise that I’m one of the lucky few, by which I mean blind and partially-sighted Londoners who have a job. Doubly lucky because it’s a job that I love. But of course, it’s not the same for everyone.

For most of the 200,000 blind and partially-sighted people who live here, a shift in the attitudes of both the public and employers would make the biggest difference to their lives.

When you’re blind, getting around takes planning, care, and the kindness of strangers. All kinds of unexpected things become hazards, like street furniture and shared public spaces. For example, electric cars are good for the environment, but they’re silent killers if you’re blind.

And while London’s multi-modal public transport system is wonderful and TfL staff are great, fellow passengers are sometimes less so.

This is why I am proud to be a supporter of the Vision Foundation, which works to make London accessible for everyone with sight loss and to reduce preventable blindness. They recently reported that 40,000 blind or partially-sighted Londoners of working age are unemployed, equivalent to 500 London buses’ worth of wasted potential.

Over the past 30 years, employment rates for this group have dropped from 33 to 26 per cent — and just 10 per cent for those with no sight at all.

This is something that the Vision Foundation is committed to changing, and I’m proud to add my voice to their call to start seeing the potential of this workforce in waiting.

We’re living in a tight labour market right now. Recruitment is already a challenge for businesses, and it is likely to get even more so in these uncertain times. If ever there was a time to be focusing on what can be done to bring greater diversity to the workplace, that time is now.

Consider, for example, what happened with my first job, at British Rail, where new recruits — whether or not they wanted to be a train driver — went through a sight test. I failed, of course. They gave me a job, but said I’d never get a promotion.

Entry tests are different nowadays, but a disabled person still has to break down barriers before they can begin to prove their value.

Sometimes, what someone can’t do is more obvious to a prospective employer than their inherent attributes. But if you give someone with a visual impairment a chance and trust them, they’ll move heaven and earth to be successful — to prove that they can overcome their particular challenges.

There is also a very positive side to employing someone who has a disability. Positivity is infectious, and that’s good for business.

This is a heartfelt plea from me and the Vision Foundation, asking employers to consider how their businesses can benefit from the unused human capital in our capital.

And to all my fellow Londoners: let’s start seeing blind and partially-sighted people in a new light.

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Alan Pickering is president of BESTrustees. For more details visit visionfoundation.org.uk.

GIVE YOUR EARS A TREAT: Audible Free

Was your new year’s resolution to try audiobooks more? A noble goal, but if work is very busy you may be struggling to stick with it. Why not make the switch to audiobooks instead? With the Audible app, you get a book for free, which you can download or stream and listen to. It’s an ideal way to absorb more books while commuting, driving, going running, or doing some exercise — your other new resolution.

© Alan Pickering is president of BESTrustees. For more details visit visionfoundation.org.uk.
Val d’Isere’s renovation is the largest construction project in the French Alps in 20 years. Keith Perry grabs his skis and his hard hat to check it out.

The venue is Cocorico, a packed Val d’Isere après ski bar where the music is pumping. BBC Ski Sunday presenter and five times Olympic skier Graham Bell is regaling us of the time he broke the Guinness World Record for the fastest towed speed on skis. Dragged by a Jaguar XJ Sportbrake in Sweden, he reached an eye-watering 117.48 mph, just shy of his top downhill speed of 121 mph.

“It felt equally dangerous to racing downhill and as scary as racing the Streif,” he says, referring to Kitzbühel’s notoriously difficult downhill course. “Actually, it was a bit scarier.”

Bumping into the Ski Sunday film crew in a bar was just one of the many surprises my short ski break to Val d’Isère had to offer. The resort has been dubbed Magaluf on Ice. The resort has everything a party animal could ask for. Lunch at La Folie Daille, had already set the pace and was the added bonus of chilled-out informality and the chance to mingle with fellow guests from the moment you arrive, making it ideal for solo skiers looking to find company on the slopes. A flexible menu plan offers a choice of gourmet dishes from a highly acclaimed chef.

Sitting down for dinner is a great chance to meet like-minded snow enthusiasts – and there’s a lot of good things to digest, not just in the meal you arrive, making it ideal for solo skiers looking to find company on the slopes. A flexible menu plan offers a choice of gourmet dishes from a highly acclaimed chef.

