

Since January, a privileged tribe of London bankers has received a record £10 billion in bonuses. Natasha Courtenay-Smith meets the men who more than double their salary in a day – and whose only dilemma is how to spend it all



THE BONUS BOYS ARE BACK IN TOWN

Life in the City is all about excess and competitive spending, and anyone who says it isn't is lying,' says Henry Aldridge, 28, who works for a well-known City bank and receives a bonus of £200,000 a year, double his annual salary. 'All people care about is what bonus they're going to get. Then, especially among the young guys like me who don't have families, it's all about what car you've got, what watch you wear, where you eat and where you live. One guy I work with has Ferrari on his speed dial. Every time a new model comes out, he gets it. Another of my colleagues went out and bought himself a new £10,000 Rolex at lunchtime because earlier I'd arrived wearing a £6,000 Rolex.

'Then there's another work associate who came back from a weekend away boasting that he'd just bought a £600,000 seafront flat in Sandbanks, Poole. He'd only seen it from a speedboat, but that money was nothing to him. He just wanted to be able to boast he had a flat in one of the most exclusive areas of the country.'

Everything about Henry's life sounds expensive. This year, he's already been on 'tons' of holidays, including

skiing in Andorra and Val D'Isère, golf in Scotland and the beach in Portugal and Antigua. He drives a Porsche 911 and until recently had a Bentley Continental GT that cost him £110,000, which he sold when its windows were smashed in by 'yobs'.

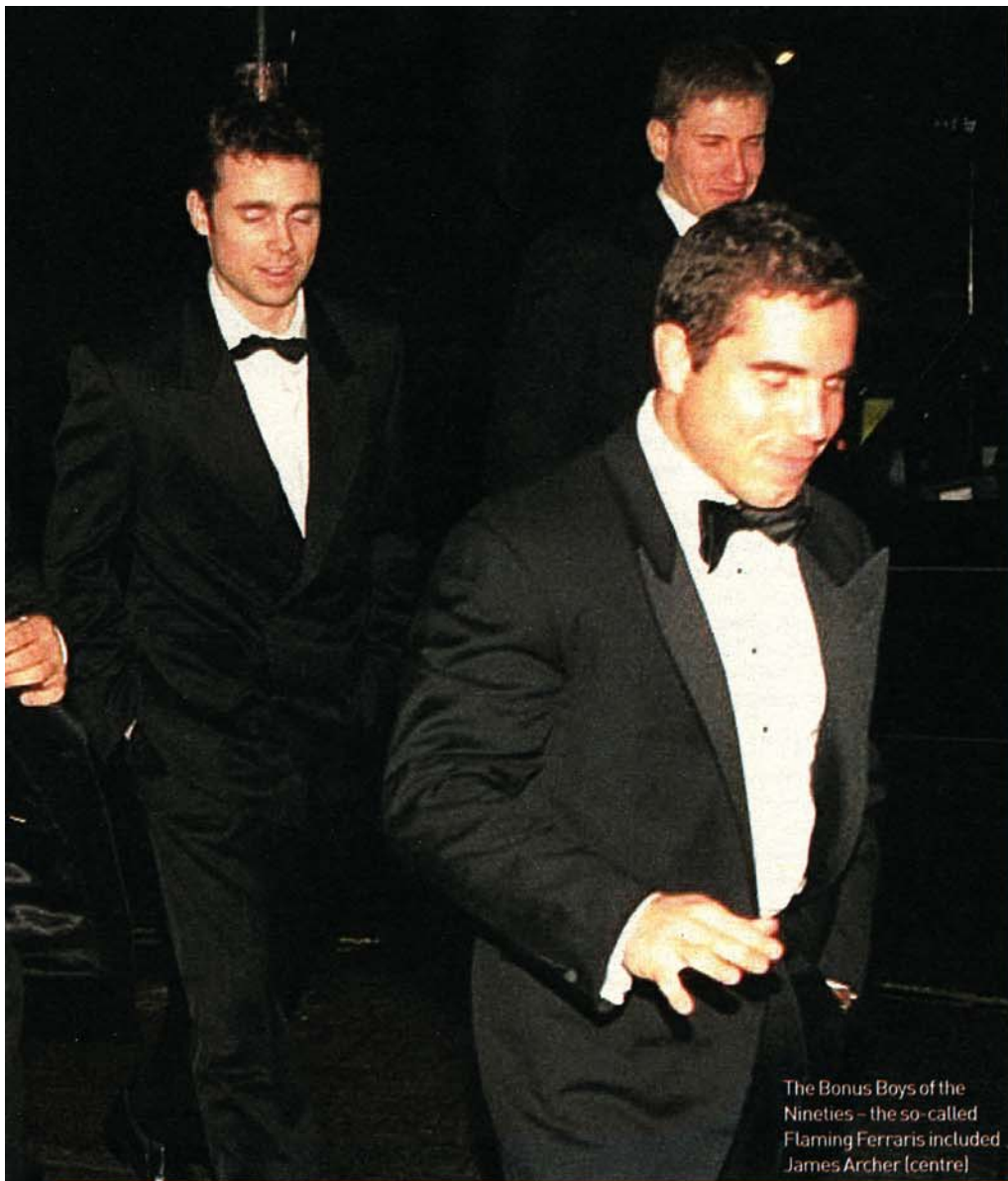
While all his colleagues aspire towards 'gin palaces' (he means luxurious yachts), Henry wants a 'really fast racing boat'. He even chartered a private jet to take his friends to watch the Ryder Cup in Ireland. In fact, he only uses private jets as he can't stand the 'stress' of having to be at the airport at a certain time.

