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MONDAY 20 JANUARY 2020 | ISSUE 3,537 CITYAM.COM FREE

CITY BACKS SAJ ON NEW RULEBOOK

HARRY ROBERTSON
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CITY leaders have responded with cautious optimism to chancellor Sajid Javid's statement that post-Brexit financial services trade with the EU should be on the basis of "outcome-based" equivalence of rules, rather than full regulatory alignment.

However Javid faced a backlash from car manufacturers and business bodies, after he told the Financial Times that the UK will diverge from EU regulations after Brexit and said firms will have to "adjust".

The UK and EU have until the end of the year to thrash out a free-trade agreement. The "political declaration" agreed in October said Britain should be able to access the EU's financial markets using a "third-party equivalence" system, which would deem Britain's regulations to be in alignment with the bloc's.

Fleshing out his post-Brexit plans, Javid said over the weekend that the UK should simply ensure its rules produce the same outcomes as the EU's.

This approach would give Britain more leeway in making its own financial rules, rather than simply incorporating EU rules wholesale. There is no guarantee the EU will agree, however.

Sajid Javid irked car makers for wanting to diverge from EU rules

Catherine McGuiness, policy chair at the City of London Corporation said: "Securing an 'outcome-based' equivalence of rules as suggested by the chancellor would be a step in the right direction."

She said the current third-party equivalence system the EU offers to countries such as Japan is "patchy and prone to politicisation".

A spokesperson from banking body UK Finance said Britain and the bloc should maintain integrated financial markets without "the UK becoming an EU rule-taker by building a clear institutional mechanism for regulatory dialogue".

Javid made clear that "there will not be alignment" with EU rules on trade in goods, causing the Society of Motor Manufacturers and Traders (SMMT) to warn that any disruption to the car industry's complex cross-border relationships could cost "billions".

SMMT chief executive Mike Hawes told the chancellor that the car industry's "priority" is to remain closely integrated in order to safeguard "UK manufacturing".

TO ICAP IT ALL OFF City grandee may finally head to House of Lords

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CITY grandee Michael Spencer is set to be given a life peerage by the government.

The billionaire founder of Icap, and a former Conservative party treasurer, was included in Boris Johnson's dissolution honours list after last month's election, according to Sky News.

He was reportedly also in line for the nod in 2016, however Icap's involvement in the Libor rigging scandal was said to have kept him out of the House of Lords, though Spencer was never personally implicated.

He sold the majority of his stake in Icap for more than £200m in 2017, having founded the firm with just £50,000. It comes as the Sunday Times reported that Boris Johnson has begun a review into potentially moving the House of Lords to York, with disused land already identified as a potential location.

CONTINUES ON P3

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.

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CITY A.M.

THE CITY VIEW

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

AS WE approach the 50-day point in Boris Johnson's new premiership, questions are still being asked about what kind of leader he will be, and how different the country will become. Londoners in particular are used to certain amount of showmanship in the Johnson approach to politics. As mayor, he was a high-profile figure who enjoyed the platform of his office, seemingly able to make sport of situations where others might flounder. But his absence from the airwaves was noticeable during the first few days of both the Iran crisis and the Australian wildfires, and a pattern seems to be forming in which he resists the urge to find the nearest TV studio. This is an approach encouraged by the people around him. A handful of ministers have been granted such privileges as talking to the press, notably chancellor Sajid Javid, who appeared to put the cat among the pigeons when he said the government would reject alignment in any trade deal with the EU. The fuss this interview has provoked is surprising given that it has been Johnson's stated position since the Chequers split under Theresa May, that it has been referenced for several months and that it was even in the Conservative manifesto. This was always the way Johnson, Dominic Cummings and others of the Vote Leave philosophy have viewed Brexit: without jettisoning the single market, customs union and the EU's hold over UK regulations (for goods as well as services), the country is not free to strike the kind of trade deals those now in government view as the whole point of Brexit. That 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 diverge and actually using the freedom to do so are not the same thing. But as and when it does, it will be incumbent on the government to weigh the pros and cons, consider the economic impact and consult with relevant industries. The freedom to make our own regulations is a prize much valued by Brexiters. Javid's message was entirely consistent with everything that business should have been preparing itself for, if not under the previous regime then certainly when Johnson's impending victory became clear. All industry needs, as always, is clear communication of the direction of travel from government. Johnson, along with his top ministers and advisers, must work with industry leaders, as they develop plans for our future trading relationships. Business is willing to adapt and change, but it must be part of the process.

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SNOW BALL Global elite jet into Switzerland for World Economic Forum in Davos where Theresa May is expected to give a speech

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.

Square Mile jobs market gains pre-election boost

HARRY ROBERTSON

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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 38 per cent between November and December, according to data released today by recruitment firm Morgan McKinley.

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 job-seekers 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 begins 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."

The PM has been credited with boosting the UK economy

WHAT THE OTHER PAPERS SAY THIS MORNING

FINANCIAL TIMES

HS2 COSTS COULD HIT £106BN, WARNS REVIEW

The cost of Britain's new HS2 high-speed rail project could rise to as much as £106bn, according to an official government review which gives only lukewarm backing to the project. The review says there is "considerable risk" that the scheme's price will rise as much as 20 per cent beyond the £81bn to £88bn range set out in a report by the current HS2 chairman Allan Cook last September.

STAGECOACH AND ARRIVA SUE OVER FRANCHISE BIDS

Two of Britain's biggest transport groups will challenge the government in court this week, in a case that could further undermine the privatised rail system. Stagecoach and Arriva are suing the government after being disqualified from recent bids to run some of the UK's most important private rail franchises.

THE TIMES

RIOT POLICE CRACKDOWN ON PROTESTERS IN BEIRUT

Protesters fought running battles with police in Beirut over the weekend, with one man blinded after being hit in the eye by a rubber bullet and more than 300 people injured.It was the city's worst violence since a cross-sectarian movement calling for a change in government began a campaign of sit-ins in October.

BORIS JOHNSON TO RAISE US DIPLOMATS' DRIVING

Boris Johnson has said that he will discuss the driving habits of US diplomatic staff with American officials after another close miss near to the base where Harry Dunn was killed.

THE DAILY TELEGRAPH

FLYBE TO START HEATHROW TO DUSSELDORF SERVICES

Flybe is preparing to launch services on the lucrative route between Heathrow and German industrial heartlands, threatening to enrage further airline executives left fuming by a government rescue last week. The planned Dusseldorf service is part of a route overhaul that includes an extra service between Newquay and Amsterdam.

FOREIGN AID FOR COAL MINES AND POWER TO END

British foreign aid for coal mines and power plants is to end to help combat climate change, Prime Minister Boris Johnson will pledge today at a UK-Africa investment summit in London.

THE WALL STREET JOURNAL

AMAZON CREATING PALM SCANNERS FOR STORES

Amazon is creating checkout terminals that could be placed in bricks-and-mortar stores and allow shoppers to link their card information to their hands. They could then pay for purchases with their palms, without having to pull out a card or phone.

HONG KONG PROTEST ENDS IN TEAR GAS AND ARRESTS

Pro-democracy protesters and police clashed in Hong Kong's financial district yesterday, as authorities abruptly shut down an approved and largely peaceful rally and used batons and tear gas to disperse the crowd of protesters from a movement that is eight months old.

Election house price surge sets a winter record

JESS CLARK

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THE DECISIVE result of the General Election sparked a record-breaking surge in the price of property put up for sale in December and January, in the latest sign that the UK housing market has been revitalised by the so-called Boris bounce.

There was a 2.3 per cent monthly surge in the average price of property coming to the market between 8 December and 11 January, the largest jump ever for that time of year since Rightmove records began in 2002.

Nearly 65,000 properties were put on the market during the period, meaning most were advertised for sale following the General Election on 12 December, according to the property platform's House Price Index.

There has also been a jump in buyer demand since the ballot. Enquiries to estate agents between 13 December and 15 January were up 15 per cent compared to the previous year, with an extra 1.3m buyer enquiries following the election.

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 enquiries from new buyers, up from minus 12 in November, according to the latest Rics data.

"We have absolutely seen a post-election bounce — quite substantially actually," said Marc von Grundherr, director at Benham & Reeves.

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.

PwC investigating links to Angolan billionaire accused of massive fraud

JAMES BOOTH

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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 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.

PwC provided consultancy, auditing and tax advice to many of 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 immediately initiated an investigation and are working to thoroughly evaluate the facts and conclude our inquiry."

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.

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 peerages.

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".

Third of retailers warn on profit in difficult 2019

JESS CLARK

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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 the fourth quarter total, according to research by professional services firm EY.

Superdry, Joules and John Lewis are among the high street brands to issue profit warnings in January, citing weak sales over the important festive trading period.

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.

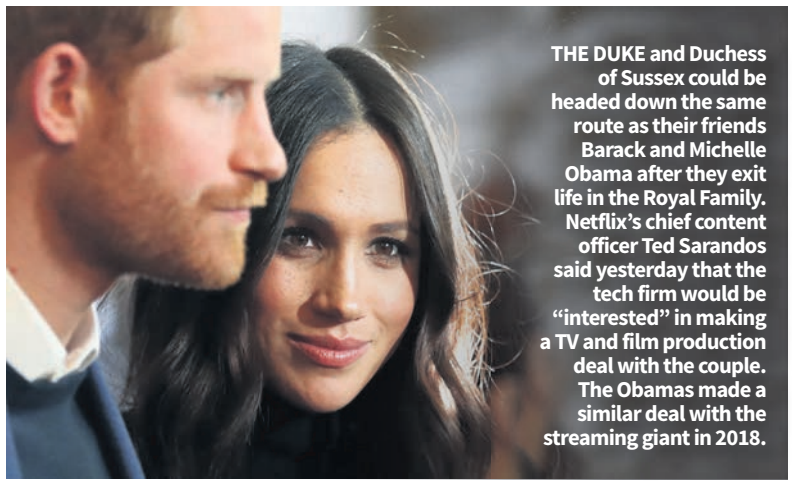
"Post-Christmas trading updates once again underlined the stark contrast between the retailers that are creating compelling, engaging online and store offering, and those who have fallen behind."

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.

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

CALLING THE SHOTS Harry and Meghan pique interest from Netflix for future deal



THE DUKE and Duchess of Sussex could be headed down the same route as their friends Barack and Michelle Obama after they exit life in the Royal Family. Netflix's chief content officer Ted Sarandos said yesterday that the tech firm would be "interested" in making a TV and film production deal with the couple. The Obamas made a similar deal with the streaming giant in 2018.

Department store Beales enters crunch week amid sale attempt

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DEPARTMENT store chain Beales will decide whether to appoint administrators this week following attempts to find a buyer.

The retailer will hold a board meeting today after which KPMG could be appointed as administrator, putting 1,300 jobs at risk, Sky News reported.

The Bournemouth-based chain appointed a notice of intention to appoint an insolvency firm 10 days ago, and the notice is not expected to be extended.

Beales has been in crisis talks with potential buyers in an attempt to stave off a collapse. The retailer was hopeful that a deal could be struck by the end of last week.