Our VIP Ski chalet, Club Aspen also reflects the high standard of accommodation the resort offers. The high-end chalet, with en-suite bedrooms, is actually a super luxury oversize apartment in a timbered block in the main street, a short walk from the main lifts. The chalet itself doesn’t disappoint and has a selection of lounges plus a dining room, as well as hot tubs, a games lounge and bar with pool and giant TV, and plenty of balconies with views of the mountains or the village centre.

Some chalets now incorporate all the luxury of a five-star hotel with the added bonus of chilled-out informality and the chance to mingle with fellow guests from the moment you arrive, making it ideal for solo skiers looking to find company on the slopes. A flexible menu plan offers a choice of gourmet dishes from a highly acclaimed chef.

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THE WEEKEND: With a predicted 20m visitors touching down in Dubai in 2020, the race is on for luxury hotels to go one better than their neighbours. The lavish Waldorf Astoria on The Palm doesn’t just have its iconic name, glitzy interiors and Social – a swish Heinz Beck restaurant – to lean on, it has also launched a new raft of specialist concierge offerings, which aim to elevate your stay that little bit further. If you thought you didn’t need a ‘jet lag guru’, then think again. As part of its recently launched ‘Live Unforgettable’ initiative, guests are greeted with their own butler, who rolls out the treats during your stay, so you can enter holiday mode without crawling the walls with tiredness.

THE STAY: Opt for one of the Pearl Suites for the ultimate in Middle Eastern luxury. Slick rooms come with walk-in wardrobes, huge marble bathrooms, decked out with Salvatore Ferragamo toiletries, and chic terraces overlooking the Arabian Gulf. While you are checking in – complete with a healthy smoothie to help you acclimatise – your ‘Bath Master’ has already filled your tub with scented bubbles and rose petals, and managed to unpack your luggage. You are given guide on easy stretching to do in your room, as well as access to a personal trainer who will devise a fitness schedule to make sure you hit the ground running. Next up, you’ll be booked in for a De-Stress Neom spa treatment in the opulent spa. Meditation, reflexology and a hot oil massage combine for pure bliss. If you’re not slumbering like a baby after that, then head to the Vietnamese restaurant Lao for the special jet lag menu. You’ll be hitting the hay before you can say ‘Hanoi lobster noodles’.

DON’T MISS: From the private beach to the two swimming pools, tennis courts to a host of water sports, there is a lot to keep you busy at the resort, but the sprawling spa is a true highlight. Glimmering interiors – shot through with mother-of-pearl and gold – set the tone for top-end treatments that seem to have been devised by an ambitious jeweller – there’s a gold rejuvenating hammam experience, which finishes with a 24 carat gold shea butter, a rose quartz massage, which uses warm quartz stones to ease away tension, and a blue diamond facial by Omorovicza, which brightens dull skin with a diamond peptide serum.

THE FOOD: Hanoi-born chef Mai oversees Lao and brings a fine-tuned touch to Vietnamese street food. Book the Chef Counter experience – you sit on high stools directly looking into the open kitchen. Chef Mai will talk you through the inspiration behind her signature dishes as she serves them up. Make sure you order the tiger prawns with coconut milk and shimeji mushrooms, it’s the best dish on the menu.

For a real treat, however, book at Social by Heinz Beck (the chef behind the three-Michelin-starred La Pergola in Rome). The tasting menu is heart stoppingly good – there’s slow cooked egg with potato cream and truffle, fagetti carbonara, and the dreamiest tiramisu – all interrupted with the freshest baked breads, amuse-bouche and starry service as you look over the Dubai skyline.

ASK ABOUT: The brunch – Dubai dwellers love a Friday brunch and Waldorf Astoria’s is one of the largest. On offer are a raft of classic dishes, such as eggs benedict, as inspired by those served in its iconic New York property, innovative sushi stations and a ‘dessert safari’. There’s also live music and a magic act to add a new dimension.