Henry, in short, is enjoying what City slickers call the 'look at me' factor. And while his job undoubtedly pays handsomely, it is his bonus that lets him afford this particular flamboyance. Henry, like all other City high fliers, is awarded this enormous annual pay perk under two conditions – that he does a good job, and that he keeps the exact details of his windfall under wraps, which is why he can only reveal his secrets to us under an assumed name. It's easy to see why he's cautious. If last year was reportedly the best ever for City bonuses, 2006 is shaping up to be even better. Since January,

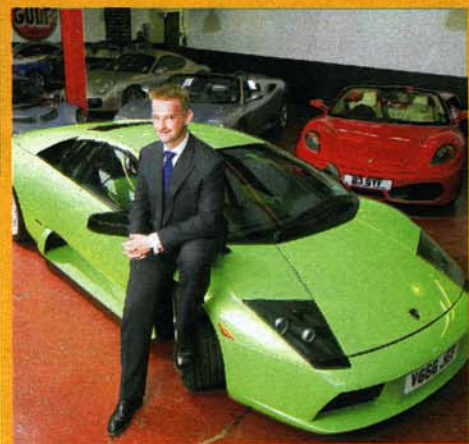
City workers have already scooped a record-breaking £10 billion on top of their salaries. By the end of the year, it's expected that figure will top £21 billion.

While many high-flying executives enjoy multi-million-pound bonuses on top of their salaries – some will even join the '£10 million club' – even those at the bottom of the scale could expect to scoop around £100,000. They are the new luxocrats, the upper class of Britain in the 21st century. They live like aristocrats, but don't have to worry about cash flow because another whopping bonus is just round the corner.

Take the typical mid-ranker working on mergers and acquisitions. With a bonus, he or she can expect to receive four times their annual salary – anything from £450,000 to £1.5 million. In this climate, in which bumper profits at banks are being fuelled by a takeover boom, staff are able to demand the biggest bonus-to-salary ratio since the dotcom boom in 2000. And the result? At least 10,000 heavy hitters among the 350,000 who work in the Square Mile are earning six-figure bonuses and more. 'Some people will get £10 million, £20 million, even £30 million bonuses,' says Stuart



The Bonus Boys of the Nineties – the so-called Flaming Ferraris included James Archer (centre)



Above: Alex Potter is a member of exclusive car club Ecurie25. Right: Mark Baillie spent £1m on a new home

Fraser of independent investment management company Brewin Dolphin. 'The traders get the highest. They are bright and they work all hours. A £10 million bonus means you've made £100 million profit.'

One such high earner is Michael Spencer, chief executive of ICAP, the world's biggest money brokers, who last year topped his £360,000 salary with another £5 million. He paid £1 million to have Robbie Williams perform at his 50th birthday last September.

Unsurprisingly, some City experts predict a return to

'A colleague bought a £10,000 Rolex at lunchtime because I'd arrived earlier wearing a £6,000 Rolex'

→ 2005 TOP EARNERS

BOB DIAMOND

Bonus £15 million **Salary** £250,000

The Barclays president, 55, runs its most profitable divisions: investment banking and fund management. He also owns £50 million of Barclays shares.

STUART GULLIVER

Bonus An estimated £10 million **Salary** Unknown

Gulliver, 47, helped build HSBC's investment banking franchise and was rewarded with a whopping bonus and stock worth an estimated £30 million.

MICHAEL SHERWOOD

Bonus An estimated £10 million **Salary** Unknown

Dubbed 'the most powerful trader at the most powerful bank in the Square Mile', Sherwood, 41, is the co-chief executive of Goldman Sachs International.