City businesses change their tune over Brexit

HARRY ROBERTSON

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LONDON firms are now more pessimistic about the effect Brexit will have on the economy than the UK as a whole, 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.

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

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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.

Retail landlord Intu owns the Trafford Centre near Manchester

Private equity overseas assets rise 50 per cent

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 de-risk 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.

PENNY-PINCHING HSBC set to close more branches amid wide cost-cutting scheme

HSBC is said to be preparing to close another raft of high street branches as part of wider cost-cutting measures this year. The first of more than 10 high street locations is expected to shut in the next few weeks, the Sunday Times reported.

JP Morgan to buy Paris building to relocate teams from London

GWENAELLE 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. *Reuters*

Management consultants on the up in 2019

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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.

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

BLAST OFF Space X completes astronaut 'abort test' for emergency crew survival

SPACEX yesterday completed a test of the so-called abort manoeuvre it would use to save crew members if its rockets incurred a problem mid-flight. The test is thought to be the last milestone for the company before receiving full clearing from Nasa.

Communications watchdog Ofcom turns to industry for next chief exec

JAMES BOOTH

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COMMUNICATIONS watchdog Ofcom is said to have restarted its search for a new chief executive after the government rejected its choice of candidate.

Culture secretary Baroness Nicky Morgan has been approaching senior industry executives to encourage them to apply for the role, the Sunday Telegraph reported.

The search for a candidate from industry reflects the desire of Boris Johnson's chief adviser Dominic Cummings to bring new perspectives into government, the report said.

Former Ofcom chief executive Sharon White is set to join retailer John Lewis as chair next month.

The new head of Ofcom will play a key role in the overhaul of the telecoms market.

Ofcom is also responsible for regulation of the BBC, which faces an uncertain future under Johnson.

The Ofcom board had planned to appoint Dame Melanie Dawes, a permanent secretary in the ministry of housing, as its new chief executive the newspaper said.

However, following the General Election, Downing Street reportedly asked for a further search.

Ofcom declined to comment.

KPMG could face legal action for Goals tax fiasco

JAMES BOOTH

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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

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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 no-payment of the licence fee would have a "pretty negative" impact on the corporation.

"Once you decriminalise, 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 clambers to complete sale of British Steel

STEFAN BOSCIA

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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."

Kantar has held talks with Crozier but his appointment has not been finalised

Former ITV boss in talks to chair market research group Kantar

JAMES WARRINGTON

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THE FORMER chief executive of ITV is in discussions to take over as chairman of market research giant Kantar.

Adam Crozier, who led the broadcaster for seven years to 2017, has been approached about the role by Bain, which bought a majority stake in Kantar from WPP for $4bn (£3.2bn) last year.

A source close to Kantar confirmed that the company was in conversations with Crozier, but said a deal was yet to be finalised.

Crozier, who currently chairs Asos, Whitbread and cinema chain Vue, has previously served as chief executive of Saatchi & Saatchi, the Football Association and Royal Mail.

EU immigration rules could be changed early

STEFAN BOSCIA

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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.

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

HARRY ROBERTSON

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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 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".

Employment in the food and drink sector is at its highest point in 15 years

Water firms turn back on investor dividend pledge

STEFAN BOSCIA

@Stefan_Boscia

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 on delivering value to 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.

BOYS ARE BACK IN TOWN Will Smith's Bad Boys for Life dominates US box office

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.

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".

Barristers' practices grow despite legal aid cuts and rising expenses

JAMES BOOTH

@Jamesdbooth1

NEARLY three-quarters of barristers said their practice has grown or remained stable in the last three years, according to research published today.

The growth comes despite challenges facing the independent bar, including government cuts to legal aid and a move towards fixed costs in private cases, both of which are hitting fees.

The survey by legal research business Lexisnexis found 37 per cent of barristers said their practice had grown compared to three years previously, 36 per cent said their practice was stable and 21 per cent said it had declined.

The growth comes despite worries about threats facing the bar.

Respondents rated managing wellbeing and increasing resilience as the biggest challenge they faced.

Rising costs were identified as another major challenge, while for those doing publicly funded work in the criminal and family sectors, legal aid cuts were a major worry.

One respondent said: "The legal aid crisis is fundamental.

"Even as an experienced, successful barrister I spend much of my time working for free."

China set to increase imports from US according to 'market principles'

HUIZHONG WU

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. *Reuters*

EU casts off fear of 5G delays on equipment ban

MICHAEL ROSE

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. *Reuters*

HOME OR HUAWEI? Chinese tech exec Meng Wanzhou faces extradition hearing

HUAWEI chief financial officer Meng Wanzhou will appear in court today for the first phase of her extradition hearing. Meng was arrested in Canada 2018 on US charges including bank fraud and breaking sanctions against Iran, and is fighting extradition.

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."

London is a popular place for stock listings from African businesses

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

The UK must maximise trading opportunities with African firms

The government will step in to provide support for this flourishing relationship, writes minister **Graham Stuart**

WHAT do you think when you think of Africa? If it doesn't include thriving tech startups, some of the fastest growing economies in the world and a market of hundreds of millions of consumers, you're thinking about the wrong place.

That's why the government is today hosting the UK-Africa Investment Summit to bring together African and British businesses, investors and governments.

The UK is open for trade like never before, and we want to be the trading, finance and investment partner of choice for African nations.

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

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

ALEXANDRA HUDSON

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 Gruenheide, 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 9 January.

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. *Reuters*

Gambling firms used database of 28m children

JAMES WARRINGTON

@j_a_warrington

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.

"This 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."

Sky has extended its deal for access to Netflix hits such as The Irishman

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

JAMES WARRINGTON

@j_a_warrington

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 two 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.

Public cash shouldn't be for private gain

Matt Kilcoyne proposes a set of reforms to the way taxpayer money is used on services

HAVE you ever heard of Apton? It's game-changing. It's synergetic. It's revolutionary. It's self-actualising. It's... costing you money with naught in return.

You probably haven't heard of Apton, though — it's only got 3,000 subscribers. It's an app to stream Welsh language music — kind of like Spotify, but with a much smaller catalogue, fewer features, and an addiction to public subsidy.

As a taxpayer you are paying for it. As a reader of *City A.M*, you're almost certainly one of the people paying for it — even though you are getting nothing in return.

The devolved Welsh government is subsidised by the rest of the UK. It receives a block grant which is well above the amount Welsh taxpayers put into the pot, and then the politicians in Cardiff Bay decide what to spend on it. Earlier this decade it decided that meant giving a £30,000 grant to this private company.

Flybe drew criticism last week after securing a government loan using taxpayers' money to aid its financial struggles

It's Welsh language music, how big could the audience be? It's tiny. In a country of 3m people, just one in 10 are fluent in Welsh, while just over one in 20 cite Welsh as their first language.

Apton has run into financial difficulty. It just isn't making enough money from its 3,000 subscribers to carry on trading. It's struggling because competitors like Spotify and Apple provide a better service and even promote Welsh language music.

But even still, Apton went crying to the Welsh assembly's culture committee to cough up more cash and got coverage using a well-oiled PR campaign and political connections.

Flybe have done the exact same. A company made a big public fuss after bringing itself to the brink of failure.

Virgin, Stobart, and Cyrus Capital bought the company for just £2.8m last year, knowing the liabilities they were taking on. These deep-pocketed firms are now seeking special treatment from taxpayers because of their imprudent investment decision.

There's a term for a system in which companies succeed not by providing value to their consumers, but because of special benefits stolen from the rest of us. It's called crony capitalism, and it stinks. It gives the rest of you honest brokers a bad name.

No company should receive public cash to prop up private gain. We should never jettison the principle that private companies must make a profit to prove their value. You might think flights to Aberdeen from City are essential, but I'm sure the tiny numbers of Apton subscribers think the same of their app and language. I'm sure people that want money spent on their local highway think the same. So here's a radical suggestion for governments everywhere that want to step in to save so-called vital services — let people pay for them.

If they don't make a profit, it turns out they weren't that vital after all. If tickets don't fly, try a subscription service, let people pay via Patreon, have a government-promoted Kickstarter if you must. Just don't ask me to pay for something that I get nothing from to keep you in the lifestyle you've become accustomed to.

Matt Kilcoyne is the deputy director of the Adam Smith Institute

BOTTLE OPENER

City A.M.'s wine expert offers his pick of the best bottles around

I HOPE your Christmas tables were graced with suitably lovely bottles, and that fireworks competed with champagne corks on New Year's Eve. Some of you might be mid-way through a dry January but that's no reason for me to defer my first column of the new decade.

The end of January is when the global elite (well, some of them) gather at Davos for the World Economic Forum.

I have attended this jamboree in the past. I remember before my first visit the journalist Rageh Omaar 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 Bono.

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 told on his return to his hotel and having his route-tracking device reviewed, that he'd set a new record for 'waiting time'.

What are the perfect alcoholic accompaniments to a weekend on the slopes?

But for me, skiing itself is something that I want to enjoy. Having grown up partly in Switzerland I can claim to be a competent skier.

So, my approach is to take the morning's skiing seriously, have a few glasses at lunchtime, then go for some unchallenging but fast slopes in the afternoon before throwing myself into the world of après ski with dinner somewhere that evening.

So, what to go for? Let's assume you're in France. At lunchtime I want something chilled and refreshing — white wine for sure. Also, something local. Savoie Apremont is perfectly light and dry or Grunder Veltiner if you're tackling an Austrian resort.

However post-skiing, for me there really is only one drink that I want and that's a refreshing continental lager. What is it about these pressions at altitude? Somehow, they just hit the spot.

And so to dinner. A friend of mine once summed up Alpine cuisine perfectly: "Meat, potatoes, cheese, bread — sometimes it's hot".

It isn't gourmet cuisine for the most part (though you can certainly find it), and you don't need superb wines in accompaniment.

Again, my suggestion is that you go local. Savoie Saint-Jean-de-la-Porte, made from the native Mondeuse grape variety, is a good one to look for. It's a solid, rounded wine perfectly suite to a raclette or savoyard feast.

Steffan Williams is a partner at Portland

CITY DASHBOARD YOUR ONE-STOP SHOP FOR BROKER VIEWS AND MARKET REPORTS

LONDON REPORT

FTSE 100 hits a five-month top amid China GDP

LONDON's FTSE 100 rose to a 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.

NMC Health advanced eight per cent after an independent review committee tapped a former FBI 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 **Cranswick**, 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.

IAG jumped on Friday after opening up its shares outside of Europe

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.

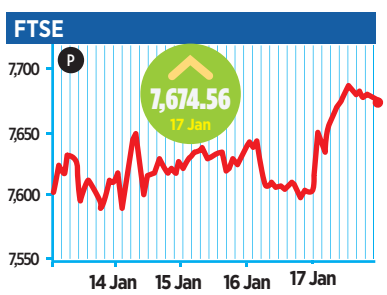
"A big challenge for the company is that motor insurance is a very competitive market," said Russ Mould, investment director at AJ Bell.