NEED TO KNOW: Rates for a Pearl Club suite start at AED 3,863.00 (approx. £818). Visit waldorfastoria3.hilton.com
We Gatherin’ kicked off in St Lucy in January when highlights included Barbados Sailing Week and Barbados Independent Film Festival, netball and cricket matches, and a gospel concert, with a good dose of karaoke and foodie experiences mixed in. You can expect an abundance of exciting and inspiring events over the months to come, including the Old Brigand Rum Regatta, the Barbados National Trust Open House Programme, the Holetown Festival, a three-hand domino tournament and art exhibitions, and much more. The parish celebrations conclude in St Michael in October with a good dose of karaoke and foodie experiences mixed in. You can expect an abundance of exciting and inspiring events over the months to come, including the Old Brigand Rum Regatta, the Barbados National Trust Open House Programme, the Holetown Festival, a three-hand domino tournament and art exhibitions, and much more. The parish celebrations conclude in St Michael in

November, then We Gatherin’ reaches its December climax with an extravagant Christmas spectacular, for Barbadians at home, Barbadians abroad and Barbadians at heart to celebrate a traditional, old-time Bajan Christmas. Barbados is known as the culinary capital of the Caribbean and for very good reason. There is an abundance of dining opportunities on the island, ranging from romantic candle-lit dinners on the beachfront to local seafood restaurants. For the discerning foodie, the diversity of cuisine on offer on the island sets Barbados apart, with European, West Indian, African and Asian influences. The highlight is local Caribbean food – must-order national dishes include conkies, made with cornmeal and okra, served alongside flying fish. For those with a sweet tooth, coconut bread and conkies, a treat made from cornmeal, raisins, pumpkin and coconut, are not to be missed.

It would be rude to visit Barbados without sampling the spirit of the island: rum. Barbados is considered the birthplace of rum – the island’s Mount Gay distillery dates back to 1703, and is the longest-established distillery in the world. Whether you like your rum neat, with a dash of coke, or in a cocktail creation, there is something here to please all tastes. Don’t miss one of the many distillery tours available, and be sure to stop into one of the island’s 1,500 rum shops – a bottle of rum makes an ideal souvenir of your travels.

Another highlight of the year and the most popular festival on the island is the five-week Crop Over Festival, held to celebrate the end of the sugar harvest. Barbados was once among the largest producers of sugar in the world so at the end of the season Barbadians gather for this unique event on the island is the five-week Crop Over festival, themed around sugar, originally held to celebrate the sugar harvest – Barbados was once among the largest producers of sugar in the world. At the end of sugar season Barbadians gather for this unique event, which includes the ceremonial delivery of the last sugar canes and the crowning of the king and queen of the cane cutting.

For those who love lounging on idyllic beaches with powder-fine sand, sipping rum-infused cocktails, or enjoying a leisurely wander along the shoreline, it doesn’t get any better than Barbados beaches. There’s also potential for adventure. Speed off on a jet ski or explore the crystal-clear waters with a spot of paddle-boarding. The waves in Barbados make it perfect for surfing all year round. If you prefer something a little more laid-back, no problem – there are plenty of luxury catamarans ready for exploring, so you can create your own tropical adventure.

Full of unique celebrations, magnificent scenery, culture, history and the warmest climate and welcome, and just eight hours from London, Barbados is an island where memories are made – and the perfect place to escape the city for some winter sun.
VEN for a supporter base that has become reacclimated to occasions like this there was a particularly joyful mood in the Anfield crowd at the culmination of this victory.

Because there is going 16 points clear in the Premier League and taking another huge stride towards a first top-flight title in 30 years, and then there is doing it against your biggest rivals.

Even before this game nobody with even a passing interest in football could seriously have believed that Liverpool would not end the season as English champions for the first time since 1990.

And yet the history between these clubs appeared to breed an irrational level of concern about the significance of this fixture, one that seeped into Liverpool’s play until Mohamed Salah’s injury-time goal.

Salah’s application in the 93rd minute, just when United were throwing everyone they had at David de Gea forward for a corner that might rescue a point.

When that corner came to nothing, Liverpool keeper Alisson showed that taking diagonal balls are not the sole preserve of Trent Alexander-Arnold and released Salah, who had a clear run at goal.

The Egypt forward held off the chasing Daniel James before beating De Gea with a low shot that the Spaniard ought to have stopped and which was greeted with wild jubilation among the home fans.

