

Hunt offers incentives to get more people into work

BRITISH finance minister Jeremy Hunt yesterday announced incentives and sanctions aimed at tackling the country's soaring levels of inactivity among working-age people, an increasingly acute economic problem.

The "Back to Work" plan, billed as a way to help people "stay healthy, get off benefits and move into work", will form part of the Autumn Statement that Hunt will present next Wednesday.

The plans were welcomed by business groups but the Institute for Employment Studies (IES), a non-partisan think tank, said Hunt's tough talk about people who "coast on the hard work of taxpayers" was misplaced.

The opposition Labour Party said the plan failed to tackle the root causes behind



■ *The 'Back to Work' plan will form part of the Autumn Statement that Hunt will present*

economic inactivity.

A record 2.6 million Britons

were not working because

of long-term sickness as of

mid-2023, which economists say reflects the effects of the Covid-19 pandemic but also high waiting times in an

increasingly stretched health service.

The plan, which includes £2.5 billion (\$3.1bn) of investment over the next five years, aims to boost the support available to those with physical or mental conditions so they can stay in work, helping up to 1.1m people.

But it also includes tougher benefit sanctions “for people who are able to work but refuse to engage” with their local employment office.

Hunt, hoping to assuage the many Conservative lawmakers who are alarmed at Labour's big lead in opinion polls, looks set to trim taxes in his budget update on Wednesday.

“These changes mean there’s help and support for every one – but for those who refuse it, there are consequences too. Anyone choosing to coast on the hard work of taxpayers will lose their benefits,” Hunt said.

of the “Back to Work” plan.

Tony Wilson, director of the IES, said extra investment in employment support was welcome but he criticised Hunt's characterisation of people who coast.

"This sort of language just pushes people away – alienating those who could benefit from support, alienating employers and alienating partners like GPs and voluntary services," Wilson said.

Labour said Hunt's plan was "more of the same".

"This poor excuse of a proposal does nothing to fundamentally change the state of our health service or our Job centres after a decade of failure from the Tories," said Labour's work and pensions spokeswoman Liz Kendall.

The Recruitment and Employment Confederation, a trade body, said it welcomed the plans.

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CONSOLIDATED STATEMENT OF FINANCIAL INFORMATION

At 31 December 2020

Consolidated Statement of Financial Position

At 31 December 2020

	2020 US\$ '000	2019 US\$ '000
ASSETS		
Balances with banks and financial institutions	3,519	4,483
Placements with financial institutions	8,683	12,885
Investment securities	500	2,357
Loans and advances	2,600	-
Exposures to related parties	-	-
Other assets	150	889
TOTAL ASSETS	15,452	20,614
LIABILITIES AND EQUITY		
LIABILITIES		
Due to financial institutions	129,427	131,471
Due to customers	3,034	3,196
Other liabilities	2,854	2,497
Total liabilities	135,315	137,164
EQUITY		
Share capital	100,000	100,000
Accumulated losses	(219,863)	(216,550)
Total equity	(119,863)	(116,550)
TOTAL LIABILITIES AND EQUITY	15,452	20,614

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2020

	2020 US\$ '000	2019 US\$ '000
OPERATING INCOME		
Interest income	67	377
Interest expense	(175)	(361)
Net interest (loss) income	(108)	16
(Loss) / Gain on investment securities	(1,280)	1,017
Fee and commission income	75	97
Other income	135	205
Foreign exchange (loss) / gain	(538)	189
Total operating (loss) / Income	(1,716)	1,524
OPERATING EXPENSES		
Staff expenses	1,758	2,388
Travel and business development expenses	5	9
Legal and professional expenses	1,268	835
Premises and equipment expenses	140	228
Depreciation and amortisation expenses	457	463
Other operating expenses	575	1,823
Total operating expenses	4,203	5,746
NET LOSS FOR THE YEAR BEFORE IMPAIRMENT ALLOWANCE	(5,919)	(4,222)
Impairment reversal - net	2,606	303
NET LOSS AND OTHER COMPREHENSIVE LOSS FOR THE YEAR	(3,313)	(3,919)
BASIC AND DILUTED EARNINGS PER SHARE (IN US\$ CENTS)	(0.83)	(0.98)