TOP RISERS

1. **NMC Health** Up 8.05 per cent
2. **Evraz** Up 6.38 per cent
3. **Ashtead** Up 5.15 per cent

TOP FALLERS

1. **Whitbread** Down 2.31 per cent
2. **Flutter** Down 1.24 per cent
3. **Smurfit Kappa** Down 1.24 per cent



BEST OF THE BROKERS

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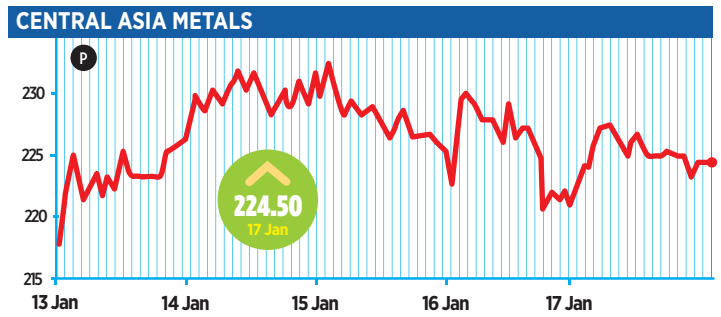
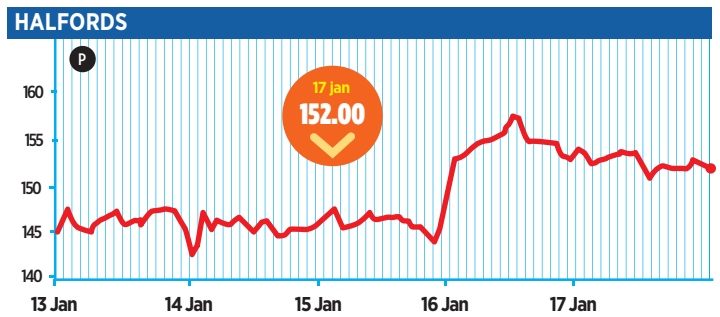
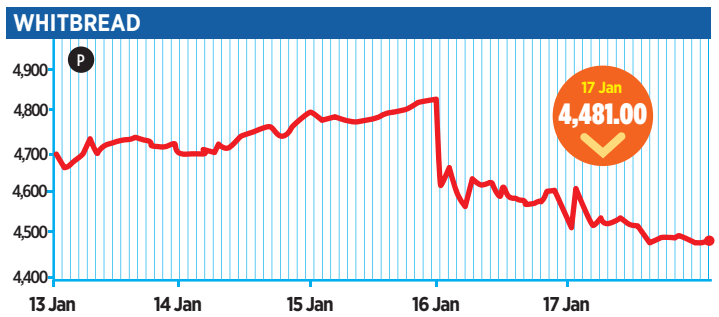


The team at London-based miner Central Asia Metals are trying out a new mining method, known as "cut and fill". It is a "more selective" method that is safer and lets mines last longer. Analysts at Peel Hunt say the change could add around eight per cent to earnings, powering higher dividends. Yet they 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.



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 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 shopping tastes change. Overall, Liberum says that cheap shares and a high dividend yield means you should "buy", with a 250p target price.



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 it will take a while for this to translate into higher business travel budgets. Room expansion is also set to be lower, putting earnings risk to the downside, they say. Nonetheless, it's not all bad and they say "hold" with a target of 4,200p.

NEW YORK REPORT

Wall St strikes new high after housing data

WALL Street edged up to record highs on Friday after strong US housing data and signs of resilience in the Chinese economy raised hopes of a rebound in global growth.

Market sentiment brightened further this week after the United States and China sealed a phase one trade deal, pausing an 18-month tariff dispute that has weighed on financial markets globally.

The main indexes were on track to end with weekly gains of over 1.5 per cent in what could be their strongest performance in 2020.

Earlier in the day, data showed China ended 2019 on a somewhat firmer note, even as economic growth cooled to its weakest in nearly 30 years.

Meanwhile, US homebuilding surged to a 13-year high in December, suggesting the housing market recovery was back on track amid low mortgage rates.

Analysts expect earnings at S&P 500 companies to drop 0.8 per cent in the fourth quarter, but forecast a 5.8 per cent rise in the first quarter of 2020, according to Refinitiv IBES data.

Many investors expect companies to be more upbeat about the future following the truce in the China-US trade war.

"We think the most important thing this earnings season will be what [executives] say about their outlooks," said Scott Ladner, 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.

CITY MOVES WHO'S SWITCHING JOBS

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 22 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 Rathbones on the Wealth Management Association (WMA) Indices Committee. Martin Andrew, chief executive of Close Brothers, said: "The appointment of high calibre professionals, such as Tim, is key to delivering our strategic vision. 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 fintech 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. He was previously managing director of Runpath, where he was instrumental in the firm's acquisition by Experian. At Freedom Finance, J-P will play a key role in supporting the company in delivering its ambitious growth strategy over the years ahead. Brian Brodie, chief executive at Freedom Finance, said: "J-P's experience in this market perfectly complements the experience of the rest of the Freedom board and I very much look forward to working with J-P over the years ahead."

HOWARD KENNEDY

London law firm Howard Kennedy has announced the appointment of James Townsend as a partner to expand the company's growing employment team. James joins from Michelmores where he was a partner and head of the firm's employment law team in London. He has over two decades of experience in advising on strategy, engagement, reward and disputes. He recently advised an international motorsport championship organiser and a number of privately owned businesses operating in the retail 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."

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FORUM

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Trump Derangement Syndrome risks destroying the Democrats

John Hulsman

IN POLITICS, as in life, hatred can get in the way. And the base of the Democratic party, even more than its leadership, hates Donald Trump beyond reason.

Over the impeachment saga, hatred is killing them.

There are, of course, myriad reasons — some of which I share — to despise the President. Trump's ugly braggadocio, open disdain for long-established American political norms, and impulse control of a toddler rightly enrage millions.

But never forget that beneath the President's personal failings, there is a strong ideological cast to the Democrats' collective disdain.

Trump's seismic 2016 presidential victory upended the lazy, settled world view of most of the people living on both American coasts, calling into question their understanding of how the world works. Trump's very existence threatens Democrats ideologically to the marrow of their bones.

Trump Derangement Syndrome (TDS) is a powerful and destructive force. In the present impeachment imbroglio, it is crystal clear that the Democrats haven't moved on from their election defeat. More than anything else, impeachment — the trial for which begins in the Senate tomorrow — is the culmination of a multi-year process centred around the refusal of the Democratic party to accept the results of the 2016 race.

Of course, TDS has significant real world political risk consequences too. To start with, over impeachment the Democrats are (to use a Vietnam-era jibe) burning the constitutional village in order to save it.

Ironically, they are endangering America's great founding document in the very ways they are accusing their great hate object of doing.

The Democrats — surely in thrall to TDS — announced that, rather than merely using all their might to politically oust the unsavoury President in 2020, the constitutional dangers of Trump remaining in office were simply too great, making immediate removal a dire necessity.

The Democratic-dominated House has denied Trump his right to due process by not letting him call exculpatory witnesses during their investigations. For example, House Republican defenders of Trump were denied permission to question the whistle-blower, who started the impeachment wheel rolling, over his purported anti-Trump bias.

Compounding the error, speaker of the House Nancy Pelosi also denied the President the right to a speedy trial for almost a month by refusing to send the articles of impeachment over to the Senate, in a failed effort to influence the Senate's constitutional prerogative to solely set the terms of the trial.

> This impeachment farce has mighty political consequences

After impeaching Trump for supposed obstruction of the House, Pelosi in turn seemed to be obstructing the Senate.

This was a fateful procedural and political error. Republican Senate majority leader Mitch McConnell, as shrewd a tactician as Pelosi herself, had the speaker's number, and he has been grimly clear in response to the issue of Pelosi trying to leverage him: "We will not cede our (Senate) authority to try this impeachment. The House Democrats' turn is over."

In withholding the articles, House Democrats were undercutting one of their primary arguments for impeachment in the first place: the need for urgency in removing Trump. As Democratic senator and staunch Pelosi ally Dianne Feinstein even-handedly said of the House withholding the articles of impeachment: "The longer it goes on, the less urgent it becomes. So if it's serious and urgent, send them over. If it isn't, don't send it over."

There is little wonder, given such obvious intellectual contortions, that not a single Republican member of the House voted for either article of impeachment. For everyone ought to be able to agree that even Trump deserves the protections of the constitution — protections that these procedural shenanigans have imperiled.

Predictably, the polls have not rewarded the Democrats for revealing that, in their hatred, they are merely shopping for a crime (any crime, however tenuous) to convict and remove the President.

A Gallup poll released just before the impeachment votes in the House on 18 December found the President's approval rating up, while support for impeachment and removal has been dipping. To put it mildly, the rest of the country simply isn't buying the Democrats' self-serving impeachment narrative.

Even more alarmingly from the Democrats' point of view, a Firehouse Strategy poll on 8 December found that Trump was ahead of all of his primary Democratic rivals for the first time in the three battleground states of Michigan, Pennsylvania, and Wisconsin — with impeachment providing the impetus for the change.

Whereas before the President was struggling in all three states, after the circus-like atmosphere on Capitol Hill, voters in these pivotal contests for the presidential election of 2020 have changed their minds.

In their emotional folly, the Democrats are engaging in an act of great political self-harm — ironically improving the President's chances for victory in November.

Hatred has its price. It seems that the Democrats' TDS, manifested in this impeachment farce, has mighty political consequences.

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.chartwellspeakers.com.

In the rush to get an EU trade deal, the needs of the City must not be forgotten

Catherine McGuinness

WITH 31 January less than two weeks away, after various twists and turns, the first chapter of Brexit is finally coming to a close. Although it has performed with resilience and strength in the face of a challenging economic climate, the City has been crying out for certainty and clarity for too long.

And even now, there will be no respite for the sector. This is just the beginning of the Brexit process, not the end. The future trading relationship negotiations will be intricate and complex.

So, what kind of specific future framework does the City want?

This is not an easy question to answer, and in some ways it is one that is still to be settled across the industry. But there are principles that are fundamental in order to ensure that the City can continue to serve its international customers and clients, while also rising to some of the greatest challenges facing society, like climate change.

First, global markets need global standards. Regulatory autonomy is important, but it is also important for households and businesses on both sides of the channel that we continue to work together — ensuring mutual access between the highly interconnected UK and EU financial services sectors, while aligning with global standards to prevent unnecessary fragmentation.

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 euros than anywhere in the EU, and more RMB than any country outside Greater China

Third, the City needs to be 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 maintains 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 financial services 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 over our services sector. The December 2020 deadline for EU trade talks is clearly ambitious, but at 80 per cent of the economy, it is crucial the services sector is not sacrificed in the rush to get a deal.

Yes, we may be leaving the EU, but this is not the end of the relationship with our closest neighbours. The City is united on this. We want a positive future relationship, collaborating on common challenges and opportunities in the interests of our citizens and our businesses.

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

LETTERS
TO THE EDITOR

A matter of trust

While there has been much discussion in recent years on the crisis in capitalism, the frustration with the status quo and fear of an ever-more divided society, it can be hard to find the cold, hard data to point to.