Virgil van Dijk had given the hosts an early lead with a powerful header from Alexander-Arnold’s pinpoint corner but Liverpool somehow failed to add to their lead until the dying moments.

ONES THAT GOT AWAY
The runaway league leaders saw two goals chalked off before half-time, the first – a fine, curling shot by Roberto Firmino – because of a contentious challenge by Van Dijk on De Gea seconds earlier that took a video assistant referee referral to detect.

Georginio Wijnaldum also thought he had scored, slotting in Alex Oxlade-Chamberlain’s through-ball, but the Holland midfielder was correctly flagged offside.

Sadio Mane looked unusually hurried,UFFLING one chance with a poor touch, firing another too close to De Gea and later dragging a third wide of the far post after being forced onto his left foot.

Salah missed the most glaring opening, however, scuffing wide from point-blank range when picked out by Andrew Robertson’s low cross, while Jordan Henderson drew a fingertip save from De Gea.

ANFIELD’S PALLIBLE RELIEF
United’s occasional attacks – Andreas Pereira was inches away from converting Aaron Wan-Bissaka’s ball across goal – seemed futile at first, given Liverpool’s weight of chances in what proved a hugely enjoyable spectacle.

But as the home side failed to increase their lead, the visitors scented a chance to grab a point – they remain the only team to have held Jurgen Klopp’s men in the league this term – and nerves grew around Anfield.

First the influential Fred was allowed to advance to the edge of the penalty box and shot wide; then Anthony Martial wasted a smart one-two with a wild finish.

Not until Salah streaked clear to ensure Liverpool took full advantage of Manchester City and Leicester’s slip-ups at the weekend was the result safe – and the relief palpable.

RASHFORD INJURY A WORRY
United now trail Liverpool by 30 points – testament to the former’s flaws as well as the sustained brilliance of the latter’s 21 wins from 22 league games.

They remain fifth, though, and just five points behind a Chelsea team who also dropped points on Saturday.

If deep concern for Ole Gunnar Solkskjaer will be that Marcus Rashford, whose 16 goals in his last 21 games has given them hope of a top-four finish, faces an extended spell on the sidelines.

Rashford’s double stress fracture in his back is expected to mean two or three months on the sidelines and, given the similar lay-off facing Harry Kane, is not good news for England coach Euro 2020 either.

Comeback win over Saints showed all of Wolves’ qualities

Traore’s speed and Jimenez’s finishing overturn two-goal deficit for impressive victory, writes Felix Keith

SOUTHAMPTON fans would have been forgiven for thinking their brilliant run of form was continuing at half-time against Wolves on Saturday.

Holding a 2-0 lead at St Mary’s, a sixth win from seven games looked on the cards. Saints had conceded three goals in their last five Premier League matches, but they didn’t count on the quality on their opponents’ front line.

Led by the skills of Adama Traore – ludicrous speed and strength and an optimist’s mindset – and the accurate finishing of Raul Jimenez, Wolves overpowered Ralph Hasenhüttl’s side.

The frailties of a defence who had disintegrated and shipped nine goals in a single game less than three months ago re-emerged in a match-winning 23-minute spell.

Traore teed up Pedro Neto to pull a goal back, Jonny was sandwiched between Jack Stephens and Cedric Soares to win a penalty for Jimenez before Traore squared for the Mexican striker to sweep home the winner.

Nuno Espirito Santo’s team have played more games than any other Premier League side this season, having started their Europa League campaign in July, and yet they are still capable of producing a sustained burst of quality in January. The players, their manager and the conditioning team deserve immense credit.

PALACE’S RESILIENCE
There was another comeback, albeit of different proportions, at the Etihad Stadium on Saturday. Sergio Aguero staged the first, scoring twice to bring Manchester City from 1-0 down to 2-1 ahead, but it was Crystal Palace who had the last laugh.

Aguero’s second goal, in the 87th minute, didn’t leave much time for an equaliser, but Palace didn’t need it. Willfried Zaha’s determined run and cross down the left cannoned off Fernandinho and secured a fourth straight draw for Roy Hodgson’s side.

“It was wonderful to see the lads not give up and accept what many people thought should’ve been their fate and to get back and get an equaliser,” Hodgson said.