Consolidated Statement of Cash Flows

For the year ended 31 December 2020

	2020 US\$ '000	2019 US\$ '000
OPERATING ACTIVITIES		
Net loss for the year	(3,313)	(3,919)
Adjustments for:		
Impairment reversal - net (excluding cash and cash equivalents)	(2,600)	(274)
Depreciation and amortisation	457	463
Foreign exchange loss	538	-
Loss / (Gain) on investment securities	1,359	-
Changes in operating assets and liabilities:		
Investment securities	498	12,171
Exposures to related parties	-	274
Other assets	282	(7)
Due to financial institutions	(2,505)	(19,053)
Due to customers	(162)	(880)
Borrowings	-	-
Other liabilities	280	1,047
Movement in the amount of restricted cash	(3,034)	-
Net cash used in operating activities	(8,200)	(10,178)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(8,200)	(10,178)
Cash and cash equivalents at 1 January	10,806	20,984
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	2,606	10,806
CASH AND CASH EQUIVALENTS COMPRISE:		
Balances with banks and financial institutions	3,519	4,483
Placements with financial institutions with original maturities of three months or less	2,121	6,323
TOTAL	5,640	10,806
Less: Cash and cash equivalents held on account of sub-participants in private equity funds	(3,034)	-
	2,606	10,806

Consolidated Statement of Changes In Equity

For the year ended 31 December 2020

	Share capital US\$ '000	Accumulated losses US\$ '000	Total equity US\$ '000
Balance at 1 January 2019	100,000	(212,631)	(112,631)
Net loss and total comprehensive loss for the year	-	(3,919)	(3,919)
Balance at 31 December 2019	100,000	(216,550)	(116,550)
Net loss and total comprehensive loss for the year	-	(3,313)	(3,313)
Balance at 31 December 2020	100,000	(219,863)	(119,863)

These condensed statements have been extracted from the Interim Condensed Consolidated Financial Statements as at 31 December 2020, which were reviewed by Ernst & Young, and approved by the Board of Directors on 15 November 2023.

For more information, please refer to consolidated financial statements available on the Bank's website: www.bmb.com.bh

Sh. Khalifa Bin Duaij Bin Khalifa AlKhalifa
Chairman

Emad Yousef Al Monayea
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Abdulla Mohamed Dawood
Chief Executive Officer

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■ **Burberry may miss its revenue targets**

Burberry feels pressure from slowdown in luxury spending

BURBERRY will struggle to meet its annual revenue forecast of low double-digit growth after it was hit by a global slowdown in luxury spending, the British brand said yesterday.

The company, which launched the first collection by designer Daniel Lee in September, reported a sharp drop in comparable store sales growth from 18 per cent in its first quarter to just 1pc in the second, as demand in China evaporated.

Rising inflation and economic uncertainty have curbed shoppers' appetite for luxury after years of blockbuster demand, prompting investors to trim forecasts.

Burberry said the slowdown was pronounced in September, coinciding with the arrival in stores of Lee's first runway designs and a new brand identity, the latest step in its strategy to move the label into a higher echelon of luxury.

Chief executive Jonathan Akeroyd said the revenue downgrade was “very much geared around the macro”, rather than the response to

new products such as the £2,890 (\$3,582) medium-sized "Knight" bag.

He said he was excited about the reception to the designs six weeks in, with a “nice shift” to accessories, both shoes and bags.

Portfolio manager Angelo Meda at Banor SIM, who cut his exposure to luxury earlier this year following downbeat Chinese data, said Burberry was “certainly not an isolated case”.

"We haven't seen anything like this in the luxury space for a long time," he said.

LVMH, the world's biggest luxury group with brands including Louis Vuitton, Dior, and Tiffany, reported a slowdown in quarterly sales in October, as did Kering with its Yves Saint Laurent, Balenciaga and Bottega Veneta brands.

Cartier-owner Richemont has also predicted slower growth.

Burberry's adjusted operating profit fell 6pc to £223 million in its first half, it said, and for the full-year it would be towards the lower end of analysts' forecasts from £552m to £668m.