One statistic has leapt from the page of the 2020 Edelman Trust Barometer, published today: a staggering 53 per cent of the British public now believe that capitalism does more harm than good. Not just that the system is broken, failing or somehow unfair — but that the profit motive is an actively-malevolent force.

Business is caught by competing forces of the modern age — between the rock of a relentless need to grow economies in order to create the returns needed to support an ageing, growing population, and the hard place of a society that increasingly wants to feel connected to the companies with whom they deal.

Asked what they look for in an ideal employer, 62 per cent of people say that they want the opportunity to shape the future of the company in a meaningful way, with 64 per cent saying, specifically, that they wish to influence strategy. And 62 per cent want to work for an organisation with a greater sense of purpose.

In short, people want to feel connected. They want to know the organisation they work for; what it stands for, what it believes in, and the people who run it.

If business is to get better, we must start putting people first again.

Iain Dey, senior director, Edelman

BEST OF TWITTER

Rebecca Long-Bailey admits she can be quiet and wishes she had been a bit "more shouty" about things. And asked if she's taken illegal drugs, she said "I've been to Amsterdam, that's all I'll say." KOOL KID KLAXON
@Kate_M_Proctor

"I've been to Amsterdam, that's all I'll say" is the best answer a politician has given to the drugs question for a while.
@georgeeaton

This is so tedious. I don't care if they did drugs. I only care about the hypocrisy of MPs who did do drugs being in favour of locking up other people for doing so or supporting rules which see people less fortunate than themselves dying or becoming addicts
@BenRamanauskas

How important is Britain in the world? The British people put Britain at number two in our list, behind the US but ahead of China and the European Union.
@JoeTwyman

Ecosystems permanently damaged. Irreplaceable wild places destroyed. Wildlife extinction in local areas. This could be nature's fate if current plans for HS2 continue.
@WildlifeTrusts

Its bizarre to claim that a twin track railway would cause irreparable habitat damage and loss to biodiversity when excessive road traffic is contributing to these problems every day in the UK. #HS2 We simply cannot migrate traffic from road to rail without extra capacity.
@Kevin_D_Tennent

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

Our education system is still stuck in the twentieth century

Anthony Seldon

AS 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 entrepreneurialism 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 will need to rejuvenate Britain after exiting the EU?

> "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?

We should be aiming for an education system that teaches entrepreneurialism 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.

DEBATE

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

YES

ELLA ROBERTSON

Now in its fiftieth year, it might look like business as usual at the World Economic Forum. 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.

Ella Robertson is managing director of One Young World.

NO

PHILIP BOOTH

Global elites are flying into Davos this week for the annual meeting of the tone deaf to discuss so-called "stakeholder capitalism".

Adam Smith famously wrote that people of the same trade seldom meet together without the conversation ending in a conspiracy against the public — and Davos is no different.

At what should be their final meeting, participants should ask themselves why populists are revolting against capitalism. One answer is that they feel capitalism is something done to them from people in high places who behave hypocritically.

People don't want stakes allocated to them by the elite. They want to participate in an ethical business economy and live reasonably cheaply without being wrapped up in red tape.

So if you are a corporate leader or politician on your way to Davos: stop. Step out of your comfort zone. Take a train and chat to some of the thousands of small business owners in the former "red wall" regions of the UK. You might just learn something.

Philip Booth is senior academic fellow at the Institute of Economic Affairs.

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ADVERTISEMENT FEATURE

FEED YOUR ETHOS

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 all the 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 eco-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 100% organic, never 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.

> "A poor diet in the workplace has cut productivity by up to 20%.

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.

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ENTREPRENEURS

SPILLING THE BEANS

Luke Graham speaks to the head of Grind about carving out a space in the coffee market

STEPHANIE SIAN SMITH

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 stereos. 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 supermarkets like Sainsbury's.

> "We're a very metropolitan brand. We suit New York or Berlin better than regional UK towns

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 year 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."

How has Grind financed this growth? Crowdfunding. The brand has completed three fundraisers on the Crowdcube platform in the last five years — in 2019 it raised £3.5m from 1786 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 disproportionate 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.

SPECIAL FEATURE

DEEP IN THE WEEDS

The legalisation of cannabis around the world is creating a problem for investors, but **Mikhail Reider-Gordon** and **Philip Rubens** have a solution

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 or other criminal 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 (or 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 lacking 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.

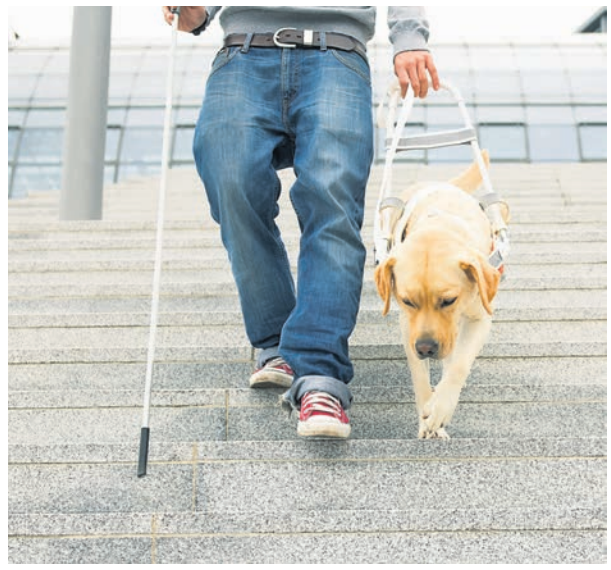
But, like having a neutral trustee in a bankruptcy or asset forfeiture proceeding, a third-party monitor would assume responsibility for making sure that the cannabis investment assets do not violate POCA. This is a concept that might be worth considering.

Mikhail Reider-Gordon is managing director of global affairs at Affiliated Monitors and Philip Rubens is a partner at law firm Teacher Stern.

OFFICE POLITICS

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**



LONDON 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.

40,000 blind or partially-sighted Londoners of working age are unemployed, equivalent to 500 London buses

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 in our capital. That's equivalent to 500 London buses' worth of wasted potential.

Over the past 10 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.

GIVE YOUR EARS A TREAT

Audible
Free

Was your new year's resolution to try to read 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.

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 challenge.

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.

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

COFFEE BREAK

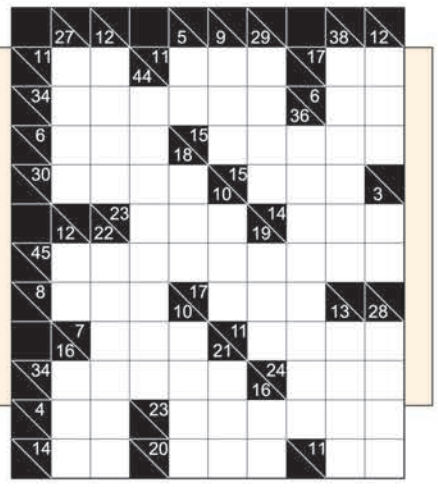
SUDOKU

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

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

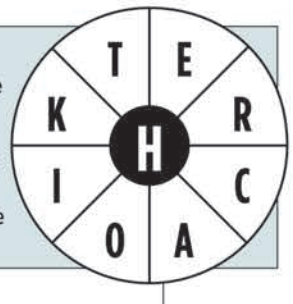
KAKURO

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

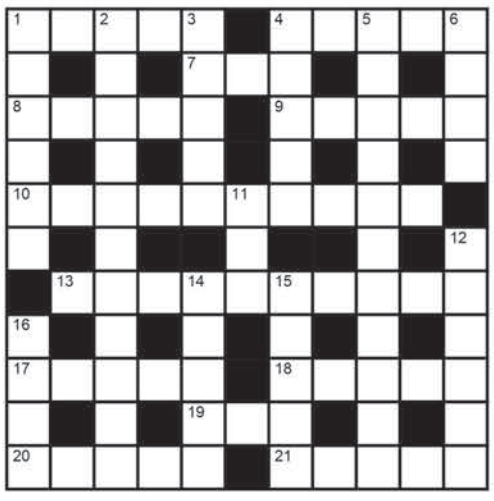


WORDWHEEL

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



QUICK CROSSWORD



ACROSS

1 Velocity (5)
4 Female dog (5)
7 Alcoholic beverage (3)
8 In many cases or instances (5)
9 Device producing a loud sound as a warning (5)
10 Pouring in uncontrolled abundance (10)
13 Geographical area drained by a watercourse (5,5)
17 Alloy of copper and zinc (5)
18 Not sharp (5)
19 Afflict (3)
20 Each (5)
21 Make corrections to (5)

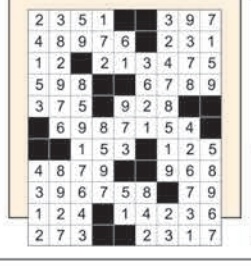
DOWN

1 Unwrinkled (6)
2 Kill on a large scale (11)
3 Move in a rhythmical way (5)
4 Plague, annoy continually (5)
5 Relish often served as an accompaniment to fish (6,5)
6 Extremity of the arm (4)
11 Not either (3)
12 In agreement (6)
14 Short formal piece of writing (5)
15 Book regarded as authoritative in its field (5)
16 Instrument in an orchestra (4)

LAST ISSUE'S SOLUTIONS

QUICK CROSSWORD

KAKURO



SUDOKU

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

WORDWHEEL

The nine-letter word was **VERMILION**

FTSE 100	FTSE 250	FTSE ALL SHARE	DOW JONES	NASDAQ	S&P 500
7674.56	21886.08	4257.93	29348.10	9388.94	3329.62
↑ 64.75	↑ 164.85	↑ 35.14	↑ 50.46	↑ 31.81	↑ 12.81

£

/€	1.1743	↓ 0.0004	€/$	1.1093	↓ 0.0038
/$	1.3029	↓ 0.0048	€/£	0.8515	↑ 0.0002
/¥	143.51	↓ 0.5500	€/¥	122.20	↓ 0.4400

GILTS

	Price	Chg	High	Low
Tsy 4.750 20	100.54	-0.03	104.4	100.5
Tsy 8.000 21	110.37	-0.02	117.0	110.3
Tsy 2.500 24	363.42	0.27	377.9	358.8
Tsy 5.000 25	123.20	0.09	126.0	122.1
Tsy 4.250 27	129.06	0.10	132.8	125.5
Tsy 6.000 28	147.26	0.12	152.1	143.3
Tsy 4.125 30	383.18	0.54	404.2	364.5
Tsy 4.250 32	140.89	0.14	146.4	132.7
Tsy 4.250 36	149.01	0.09	155.7	137.9
Tsy 4.750 38	163.72	0.07	171.8	150.5
Tsy 4.250 46	171.36	0.01	181.0	1.0

AEROSPACE & DEFENCE

	Price	Chg	High	Low
BAE Systems	624.6	9.0	624.6	443.9
Cobham	164.5	0.0	168.3	99.8
Meggitt	697.4	3.8	697.4	489.9
QinetiQ	363.0	4.8	367.4	267.0
Rolls-Royce	675.8	-1.6	988.4	665.6
Senior	171.7	-0.2	239.2	165.7
Ultra Electronics	2264.0	-16.0	2292.0	1232.0