Under the former England manager such performances have become commonplace, especially in Manchester, where Palace have picked up two wins and two draws from their last four league games against City and United.

CHELSEA BLUES
Saturday was Groundhog Day for Chelsea, as they once again failed to break down a deep-set defence. In some ways this one hurt even more than the 1-0 defeats at Stamford Bridge against West Ham and Bournemouth and the 2-0 loss to Southampton, with Isaac Hayden’s winner for Newcastle coming after 93 minutes and 26 seconds.”We dominated every aspect of the game,” manager Frank Lampard said. “They hit the bar in the first half but the rest of the game was ours, except scoring.”

Chelsea are fourth in the Premier League and have progressed from a tough group to reach the last 16 of the Champions League, despite the transfer ban which denied them the chance to recruit in the summer.

In just his second year of management, Lampard is performing admirably. His side have secured memorable away wins over Ajax, Tottenham and Arsenal this season. And yet it could conceivably be even better. The Blues must learn to break down more defensive opposition and take their chances.

Champions League
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Comeback win over Saints showed all of Wolves’ qualities

Traore’s speed and Jimenez’s finishing overturn two-goal deficit for impressive victory, writes Felix Keith

SOUTHAMPTON fans would have been forgiven for thinking their brilliant run of form was continuing at half-time against Wolves on Saturday.

Holding a 2-0 lead at St Mary’s, a sixth win from seven games looked on the cards. Saints had conceded three goals in their last five Premier League matches, but they didn’t count on the quality on their opponents’ front line.

Led by the skills of Adama Traore – ludicrous speed and strength and an optimist’s mindset – and the accurate finishing of Raul Jimenez, Wolves overpowered Ralph Hasenhüttl’s side.

The frailties of a defence who had disintegrated and shipped nine goals in a single game less than three months ago re-emerged in a match-winning 23-minute spell.

Traore teed up Pedro Neto to pull a goal back, Jonny was sandwiched between Jack Stephens and Cedric Soares to win a penalty for Jimenez before Traore squared for the Mexican striker to sweep home the winner.

Nuno Espirito Santo’s team have played more games than any other Premier League side this season, having started their Europa League campaign in July, and yet they are still capable of producing a sustained burst of quality in January. The players, their manager and the conditioning team deserve immense credit.

PALACE’S RESILIENCE

There was another comeback, albeit of different proportions, at the Etihad Stadium on Saturday. Sergio Aguero staged the first, scoring twice to bring Manchester City from 1-0 down to 2-1 ahead, but it was Crystal Palace who had the last laugh.

Aguero’s second goal, in the 87th minute, didn’t leave much time for an equaliser, but Palace didn’t need it. Willfried Zaha’s determined run and cross down the left cannoned off Fernandinho and secured a fourth straight draw for Roy Hodgson’s side.

“It was wonderful to see the lads not give up and accept what many people thought should’ve been their fate and to get back and get an equaliser,” Hodgson said.

Under the former England manager such performances have become commonplace, especially in Manchester, where Palace have picked up two wins and two draws from their last four league games against City and United.

CHELSEA BLUES

Saturday was Groundhog Day for Chelsea, as they once again failed to break down a deep-set defence. In some ways this one hurt even more than the 1-0 defeats at Stamford Bridge against West Ham and Bournemouth and the 2-0 loss to Southampton, with Isaac Hayden’s winner for Newcastle coming after 93 minutes and 26 seconds. “We dominated every aspect of the game,” manager Frank Lampard said. “They hit the bar in the first half but the rest of the game was ours, except scoring.”

Chelsea are fourth in the Premier League and have progressed from a tough group to reach the last 16 of the Champions League, despite the transfer ban which denied them the chance to recruit in the summer.

In just his second year of management, Lampard is performing admirably. His side have secured memorable away wins over Ajax, Tottenham and Arsenal this season. And yet it could conceivably be even better. The Blues must learn to break down more defensive opposition and take their chances.
PYRRHIC VICTORY Saracens beat Racing 92 amid relegation gloom

Captains off-spin comes up trumps against struggling hosts South Africa, writes Felix Keith

Only rain can stop them now. It’s not a statement which you would expect to be true about England playing an away Test match against South Africa, but after a nigh on perfect fourth day in Port Elizabeth the visitors are on the brink of taking a 2-1 series lead. England began Sunday needing 14 wickets to win. Despite getting in just 66 overs because of poor weather, they ended it with just four more left to claim.