STANLEY FINK

Bonus £5.5 million **Salary** £426,000

Fink, 49, is chief executive of Man Group, the world's largest hedge fund group quoted on the stock market.

MICHAEL SPENCER

Bonus £5.05 million **Salary** £360,000

The founder of ICAP, 51-year-old Spencer is the world's largest inter-dealer broker, a middleman in deals between rival financial firms. He is one of the Conservative Party's biggest financial backers.

MICHAEL DOBSON

Bonus £4.25m (cash and shares) **Salary** £200,000

Chief executive of Schroders, the investment management firm, Dobson, 54, is a debonair old Etonian and Cambridge-educated City toff.

ALEX SNOW

Bonus £3.64 million **Salary** £100,000

Former England 'B' rugby player, Snow, 37, is chief executive of fast-growing stockbrokers Evolution.

Eighties' yuppie culture. Bonuses are fuelling a boom in the most expensive London properties and country houses, and luxuries such as art and fine dining.

In February this year, City workers flush with giant bonuses drank the capital dry of champagne jeroboams, the equivalent of four regular bottles. One wealthy banker bought 14 jeroboams, each costing £3,500, at Soho's Umbaba nightclub in just one night.

'Yah, well, that's just what happens,' says Henry, who regularly eats out at restaurants such as Le Caprice. 'It's a case of just putting your card behind the bar and letting everyone have the time of their life. The most I've ever run up in an evening on a bar bill is about ten grand. It's easily done and it's great fun.'

City workers are even splurging on plastic surgery. The Harley Medical Group says bookings from males have shot up by 40 per cent this year in their City clinics, with nose jobs, liposuction and Botox most popular.

Certainly, the luxocrats are splashing out. A recent survey by the financial services recruitment company Robert Half International showed that 40 per cent of City workers spend rather than save their bonuses, often on frivolous boys' toys such as yachts, sports cars, helicopters and private jets. In the first half of this year, for example, one of the country's leading private jet operators, Net Jets, has already flown 30,000 flights – a 60 per cent increase on the same period last year.

Alex Potter, 30, a London-based stockbroker, who was prepared to be named on condition that we ►

→ LIVING IN A DREAM WORLD

Need help spending your bonus? Meet the interior designer who knows what you want before you do

'If you're a wealthy guy, buying a penthouse is like buying a Ferrari,' says London interior designer Tara Bernerd (below). 'You know precisely the features you want: bespoke dials, deep lacquer and hand-stitched leather seats. At home, it's the same. You know what the best is and you want to be surrounded by it.'

The 35-year-old designer is in the perfect position to know what City hotshots with a spare million or two demand. Luxurious spaces are not only her job as co-founder of interiors company Target Living; she is also part of that rarefied world in which luxury is a way of life. Her father is property tycoon Elliot Bernerd and her husband is James Archer – son of Jeffrey – who once belonged to a group of City highfliers known as the Flaming Ferraris. In 2001, James Archer was banned for life from working in the City after breaking trading rules; he now works on freelance financial projects from their home.

As well as creating sexy, very masculine homes, she's been responsible for a raft of über-luxury spaces for London's elite: a casino lounge for old friend Damian Aspinall, an art gallery for Jay Jopling, a shooting lodge for a group of young City investors who wanted their country pad to be as lavish as their London hangouts.

The Notting Hill apartment she shares with her husband, she admits, is 'half sexy boudoir, and half boy's dream pad'. It might have a red velvet

bedroom with its own black marble steamroom, but it's also awash with boys' toys: a snooker table, a PacMan machine, an 84in plasma screen, surround-sound speakers throughout the house and even a cinema screen.

The key to keeping men happy is giving them space to party in. 'When they work hard, they want to play as hard – in style,' she says.

She recently finished work on a £4.5 million Paddington penthouse (right), which is now being bought by a well-known media businessman. She decided on every detail herself – from the champagne glasses to two



televisions, hidden at the end of the master bed, which pop up at the flick of a switch (for a mere £10,000).

Each high-resolution plasma comes with its own remote control and wireless earphones. 'Even in a perfect relationship, he might want a quick blast of football in bed, while she watches *Panorama*,' says Bernerd.

Here she gives a rundown of the top design requests from her demanding City slicker clients...

POOL TABLE

'Guys love the fact it's a game that doesn't have to be set up, it's just there,' says Bernerd. 'Often, on a Saturday afternoon, while some guys are watching sport, others will be having a game. It's relaxed and social.' Most-requested tables are the Brunswick mahogany Marquette (£15,000) and Manhattan (£9,000) from the American Billiard Company (americanbilliardcompany.co.uk), which Bernerd customises with quirky fabrics.