AUTOMOBILES & PARTS

	Price	Chg	High	Low
Aston Martin	452.0	-35.0	1374.4	399.3
TI Fluid Systems	239.0	-1.5	273.0	155.2

BANKS

	Price	Chg	High	Low
Barclays	175.2	-1.6	192.5	136.2
BGEO Group	1581.0	-39.0	1755.0	1252.0
HSBC Hldgs	594.0	3.1	680.6	552.3
Lloyds Banking	58.5	0.6	67.2	48.6
Royal Bank of Scot	224.7	2.7	270.4	177.7
Standard Chartered	702.0	0.4	738.6	575.7
TBC Bank Group	1270.0	4.0	1706.0	1150.0
Virgin Money UK	174.1	-0.3	220.1	104.4

BEVERAGES

	Price	Chg	High	Low
Barr (AG)	571.0	4.0	975.0	526.0
Britvic	874.5	17.0	1068.0	850.0
Coca-Cola HBC AG	2766.0	-4.0	3074.0	2299.0
Diageo	3281.0	30.5	3625.5	2701.0

CHEMICALS

	Price	Chg	High	Low
Croda International	5120.0	60.0	5375.0	4564.0
Elementis	141.9	1.0	197.9	129.8
Johnson Matt	2841.0	-10.0	3454.0	2770.0
Synthomer	324.0	1.4	420.8	279.0
Victrex	2428.0	14.0	2540.0	1845.0

CONSTRUCTION & MATERIALS

	Price	Chg	High	Low
Balfour Beatty	261.8	0.8	295.0	194.2
CRH	2967.0	15.0	3100.0	2170.0
Galliford Try	142.9	-3.1	177.2	102.4
Grafton Group	895.0	-3.5	937.0	645.5
Ibstock	293.0	-0.6	322.0	208.6
Marshalls	801.5	14.5	876.0	496.0
Polypipe Group	526.0	8.5	546.5	372.8

DIVERSIFIED INDUSTRIALS

	Price	Chg	High	Low
Smith (DS)	358.6	1.6	394.8	307.9
Smiths Gp	1733.0	15.5	1748.0	1378.0
Smurfit Kappa Gp	2718.0	-34.0	2966.0	2096.0
Vesuvius	455.0	1.6	642.0	341.0

ELECTRICITY

	Price	Chg	High	Low
Contour Global	200.0	-1.5	222.5	159.1
Drax Gp	282.0	-3.4	412.0	251.0
SSE	1495.0	17.0	1495.0	1008.0

ELECTRONIC & ELECTRICAL EQUIPMENT

	Price	Chg	High	Low
Halma	2155.0	39.0	2164.0	1390.0
Morgan Advanced	318.2	4.4	324.8	232.4
Oxford Instruments	1598.0	42.0	1626.0	866.0
Renishaw	3690.0	6.0	4670.0	3232.0
Spectris	2818.0	16.0	2962.0	2234.0

EQUITY INVESTMENT INSTRUMENTS

	Price	Chg	High	Low
3i Infrastructure	302.5	2.5	306.5	264.1
Aberforth Smlr Cos	1508.0	8.0	1546.0	1114.0
Alliance Trust	868.0	5.0	868.0	708.0
AVI Global Trust	800.0	4.0	800.0	696.0
Baillie Gifford Japan	841.0	0.0	848.0	711.0
Bankers InvTst	1030.0	8.0	1030.0	803.0
BlackRock Smaller	1722.0	8.0	1726.0	1280.0
BMO Global Smaller	148.5	1.5	150.0	127.0
Caledonia Inv	3120.0	5.0	3180.0	2910.0
City of London IT	444.0	3.5	448.5	381.5
Edin Inv Trust	633.0	6.0	652.0	535.0
European Opp	870.0	4.0	875.0	675.0
F&C Investment	782.0	7.0	782.0	655.0
Fidelity China SPE	251.5	2.5	251.5	193.4
Fidelity Euro Values	267.5	1.5	267.5	214.0
Fidelity Spec Val	278.5	4.0	280.5	240.5
Finsbury G&I Tst	890.0	1.0	958.0	757.0
GCP Infra Inv	133.4	1.2	133.4	122.6
Genesis Emerging	818.0	5.0	818.0	664.0
Greencoat UK	147.6	-0.2	152.8	128.8
Harbourvest Glb	1830.0	4.0	1832.0	1406.0
Herald Inv Trust	1500.0	10.0	1514.0	1175.0
HICL Infr	180.0	2.4	180.0	156.6
JPM American	506.0	5.0	506.0	411.0
JPM Emerg Mkt	1082.0	6.0	1084.0	861.0
JPM Indian IT	764.0	5.0	790.0	633.0
JPM Japan IT	469.5	0.5	477.5	368.0
Jupiter Fund Mngt	388.0	0.3	432.0	314.0
Law Debenture	650.0	8.0	654.0	552.0
Mercantile IT	264.0	5.5	267.5	188.0
Monks Inv Tst	997.0	12.0	997.0	768.0
Murray Intl Tst	1264.0	14.0	1286.0	1114.0
Next Energy Solar	124.0	1.0	126.5	113.5
Pantheon Intl Partn	2495.0	85.0	2620.0	2020.0
Perpetual Inc & Grth	330.0	2.5	342.0	284.5
Pershing Square	1576.0	18.0	1576.0	1122.0
Personal Assets Tst	43100.0	0.0	43150.0	39000.0
Polar Cap Tech Tst	1682.0	18.0	1682.0	1154.0
Renewables Infra Gp	135.8	1.6	139.2	115.4
RIT Cap Partners	2080.0	15.0	2180.0	1946.0
Schroder Asia	483.5	3.0	483.5	412.0
Scottish Inv Tst	824.0	3.0	843.0	769.0
Scottish Mortgage	598.5	1.0	601.5	465.7
Sequoia Econ Infra	118.6	0.2	118.6	110.0
Smithson Inv	1342.0	6.0	1342.0	1030.4
Syncona	217.5	1.0	294.0	203.0
Temple Bar IT	1426.0	12.0	1486.0	1162.0
Templeton Em Mkts	870.0	5.0	870.0	716.0
Vietnam Enterprise	475.5	5.5	509.0	421.5
VinaCapital Vietna	325.5	-0.5	357.5	323.0
Witan Invest	234.5	2.0	235.0	197.4
Wwide Healthcare	3255.0	40.0	3255.0	2495.0

FIXED LINE TELECOMMUNICATIONS

	Price	Chg	High	Low
BT Gp	184.1	1.1	238.0	158.9
Talktalk Telecom	115.5	0.0	126.5	96.5
Telecom Plus	1534.0	20.0	1534.0	1130.0

FOOD & DRUG RETAILERS

	Price	Chg	High	Low
Greggs	2424.0	12.0	2476.0	1546.0
Morrison (WM)	191.0	2.6	245.8	176.9
Ocado Gp	1334.5	14.5	1435.0	873.8
Sainsbury(J)	216.4	0.8	293.9	177.1
SSP Group	683.0	-4.0	721.0	608.0
Tesco	248.6	3.6	258.9	212.6

FOOD PRODUCERS

	Price	Chg	High	Low
Assoc British Foods	2660.0	-1.0	2672.0	2106.0
Bakkavor	139.0	0.8	170.0	93.3
Cranswick	3714.0	318.0	3714.0	2472.0
Greencore Gp	246.3	-0.3	281.8	185.1
Hilton Food Gp	1030.0	8.0	1118.0	894.0
Tate & Lyle	798.0	6.8	800.4	663.8
Unilever	4400.0	46.0	5324.0	3941.0

FORESTRY & PAPER

	Price	Chg	High	Low
Mondi	1604.0	11.0	1898.0	1510.5

GENERAL FINANCIAL

	Price	Chg	High	Low
3i Group	1126.5	18.5	1184.5	810.8
Ashmore Gp	563.5	10.5	563.5	387.4
Brewin Dolphin	364.4	3.6	375.2	287.6
Close Brothers	1595.0	20.0	1663.0	1227.0
Coats Group	78.7	0.5	91.3	68.1
Finablr	136.4	5.4	215.0	126.0
Hargreaves Lans	1800.5	10.5	2433.0	1633.0
IG Gp	681.2	5.0	708.0	474.8
Integrafin Holdings	450.0	0.5	462.0	333.0
Intermediate Capital	1671.0	8.0	1671.0	971.5
Intl Public Prtnshps	171.2	2.2	171.2	146.8
Investec	439.0	6.1	518.6	395.3
IP Group	67.0	0.0	112.4	55.7
John Laing Gp	390.0	10.8	402.0	349.8
London Stock Exch	7640.0	-6.0	7766.0	4413.0
Man Group	153.7	2.1	175.2	130.5
Onesavings	412.6	-1.4	452.0	313.6
Paragon	496.8	11.0	553.5	388.0
Plus500	922.2	-4.8	1647.0	495.0
Provident Fin	463.3	8.4	610.0	356.0
Quilter	155.2	-0.5	167.6	120.8
Rathbone Brothers	2050.0	30.0	2540.0	2020.0
Schroders	3297.0	35.0	3419.0	2541.0
TP ICAP	403.9	4.1	417.5	270.0

GENERAL RETAILERS

	Price	Chg	High	Low
B&M	382.5	1.7	420.9	315.0
Dixons Carphone	144.0	-1.6	150.0	104.9
Dunelm Gp	1156.0	23.0	1173.0	704.5
Frasers Group	514.5	6.5	518.0	214.0
Howden Joinery Gp	697.8	3.6	697.8	478.8
Inchcape	700.0	5.5	720.0	545.5
JD Sports Fashion	874.0	17.0	874.0	440.8
Just Eat	885.0	2.8	901.0	587.4
Kingfisher	210.3	0.4	266.2	185.9
Marks & Spencer	187.1	3.0	303.2	163.9
Next	6938.0	88.0	7340.0	4724.0
Pets at Home Gp	283.8	6.8	287.8	125.5
Vivo Energy	118.0	0.8	139.5	111.4
Watches of Switz	387.6	-3.2	390.8	270.0
WH Smith	2568.0	40.0	2654.0	1876.0

HEALTH CARE EQUIPMENT & SERVICES

	Price	Chg	High	Low
Convatec	212.8	2.7	217.3	118.5
Mediclinic Intl	410.0	0.0	415.3	293.4
NMC Health	1557.5	116.0	3000.0	1256.5
Smith & Neph	1892.0	18.0	1990.0	1405.5
UDG Hlthcare	810.0	11.0	832.5	551.0

HOUSEHOLD GOODS

	Price	Chg	High	Low
Barratt Devel	799.4	7.4	799.4	532.6
Bellway	4004.0	39.0	4004.0	2698.0
Berkeley Grp Hldgs	5040.0	47.0	5214.0	3437.0
Countryside Prop	499.0	4.0	499.0	277.6
Crest Nicholson	442.0	6.6	445.0	332.0
McCarthy & Stone	147.2	1.4	158.8	123.5
Persimmon	2891.0	41.0	2891.0	1836.0
Reckitt Benckiser	6211.0	15.0	6688.0	5593.0
Redrow	774.0	4.0	774.0	533.0
Taylor Wimpey	212.4	2.3	212.4	142.9
Vistry Group	1350.0	31.0	1399.0	975.0