As is often the case in sport, one side’s utter dominance came as a mixture of their brilliance and their opponent’s shortcomings. With rain threatening the final two days, the Proteas were faced with the very real possibility of saving the Test.

Had they seen off the new ball, worn out the England bowlers and showed some fight they could have gone a long way to extinguishing any hope of victory. Instead South Africa collapsed to lose 10 wickets for the addition of just 103 runs, helping the visitors charge towards consecutive wins.

Coaches and pundits talk of having positive intent when batting to try and force a draw. The idea is that, although runs are essentially immaterial, by looking to score the batsman is in a better mindset; he can build confidence and throw bowlers off their lengths.

South Africa failed miserably to find a happy, productive medium, veering wildly from reckless attack early in the day to meek sitting-duck defence later on.

Faf du Plessis’ team have now been asked to follow on three times in their last five Tests

Root bowls England to the brink of victory

Burnley come from behind to earn big win

Burley came from behind to beat Leicester 2-1 yesterday and end a run of four successive Premier League defeats. Harvey Barnes put the Foxes ahead at Turf Moor with a strong run and finish but Chris Wood pooled to equalise from a corner. Leicester missed the chance to go ahead when Jamie Vardy’s penalty was saved by Nick Pope after Ben Mee fouled Barnes and Burnley made them pay through Ashley Westwood’s powerful drive. The win moved the Clarets into 14th place, five points above the relegation zone, while Leicester remain third.

Bingham beats Carter in masters final thriller

Stuart Bingham staged a brilliant comeback to beat Ali Carter 10-8 and take his second Masters title last night. Bingham, the 2015 winner, led 5-3 after the first session, but Carter, who was only playing at Alexandra Palace after Ronnie O’Sullivan decided not to, won four successive frames to lead 7-5. Bingham then did the same to turn it back in his favour, before eventually securing the Paul Hunter Trophy and £250,000 prize money with his first century of the tournament.

Westwood keeps his cool to win in Abu Dhabi

Lee Westwood held off challenges from fellow Englishman Tommy Fleetwood and Matt Fitzpatrick to win the Abu Dhabi Championship on Monday 20 January 2020

SARACENS NO8 VUNIPOLA LIKELY TO MISS SIX NATIONS

England are expected to be without Billy Vunipola in the Six Nations after the Nolt suffered a suspected broken forearm in Saracens’ win over Racing 92 yesterday. Vunipola left the field six minutes into the 27-24 Champions Cup victory. If the injury is confirmed it would be the 27-year-old’s fourth broken arm in two years. Eddie Jones will name his Six Nations squad today.

Root’s round-arm, skiddly offbreaks should not trouble Test match batsmen. Generally, they don’t. England’s captain had taken 24 wickets from 2,364 balls in Test cricket before this game, but suddenly, with panic in the air, South Africa made him look like Muttiah Muralitharan. Pieter Malan was pinned lbw, Ollie Pope smacked two catches at short leg to dismiss Rassie van der Dussen and Du Plessis, while De Kock brainlessly slashed to point.

Philander, who was dropped twice playing the pull shot, and Maharaj remain unbroken, but if the weather stays away long enough this morning that won’t be the case for long.

Sport digest

Burnley, the overnight leader, shot a five under-par 67 to finish on 13 under par, two shots ahead of Fleetwood, Fitzpatrick and Victor Perez to claim the European Tour title – his 25th overall and fourth in as many decades. “I am just really happy the way I controlled myself,” Westwood, 46, said. “I wasn’t paying attention to other people, I was just trying to control my emotions.”

Blues’ fast start knocks Gunners off top spot

Chelsea flew out of the blocks to thrash Arsenal 4-1 in the Women’s Super League yesterday. The Blues shot into a 3-0 lead inside 20 minutes through goals from Beth England, Sam Kerr and Sophie Ingle and Guro Reiten struck in the second half to make it 4-0. Beth Mead grabbed a consolation, but Manchester City’s 2-0 win at Birmingham knocked Arsenal off top spot on goal difference.

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