BAR

'It's a great place to start an evening out – you can serve what you like, listen to what you like,' says the designer. Rectangle Design's bespoke models (from £4,000, rectangle-design.co.uk) are crafted from lacquer, wood and leather. Vega champagne flutes (£83 each) are now de rigueur, as are dedicated wine refrigerators, such as the multi-temperature cooler from Transtherm (£1,899, wineware.co.uk).

GYMNASIUM

'Most guys work out – both to ease stress and work off long lunches – and would much rather do it alone than sweat it out with 20 guys they do business with,' says Bernerd. Demands range from soft rubber ▶



Slick design doesn't come cheap: this Tara Bernerd-designed Paddington penthouse is worth £4.5 million and features grey silk walls, a retro Marcelle B&B Italia sofa, art by Andy Warhol and Rolling Stone Ronnie Wood, and dark, glossy surfaces everywhere

▶ didn't print his exact bonus, agrees that high-powered cars and planes have become a luxocratic necessity. 'In the City, you're nothing unless you have a Porsche 911 at the very least,' he says. 'You should see the garage at the office. It's an Aladdin's cave – there are hundreds of Porsches, dozens of Ferraris and at least a couple of Aston Martins.'

Earlier this year, Alex made the journey from his flat in Wapping to a friend's wedding in Yorkshire in a lime-green Lamborghini Murcielago worth almost £200,000. He's just joined the exclusive supercar club Ecurie25, which costs almost £9,000 a year and has a waiting list of City boys desperate to become members. As a result, Alex now has access to a fleet that includes a Lamborghini Gallardo and an Aston Martin Vantage.

'As I drove along the motorway in the Lamborghini, people were actually hanging out of their windows taking pictures of me,' he laughs. 'And people gathered round at every petrol station I pulled into.'

When he's not drawing crowds in whichever flash car he fancies, Alex is likely to be found at North Weald airfield in Essex, where he owns shares in a syndicate of planes. Earlier this year, he flew his girlfriend to the Lake District for dinner at L'Enclume, a firm ▶





► favourite with City slickers. He's also recently spent three weeks following the England cricket team to Test matches and he goes skiing every winter.

Most luxocrats, however, are spending the bulk of their bonuses on property – like investment banker Mark Baillie, 35. He has just bought a new mews house in a gated development, complete with underfloor heating and a suspended glass staircase. It cost him in excess of £1 million.

'Yes, it was important for me to have a house with a wow factor,' says Mark, who has worked in the City for eight years and lives with his wife, Victoria, 35, and daughter Amelia, seven months. 'This place is very contemporary, has Italian limestone floors, glass banisters, a mezzanine dining room, top-spec kitchen and bathroom and has been pre-wired for Bang & Olufsen sound systems. But for me, this purchase wasn't just about being flash. I have a family to think about and I wanted somewhere Amelia could enjoy some outdoor space.'

Mark also confesses that while his salary covers his family's normal living costs, his bonus allows him the extras, such as his chic house and his Porsche Boxster.

The Centre for Economics and Business Research agrees that around half of City bonuses end up in the higher end of the property market. This explains why the average terraced home in central London shot past £1 million for the first time this year. 'Cash purchases of £1 million townhouses no longer merit that much comment,' says Fraser Turvey, sales manager at Foxtons in Islington. 'Increasingly we see buyers who are in their mid-thirties paying in cash. We don't have to ask to know they've been paid their bonuses. Another giveaway is that they usually want to be flash. They want modern mews houses or trendy loft apartments.'

And yet, despite their flash lifestyles, much about the bonus boy is shrouded in secrecy. The culture of the City is so hush-hush that last March, guests at the 50th birthday party for John Studzinski, former joint head of corporate and investment banking at HSBC, were reportedly asked to sign confidentiality agreements stipulating they wouldn't talk to the press. Only once they'd signed were they flown to Salzburg by private jet.

True to form, Alex Potter, who has worked in the City for nine years, is cagey when it comes to figures. 'I'm relatively typical of people in my job,' he says, somewhat huffily. 'I work hard and I've made sacrifices in terms of time. Like all investment bankers, I've committed to a workload over and above what most people do.'



► floors by Dalsouple, air-con and plasma TV to the Kinesis Personal home gym by Technogym (£6,490 from technogym.com) and running machine by Precor 966i (£7,000 from precor.com).