MAIN CHANGES UK 350

Risers ↑		%	Fallers ↓		%
Cranswick	3714.00	9.4	Restaurant Grp	136.30	-7.5
NMC Health	1557.50	8.0	Aston Martin	452.00	-7.2
Evraz	418.80	6.4	Hastings Gp Hldgs	177.40	-4.2
Ashtead Gp	2554.00	5.1	Tullow Oil	53.36	-3.7
Intl Cons Airl	671.00	5.1	William Hill	182.25	-3.0
Games Workshp	7005.00	4.6	GVC Hldgs	910.60	-2.5
Pearson	588.60	4.5	BGEO Group	1581.00	-2.4
Finablr	136.40	4.1	Whitbread	4481.00	-2.3
Pantheon Intl Partn	2495.00	3.5	C&C Group	376.00	-2.2
Moneysupermkt.com	332.60	3.4	Galliford Try	142.88	-2.1

INDUSTRIAL ENGINEERING

	Price	Chg	High	Low
Bodycote	917.0	-16.5	971.0	652.0
Hill & Smith	1440.0	-10.0	1510.0	1049.0
IMI	1178.5	0.0	1206.0	906.0
Melrose Ind	236.2	4.3	242.3	156.8
RHI Magnesita	3754.0	80.0	5000.0	3420.0
Rotork	325.7	-2.2	341.2	267.6
Spirax-Sarco	9175.0	75.0	9400.0	6240.0
Weir Gp	1451.0	-3.0	1814.0	1261.5

INDUSTRIAL METALS

	Price	Chg	High	Low
Evraz	418.8	25.1	709.4	341.4
Ferrexpo	156.2	2.9	301.3	123.0

INDUSTRIAL TRANSPORTATION

	Price	Chg	High	Low
Clarkson	3075.0	65.0	3075.0	2200.0
Fisher (James)	2020.0	20.0	2260.0	1790.0
Royal Mail	213.2	-1.0	304.3	188.4
Signature Avi	324.9	0.0	406.0	285.2

LEISURE GOODS

	Price	Chg	High	Low
Games Workshp	7005.0	310.0	7005.0	2800.0

LIFE INSURANCE

	Price	Chg	High	Low
Aviva	407.7	0.8	438.8	352.3
Lancashire Hldgs	760.0	2.0	780.5	561.5
Legal & General	299.2	4.9	317.7	216.7
Phoenix Gp	743.0	6.2	758.7	627.6
Prudential	1416.5	10.0	1790.0	1279.5
St James Place	1110.5	13.0	1199.5	913.6
Std Life Aberdeen	315.9	3.9	336.9	231.1

MEDIA

	Price	Chg	High	Low
4imprint	3400.0	30.0	3500.0	1917.5
Ascential	412.4	1.6	421.2	319.0
Auto Trader Gp	573.4	10.8	607.6	448.4
Euromny Inst Inv	1310.0	-18.0	1498.0	1152.0
Future	1446.0	30.0	1572.0	512.0
Informa	863.6	4.0	892.0	675.2
ITV	146.0	0.1	156.5	103.6
Moneysupermkt.com	332.6	11.0	417.7	290.3
Pearson	588.6	25.2	943.8	563.4
RELX	2004.0	14.0	2011.0	1606.0
Rightmove Group	663.4	8.0	663.4	465.9
WPP	1019.5	-0.5	1077.5	800.4

MINING

	Price	Chg	High	Low
Anglo American	2245.5	70.0	2266.0	1666.6
Antofagasta	984.0	10.8	1022.5	779.6
BHP Group	1851.6	41.6	2049.0	1563.0
Centamin	128.0	2.2	152.3	79.8
Fresnillo	640.2	7.0	1027.5	539.6
Glencore	243.2	1.1	340.3	216.9
Hochschild Mining	170.3	-1.9	227.0	152.0
Kaz Minerals	561.0	10.4	738.4	380.3
Polymet Int	1249.0	13.0	1272.0	772.6
Rio Tinto	4651.0	124.5	4976.5	3761.5

MOBILE TELECOMMUNICATIONS

	Price	Chg	High	Low
Vodafone Gp	154.4	-1.3	165.2	123.3

NONLIFE INSURANCE

	Price	Chg	High	Low
Admiral Gp	2330.0	6.0	2330.0	2014.0
Beazley	533.5	3.5	628.0	492.6
Direct Line Ins	334.8	3.4	366.5	270.5
Hastings Gp Hldgs	177.4	-7.8	231.6	167.9
Hiscox	1369.0	26.0	1777.0	1213.0
RSA Ins Gp	557.0	3.4	597.0	501.6

OIL & GAS PRODUCERS

	Price	Chg	High	Low
BP	496.4	-1.4	582.5	462.4
Cairn Energy	193.7	-2.6	213.8	143.1
Energean Oil & Gas	875.0	-9.0	1082.0	613.3
Premier Oil	116.8	-1.8	118.7	65.1
Royal Dutch Shell A	2248.5	-6.5	2612.0	2144.5
Royal Dutch Shell B	2265.0	-8.0	2622.0	2126.5
Tullow Oil	53.4	-2.0	250.0	39.9

OIL EQUIPMENT & SERVICES

	Price	Chg	High	Low
Hunting	356.6	-3.8	657.0	356.6
Petrofac	380.7	-2.9	559.0	374.4
Wood Gp(J)	393.2	-4.9	598.6	319.6

PERSONAL GOODS

	Price	Chg	High	Low
Burberry Gp	2329.0	19.0	2345.0	1695.0
PZ Cussons	200.0	0.4	227.0	178.6

PHARMACEUTICALS & BIOTECHNOLOGY

	Price	Chg	High	Low
AstraZeneca	7878.0	171.0	7878.0	5325.0
Dechra Pharma	2834.0	28.0	3068.0	2290.0
Genus	3084.0	-2.0	3246.0	2158.0
GlaxoSmithKline	1846.0	38.0	1846.0	1436.0
Hikma Pharma	1955.5	45.0	2200.0	1510.5

REAL ESTATE

	Price	Chg	High	Low
Assura	78.0	0.4	79.3	54.6
Big Yellow Gp	1159.0	7.0	1200.0	926.0
BMO Comm Prop	112.4	-0.4	130.4	106.0
British Land	588.0	4.0	638.8	468.3
Captl & Count Prop	265.2	1.6	270.5	184.8
CLS Hldgs	285.0	0.0	312.5	212.0
Daejan Hldgs	5280.0	-100.0	6160.0	4715.0
Derwent London	4186.0	110.0	4186.0	2884.0
Grainger	302.0	-0.2	315.6	217.4
Grt Portland Est	931.2	21.4	931.2	649.4
Hammerson	265.1	-2.7	388.4	203.9
Land Securities	980.2	15.0	1001.5	735.4
LondonMetric Prop	234.0	1.8	241.2	176.6
NewRiver Retail	193.6	1.6	246.0	147.6
Primary Hlth Prop	160.2	0.8	160.2	112.0
Safestore Hldgs	773.5	1.5	817.5	527.5
Savills	1208.0	4.0	1232.0	773.0
SEGRO	903.8	17.2	903.8	625.4
Shaftesbury	923.0	5.5	979.5	739.5
St Modwen Props	500.0	0.0	510.0	373.0
TR Property IT	485.5	2.0	491.5	377.0
Tritax Big Box	141.5	0.7	159.7	135.3
UK Commercial Prop	87.1	0.4	92.7	79.9
Unite Group	1277.0	22.0	1277.0	873.5
Workspace Gp	1171.0	7.0	1198.0	806.0

SOFTWARE & COMPUTER SERVICES

	Price	Chg	High	Low
Avast	525.0	5.0	525.0	276.0
Aveva Gp	5055.0	101.0	5055.0	2712.0
Computacenter	1750.0	26.0	1829.0	1018.0
FDM Group	1010.0	10.0	1100.0	647.0
Kainos Gp	824.0	-6.0	830.0	430.0
Micro Focus Intl	1132.0	16.6	2160.0	1004.0
Playtech	386.4	-3.7	457.7	360.5
Sage Group	734.2	-5.0	820.4	623.6
Softcat	1234.0	14.0	1234.0	682.0
Sophos	566.0	2.0	577.0	298.2

SUPPORT SERVICES

	Price	Chg	High	Low
Aggreko	856.6	10.0	869.2	693.2
Ashtead Gp	2554.0	125.0	2554.0	1805.5
Babcock Intl Grp	620.2	10.4	646.6	416.7
Bunzl	2086.0	11.0	2551.0	1943.0
Capita	172.3	2.1	183.0	99.9
DCC	6518.0	72.0	7496.0	6225.0
Diploma	1937.0	37.0	2084.0	1261.0
Electrocomp	700.0	-3.0	729.8	537.0
Equiniti	219.2	2.8	236.2	186.2
Essentra	423.8	8.0	449.0	357.4
Experian	2650.0	30.0	2650.0	1884.0
Ferguson	7176.0	6.0	7216.0	4800.0
G4S	209.3	2.9	234.3	168.3
Hays	169.4	2.7	183.5	138.0
Homeserve	1335.0	13.0	1335.0	930.0
Intertek Gp	5956.0	38.0	5962.0	4643.0
IWG	469.0	7.7	469.0	220.2
Network Int	582.0	5.0	645.0	513.0
Pagegroup	486.0	3.0	539.0	367.8
Paypoint	1088.0	8.0	1118.0	825.0
Rentokil Initial	475.5	7.9	475.5	329.0
Sanne Group	618.0	-10.0	752.0	450.0
Serco	163.5	1.9	165.0	110.1
SIG	97.2	2.8	153.0	93.2
Travis Perkins	1661.0	38.5	1692.5	1166.0

TECHNOLOGY HARDWARE & EQUIPMENT

	Price	Chg	High	Low
Spirent Comms	227.0	1.0	251.5	139.0

TOBACCO

	Price	Chg	High	Low
Br Am Tob	3466.5	3.5	3507.0	2375.0
Imperial Brands	2045.5	12.0	2713.5	1668.2

TRAVEL & LEISURE

	Price	Chg	High	Low
Carnival	3708.0	53.0	4430.0	3056.0
Cineworld Group	190.5	-1.5	321.0	190.5
Compass Gp	1936.5	10.5	2138.0	1583.0
Dominos Pizza	303.7	3.7	326.4	221.2
easyJet	1477.5	-5.0	1509.0	854.8
EI Group	284.2	0.2	285.0	194.0
FirstGroup	126.6	1.6	137.5	89.0
Flutter Ent	9066.0	-114.0	9456.0	5525.0
Go-Ahead Gp	2096.0	10.0	2278.0	1746.0
GVC Hldgs	910.6	-23.2	939.0	507.5
Intercontl Htls	5157.0	69.0	5738.0	4257.5
Intl Cons Airl	671.0	32.6	671.0	413.5
Marstons	121.3	-2.1	131.4	93.3
Mitchells & Butlers	411.0	-1.5	470.5	238.0
National Express	470.0	10.6	476.0	379.8
PPHE Hotel Gp	1960.0	10.0	1990.0	1630.0
Rank Gp	281.5	1.5	281.5	144.0
Restaurant Grp	136.3	-11.1	166.4	111.9
Stagecoach Gp	152.4	1.7	167.0	115.5
Wetherspoon (JD)	1623.0	23.0	1734.0	1187.0
Whitbread	4481.0	-106.0	5152.0	3988.0
William Hill	182.2	-5.6	205.2	132.3
Wizz Air Holdings	4254.0	44.0	4329.0	2880.0

AIM 50

	Price	Chg	High	Low
Abcam	1400.0	10.0	1500.0	1066.0
Advanced Medical	290.0	5.0	354.5	225.0
Alliance Pharma	84.6	2.6	84.6	61.0
ASOS	3190.0	25.0	4066.0	2107.0
Blue Prism	1255.0	8.0	1472.0	788.0
Camellia	8575.0	-25.0	11750.0	8475.0
Caretech Holdings	463.0	-2.0	473.0	325.0
Central Asia Metals	224.5	4.0	266.5	180.0
Clinigen Group	986.0	8.0	1069.0	737.5
CVS Group	1167.0	23.0	1172.0	395.0
Dart Group	1792.0	15.0	1820.0	709.5
Diversified Gas & Oil	103.0	-1.5	116.5	97.0
Draper Esprit	520.0	10.0	548.0	410.0
EMIS Group	1180.0	28.0	1242.0	890.0
Fevertree Drinks	1995.0	4.5	2475.0	1732.5
First Derivatives	2645.0	30.0	3555.0	2050.0
Frontier Devs	1320.0	-30.0	1350.0	844.0
Gamma Comms	1340.0	-10.0	1390.0	782.0
GB Group	723.0	1.0	800.0	420.0
Gooch & Housego	1430.0	-22.5	1527.5	954.0
Hurricane Energy	25.6	-0.4	53.6	25.6
Impax Asset Mgmt	405.0	4.0	405.0	184.0
Iomart Group	384.0	8.0	400.0	316.5
IQE	47.4	1.5	98.0	41.8
James Halstead	558.0	-4.0	562.0	440.0
Johnson Service Gp	206.0	0.5	211.5	128.0
Keywords Studios	1525.0	8.0	1838.0	900.0
Learning Tech Gp	139.6	1.8	143.0	62.2
M&C Saatchi	121.0	7.5	394.0	79.0
M.P. Evans	722.0	4.0	750.0	612.0
Majestic Wine	222.5	1.5	318.0	213.0
Midwich Group	518.0	12.0	633.0	474.5
Mortgage Advice B	692.0	-16.0	795.0	546.0
Next Fifteen Comm	545.0	3.0	658.0	465.0
Nichols	1395.0	-25.0	1880.0	1380.0
Numis Corporation	287.0	2.0	306.0	212.0
Polar Capital Hdgs	590.0	6.0	604.0	450.0
Purplebricks Gp	123.0	1.0	132.0	96.0
Redde	107.6	0.8	127.6	100.6
Renew Holdings	536.0	-2.0	568.0	358.0
RWS Holdings	619.0	6.0	670.0	455.5
Scapa Group	283.5	2.0	403.0	157.0
Secure Income REIT	461.0	1.0	461.0	384.0
Serica Energy	139.0	2.2	143.4	103.6
Smart Metering Sys	572.0	22.0	665.0	310.0
Telford Homes	349.5	0.0	358.0	267.0
Thorpe (F.W.)	346.0	1.0	359.0	251.0
Watkin Jones	255.0	5.0	255.0	199.6
Young's Brew NV	1285.0	-25.0	1310.0	1030.0
Young's Brew-A	1625.0	-5.0	1885.0	1475.0

EU SHARES

	Price	Chg	High	Low
ADIDAS	311.65	-2.25	316.05	197.00
AIR LIQUIDE	129.40	2.05	130.80	104.40
ALLIANZ AG	219.65	2.30	223.80	182.72
AMADEUS IT GROUP	78.60	1.90	76.70	42.30
ANHEUSER BUSCH INBEV	72.04	0.24	92.71	64.00
ASML HOLDING NV	270.90	0.70	272.40	141.36
AXA	24.38	0.17	25.47	20.11
BANCO SANTANDER	315.90	6.25	402.00	295.05
BASF	64.52	0.13	74.49	56.20
BAYER AG	75.25	0.49	75.36	52.53
BMW	71.06	-0.11	77.75	58.70
BNP PARIBAS	50.75	0.16	53.58	39.32
CRH	2967.00	15.00	3100.00	2170.00
DAIMLER	46.69	-0.18	59.31	40.53
DANONE	73.70	0.20	82.00	61.96
DEUTSCHE POST AG	34.05	-0.34	34.91	25.26
DEUTSCHE TELEKOM	14.68	-0.02	16.25	14.10
ENEL	7.72	0.11	7.61	5.10
ENGIE	15.20	0.21	15.12	12.45
ENI	13.92	0.03	15.94	13.04
ESSILORLUXOTTICA	128.75	0.00	128.75	128.75
FRESENIUS MEDICAL CARE	67.86	0.36	76.32	57.92
IBERDROLA	9.40	0.09	9.54	6.02
INDITEX	31.75	0.47	32.37	2.55
ING GROEP NV	10.62	0.00	12.05	8.34
INTESA SANPAOLO	2.34	0.01	2.41	1.83
KERING	610.20	5.10	605.10	410.00
KON KPN NV	2.75	0.02	2.96	2.48
L'OREAL	275.30	5.50	269.80	198.70
LVMH MOET HENNESSY	439.05	7.15	431.90	257.10
MUENCHENER RUECKVE	268.60	1.20	268.70	194.25
NOKIA	21.88	0.00	21.88	21.88
ORANGE	13.03	0.17	15.01	12.86
ROYAL PHILIPS	45.03	0.44	44.90	31.21
SAFRAN	142.55	1.55	149.90	109.20
SANOFI	92.19	0.58	92.72	72.24
SAP SE	125.96	3.52	124.72	88.83
SCHNEIDER ELECTRIC	94.22	1.60	93.74	59.18
SIEMENS AG	117.10	1.04	119.90	85.00
SOCIETE GENERALE	30.65	0.04	31.79	21.13
TELEFONICA SA	6.15	0.05	9.18	5.94
TOTAL	48.51	-0.28	52.27	43.18
UNILEVER NV	51.07	0.39	57.56	46.40
VINCI	102.40	1.95	102.40	74.64
VIVENDI	25.21	-0.10	26.42	21.49
VOLKSWAGEN AG	181.36	1.44	185.52	138.16

CRYPTO A.M. DAILY POWERED BY BEQUANT

CRYPTOCURRENCIES

Name	Price (USDT)	↑/↓(24h)	
Bitcoin (BTC)	$ 9,100.43	2.59%	↑
Ethereum (ETH)	$ 176.73	4.39%	↑
Ripple (XRP)	$ 0.24	5.06%	↑
Bitcoin Cash (BCH)	$ 355.51	-2.74%	↓
Litecoin (LTC)	$ 61.18	2.23%	↑
EOS.IO (EOS)	$ 3.90	1.53%	↑
Bitcoin SV (BSV)	$ 265.26	0.82%	↑
TRON (TRON)	$ 0.02	3.19%	↑
NEO (NEO)	$ 12.00	4.20%	↑
Cardano (ADA)	$ 0.04	3.05%	↑
CryptoCompare Large Cap Index		2.36%	↑
CryptoCompare Small Cap Index		1.42%	↑

Market	$249,266,005,208	
Bitcoin Volatility	-1.00%	↓
Bitcoin Volume on BEQUANT Exchange (USDT)	264,135,589	

Sources: Bequant.io, CryptoCompare.com
Prices and data are correct as of 10:00, 19.01.2020
Crypto AM features in City AM every Tuesday.
Previous Editions:www.cityam.com/crypto-insider
Read more at: https://bequant.pro/cityam

CRYPTO & COFFEE

After days of solid gains, the market entered a brief period of profit taking but by Sunday morning, much of the top-25 complex was again in the green. Bitcoin has managed to break above $9,000 level but immediate follow up was rather limited, whilst the June futures traded briefly above $9,500 level.

The futures curve continued to steepen, suggesting interest from leverage names. However, the latest Commitment of Traders (COT) report from the CME shows that both institutional and leverage names are still net short, though of courses there is little clarity on the positioning across other venues.

Looking elsewhere and while the focus this year may be on block reward halving by Bitcoin, Ethereum Classic's metrics continue to improve dramatically. So much so that Ethereum Classic (ETC) hashrate continues to explode higher and is on track to top record highs printed in September 2018.

As a reminder, the recent hard fork, Agharta, is inclusive of Ethereum Constantinople features and therefore makes Ethereum Classic fully compatible with Ethereum. However, Ethereum Classic is staying true to its Proof of Work (PoW) consensus mechanism, while Ethereum (ETH) continues its gradual and uncertain transition to a new, Proof of Stake (PoS) consensus mechanism.

COMMODITIES

Gold	1558.35	+9.35	Copper Cash Official	6300.25	-2931.25
Silver (Pence)	1801.00	+16.00	Aluminium Cash Official	1793.75	+15.50
Silver (Cents)	1379.00	+7.00	Nickel Cash Official	14287.50	+340.00
Krugerrand	1572.08	+5.73	Aluminium Alloy Cash Official	1400.00	+15.00
Brent Crude	64.62	+0.62	Natural Gas	28.83	-0.22
Platinum	1033.00	+20.00	Tin Cash Official	17700.00	+272.50
British Sovereign	366.95	+1.31	Zinc Cash Official	2437.75	+48.75
Lead Cash Official	2026.50	+66.50	White Sugar	399.00	+5.60

TOURIST RATES

Canada	1.63	New Zealand	1.85
Croatia	7.94	Norway	10.85
Czech Republic	26.93	Poland	4.52
Denmark	8.25	Singapore	1.67
Hong Kong	9.67	Sweden	11.63
Iceland	146.27	Switzerland	1.21
India	82.38	Turkey	7.50
Israel	4.26	United States	1.24

WORLD INDICIES

	Price	Chg	%Chg		Price	Chg	%Chg
FTSE 100	7674.56	+64.75	+0.85	S&P 500	3329.62	+12.81	+0.39
FTSE 250	21886.08	+164.85	+0.76	Dow Jones I.A	29348.10	+50.46	+0.17
FTSE All-Share	4257.93	+35.14	+0.83	Nasdaq Composite	9388.94	+31.81	+0.34
FTSE AIM All-Share	974.85	+4.80	+0.49	Xetra DAX	13526.13	+96.70	+0.72

	Price	Chg	%Chg		Price	Chg	%Chg
CAC 40	6100.72	+61.69	+1.02	Hang Seng	29056.42	+173.38	+0.60
Swiss Market Index	10841.82	+148.30	+1.39	Nikkei	24041.26	+108.13	+0.45
ISEQ Overall Index	7194.50	+37.64	+0.53	STI Index	3281.03	+3.03	+0.09
FTSEurofirst 300	1660.03	+15.56	+0.95	ASX All Ordinaries	7180.30	+21.70	+0.30