CINEMA

And no, that doesn't mean a corner of a living room, but a separate room, complete with 65in Sharp Aquos LCD 1,080 pixel screen (£11,750) set flush into the wall, a 12ft DLP high-definition Runco projection screen that emerges from the ceiling (from £10,000) and black-out blinds and lighting that goes to 'cine-mode' at the

The flipside of that is that when I do have time off I can afford to do whatever I want, and do all the things that as a ten-year-old boy I dreamt of doing.'

Alex is keen to refute the idea of the City being a big playground in which all that matters is how flash you are perceived to be. That notion, he says, isn't true at all. 'People are actually cautious with their money,' he says. 'You see people who have been paid a £10 million bonus driving a sensible car like a Mercedes estate because they need to carry their children around. I used to have two TVRs, but I traded them in and joined Ecurie25 instead because that made more financial sense.

flick of a switch. Sofas, says Bernerd, should be deep and luxurious, such as the B&B Charles sofa in soft velvet (£6,900).

IPOD DOCK

'Guys travel a lot and want to be able to take their music with them.' The iPod dock (store.apple.com) can be linked to a sound system like Meridian's 800 Reference DVD/CD player (up to £100,000 to wire an apartment, from meridian-audio.com), which can channel different films and music into each room.

MOOD LIGHTING

'No guy wants to fiddle with lights,' says Bernerd. Hence the popularity

of the Lutron system (up to £20,000, lutron.com), which can control blinds, set lighting patterns, colours and dimmers for specific rooms and, at the front door, has a switch to turn everything off. 'It's no hassle – and the lighting is always perfect.'

STEAM ROOM

Men who make millions are used to the best suites in hotels and having a steam and sauna on their doorstep. Hence the addition in bathrooms of a shower-cum-steam room (steamist.co.uk, £5,600). High-fliers' top choice is black marble, with an extra-large 'rainforest' shower head and built-in TV. 'CNN while you shave is some men's idea of heaven.'

I actually lost £20,000 on one TVR in a single year.'

Even Henry Aldridge, who happily boasts about the rewards of his fabulous career, agrees his life is not as straightforward as he likes to make out. In a bizarre confession, he admits he has become paranoid and fearful of starting a relationship in case the woman is a 'gold-digger'. Apparently, some colleagues have fallen victim to a spate of deliberate pregnancies by girls who are only after them for their bank balances. 'It's something I worry about,' says Henry. 'We're decent guys so we end up supporting the girl and her child for the rest of their lives. But really, all we are to them is a meal ticket.'

Equally worrying is the fact that last November, Henry's lifestyle saw him hospitalised with exhaus-



FIREPLACE

'They're not just warm, but seductive – ideal for bachelors who aspire to a James Bond lifestyle,' says Bernerd. Her Paddington penthouse design includes a sleek glass walk-around fire to add an extra spark to both dining and reclining areas. For Bond-wannabes without chimneys, Bernerd installs sleek CVO flueless gas models (around £3,500, including remote control, from cvo.co.uk).

DRESSING ROOM

The ultimate versions for the bonus boys – with, of course, separate wardrobes for City, party and country – are bespoke, in walnut or ebony, with easy-slide shoe, shirt and sock drawers (up to £25,000, from Rectangle Design). A contemporary

alternative is the Bangkok Poliform walk-in wardrobe, with brown or grey hide and stainless steel finish, and Sensa Fine modular drawer, shelf and hanging system (from £9,000, poliform.co.uk).

GREAT ART

Smart investors know that furniture loses value the minute it leaves the showroom. 'So generally they're happier to buy great art,' says Bernerd. For big pieces, she sends clients to Tim Jeffries' Hamiltons Gallery for photography and to Jay Jopling for serious art, although she has a new favourite gallery, 55Max (55max.com), which can print photos on to wallpaper, canvas or fabric.

Target Living, London SW1. Call 020 7823 2316, or visit targetliving.com

tion. 'I really don't know what happened there,' he chortles. 'I collapsed on a big night out. I hit a wall.'

So what is the future of bonuses? Can City bankers actually get even more? The answer is yes, according to the Centre for Economics and Business Research. This winter, they say, financial workers in the City of London will earn 16 per cent more in bonuses than last year. Incredibly, an estimated 3,000 people will have received bonuses of more than £1 million by Christmas.

Despite the huge financial perks, Mark Baillie is one luxocrat who doesn't see himself living the high life forever. 'One part of this game is that you can't do it for long,' he says. 'The City is a double-edged sword. It's hard work, long hours and stressful. But it pays well.' ■

The Notting Hill apartment where designer Tara Bernerd and husband James Archer (opposite) live features, clockwise from top left, old leather armchairs paired with beautifully designed accessories, a chic dining room for entertaining, and a galleried living area over the kitchen

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