US SHARES

	Price	Chg	High	Low
3M	181.35	0.34	219.50	150.74
ABBOTT LABORATORIES	89.00	0.72	88.74	69.05
ADOBE INC	349.74	4.36	345.63	238.27
ALPHABET NON VTG-C	1480.39	28.69	1451.70	1036.23
ALPHABET-A	1479.52	29.36	1450.16	1116.79
AMAZON.COM	1864.72	-13.22	2020.99	1588.22
AMERICAN EXPRESS	131.52	0.97	130.55	99.71
APPLE INC	318.73	3.49	316.96	152.70
AT&T	38.38	0.35	39.63	29.37
BANK OF AMERICA	34.71	-0.01	35.64	26.25
BERKSHIRE HATHAWAY	230.20	0.47	229.73	195.81
BOEING CO	324.15	-7.85	432.69	320.42
CATERPILLAR INC	147.78	-0.09	150.53	113.38
CHEVRON	115.58	-1.31	126.54	111.39
CISCO SYSTEMS	49.02	-0.03	58.05	43.52
CITIGROUP	81.12	0.12	81.91	60.33
COCA-COLA CO	56.94	0.12	56.82	44.69
COMCAST	47.50	0.63	46.97	34.97
DOW	53.34	0.86	66.65	40.71
EBAY INC	35.82	-0.10	41.57	31.00
EXXON MOBIL	68.56	-0.26	83.38	66.70
FACEBOOK	222.14	0.37	221.91	174.60
GOLDMAN SACHS GROUP	249.46	-0.26	249.72	182.49
HOME DEPOT INC	231.91	3.09	238.85	176.89
HONEYWELL INTERNATIONAL	183.23	0.97	182.26	139.82
IBM	138.31	0.33	151.36	122.52
INTEL	59.60	-0.06	60.84	43.46
JOHNSON & JOHNSON	149.17	0.97	148.20	126.95
JPMORGAN CHASE & CO	138.20	0.95	141.09	98.93
MASTERCARD INC	323.66	3.36	320.30	198.35
MCDONALD'S	211.98	1.13	221.15	173.97
MEDTRONIC	119.03	0.17	118.86	84.15
MERCK & CO	90.97	-0.21	92.04	72.92
MICROSOFT	167.10	0.93	166.17	102.78
NETFLIX	339.67	1.05	385.03	254.59
NIKE INC	104.53	1.16	103.37	77.14
ORACLE	55.13	-0.30	60.15	48.94
PAYPAL HOLDINGS	116.04	0.64	121.30	96.64
PEPSICO	141.26	1.65	140.28	118.61
PFIZER INC	40.51	-0.10	44.40	34.24
PROCTER & GAMBLE	126.41	0.34	126.09	90.44
TRAVELERS COMPANIES	140.73	1.88	154.83	122.36
TWITTER	34.22	0.03	45.42	28.89
UNITED HEALTH GROUP	298.47	-2.27	300.74	215.26
UNITED TECHNOLOGIES	154.40	0.85	153.68	111.06
VERIZON COMMUNICATIONS	60.13	0.46	62.07	53.28
VISA	204.70	3.75	200.95	168.86
WALGREENS BOOTS ALLIANCE	54.41	-0.01	76.05	49.29
WALMART	114.96	-0.94	121.28	93.86
WALT DISNEY CO	144.33	-0.79	151.64	107.79
WELLS FARGO & CO	49.18	-0.07	54.46	43.38

TRAVEL

EDITED BY STEVE HOGARTY

MOUNTAIN MAKEOVER

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 XF Sportbrake in Sweden, he reached an eye watering 117.48 mph, just shy of his top downhill speed of 121mph.

"It felt equally dangerous to racing downhill and as scary as racing the Streif," he says, referring to Kitzbuhel'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'Isere had to offer. The resort has been dubbed Magaluf on Ice, and has everything a party animal could ask for. Lunch at La Folie Douce, the après-ski venue above La Daille, had already set the pace and at 1pm the venue was in full party mode, the music blasting out as a DJ egged on the crowds who danced outside on tables in ski gear. Heavy snowstorms and whiteouts that day meant conditions were far better for drinking than skiing, although the snowfall guaranteed superb skiing for the rest of the week even though it was still early December.

In the heart of Val d'Isere the resort is undergoing a £170m transformation to be called Le Coin de Val. For those who know the village, this five year development will affect a huge triangular chunk of the centre bordered by Dick's Tea Bar and a 250-yard section of the main road, the Avenue Olympique. The project will include an extension of the piste towards the main road and an underground moving walkway all the way back up to the ski lifts. Two new hotels, apartment blocks and 100 private chalets will in total provide the resort with 900 extra beds. It will be the largest construction project in the French Alps for the last 20 years – bigger even than the construction of Arc 1950 in nearby Les Arcs.

The investment makes sense. Val d'Isère already offers miles of popular slopes and trendy après ski, which is why its 1,600 year-round population swells to 25,000 in peak winter weeks, with half of those visitors arriving from the UK.

Also new is Le Refuge de Solaise, France's highest hotel, on the mountainside way above Val d'Isere. At a heady altitude of 2,551m, it boasts 34 rooms, three large luxury apartments, and a traditional refuge dormitory with 14 beds. Facilities include a 300-cover gourmet restaurant, a cocktail bar, and a seminar and projection room as well as a children's play area and a spa with a 23-metre pool that's open to the public. The hotel has truly spectacular 360-degree mountain views too.

For me though, the great attraction of skiing in Espace Killy (the connected resorts of Tignes and Val d'Isere) is the two-for-one option, which is especially useful in bad weather. These twinned resorts are connected by 300 kilometres of fantastic skiable terrain in the area. This includes high alpine, gladed trees and two glaciers. More than 150 ski runs and 1,900 metres of vertical descents with varying difficulties to explore mean it's an area you'll keep coming back to winter after winter.

> "Val d'Isere has been dubbed Magaluf on Ice. The resort has everything a party animal could ask for

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.

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 chalet, but in the Espace Killy ski area in general.

NEED TO KNOW

A seven-night stay at VIP Ski Club Aspen starts from £729 pp and includes return flights from Gatwick, coach transfers, accommodation, catered chalet board, complimentary beer and house wine. For more information on VIP Ski visit vip-chalets.com or call 0208 875 1957.

WALDORF ASTORIA
DUBAI, UAE

Angelina Villa-Clarke discovers the latest jet-lag busting service at this star of Dubai's luxury hotel scene

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, fagotelli 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

ADVERTISEMENT FEATURE

BARBADOS: A CARIBBEAN ISLAND LIKE NO OTHER

When you think of the Caribbean, you automatically picture the tropical island of Barbados, with its turquoise sea, white sand beaches, abundance of culture, historical heritage and unique cuisine. Barbados is perfect for everyone, whatever their age or interests, and, with year-round sunshine, it is easy to see why it's one of the Caribbean's top destinations.

The year-long We Gatherin' 2020 celebration on the island means there's no better time to plan a trip. We Gatherin' defines the community spirit that's central to life on Barbados. It's a time to celebrate, and to participate in events across the island – a Bajan welcome like no other to 'the island for everyone' awaits Bajans by birth, Bajans by descent, Bajans by choice ... and those who simply love Barbados.

We Gatherin' celebrates Bajan culture and the Bajan way of life. The island's 11 parishes have each been designated their own month of entertainment, demonstrating the heritage, community, arts, culture and nature of Barbados, with the whole nation joining in for the final month of December – a total of 60 events and festivals over the year.

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 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.

> The year-long We Gatherin' 2020 celebration on the island means there's no better time to plan a trip.

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 cou-cou, 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.

If you need another excuse to immerse yourself in the true taste sensation of the island, book tickets to the Barbados Food & Rum Festival in October, to sample all of the region's culinary delights and beverages – a true foodie event.

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.

To read more about Barbados, vist: visitbarbados.org

BARBADOS

SPORT

SWEET SIXTEEN

Liverpool stretch their lead at the top in the best way possible: with victory over rivals United. By **Frank Dalleres**

EVEN for a supporter base that has become reaccustomed to occasions like this there was a particularly joyous 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 imagined 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.

HOW THEY WON IT

Salah applied the coup de grace in the 93rd minute, just when United were throwing everyone bar goalkeeper David de Gea forward for a corner that might rescue a point.

When that corner came to nothing, Liverpool keeper Alisson showed that raking 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, fluffing 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.

PREMIER LEAGUE

LIVERPOOL	MAN UTD
2	0
Van Dijk 14'	
Salah 90+3'	

ANFIELD'S PALPABLE 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.

Of deep concern for Ole Gunnar Solskjaer 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 head of 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 Hasenhuttl'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. Wilfried 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

Saracens responded to the news of their Premiership relegation by beating Racing 92 to book a place in the quarter-finals of the Champions Cup yesterday. Sarries, who will be relegated to the Championship next season after failing to prove immediate compliance with salary cap rules, overcame the French side 27-24 with a late Owen Farrell penalty (pictured). Gloucester's 35-14 loss to Toulouse meant the result was enough to earn a trip to face Leinster in the last eight from 3-5 April. Farrell's kick secured the win after two Maro Itoje tries, but the victory was a subdued one, with director of rugby Mark McCall confirming afterwards that the squad would be broken up following their demotion.

SPORT DIGEST

BURNLEY COME FROM BEHIND TO EARN BIG WIN

Burnley 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 poked in 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 win 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 Sunday. Westwood, the overnight leader, shot a five under-par 67 to finish on 19 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.

SARACENS NO8 VUNIPOLA LIKELY TO MISS SIX NATIONS

England are expected to be without Billy Vunipola in the Six Nations after the No8 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 BOWLS ENGLAND TO THE BRINK OF VICTORY

Captain's 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 opponents' 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 contrived 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.

FOLLOWING ON

In a scarcely believable opening 25 minutes, England claimed the four remaining first-innings wickets in 28 balls for the cost of a solitary run. Vernon Philander and Quinton de Kock were castled attempting booming drives to the new ball, Keshav Maharaj dragged on trying to pull and Kagiso Rabada chipped to mid-off.

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

They may be lower order batsmen, but they are all also experienced players who should know better. Their decision-making was tantamount to surrender.

Root had no hesitation in enforcing the follow-on for the first time since defeating West Indies at Edgbaston in 2017. It may have been a rare occurrence for England, but Faf du Plessis' team have now been asked to follow on three times in their last five Tests, having not had to once in the preceding 100 matches.

It's a statistic which reveals just how far the Proteas have fallen – and why another away series win in South Africa, to go with the 2-1 victory four years ago, is achievable for Chris Silverwood's team.

If the hosts' capitulation to Stuart Broad and Sam Curran was surprising, the identity of their second innings tormentor was even more so.

After Mark Wood had bowled Dean Elgar with a beauty and had Zubayr Hamza caught down the legside, it was Root who stepped up to take career-best figures of 4-31 and leave South Africa on the ropes at 102-6.

Root's round-arm, skiddy off-breaks 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 snaffled 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 unbeaten, but if the rain stays away long enough this morning that won't be the case for long.