

St Modwen hails a return to profitability

Regeneration specialist St Modwen yesterday said the residential land market had started to recover as it recorded its first full-year profit in three years.

The firm, which specialises in town centre redevelopment and bringing former industrial sites back to life, posted pre-tax profits of £37.5m in the year to November 30, compared to losses of £119.4m the previous year.

The last time it posted pre-tax profits was in the year to November 2007, before the financial crisis sent the property market into freefall.

The Birmingham-based firm reported a £23m increase in the value of its properties, as the price of residential land regained some of its value, which it said may reflect the start of a recovery in the market, and the value of commercial land stabilised.

Profits from the sale of property nearly trebled to £21.9m, while revenues from rents increased 5pc to £46m.

A detailed planning application has now been submitted for a £70m regeneration of Longbridge town centre near Birmingham, it also announced.

The application includes plans for a supermarket, retail park and restaurants and 40 apartments and will form a focal point for the overall £1bn regeneration of the former MG Rover car plant at Longbridge.

St Modwen, which said it has a strong landbank, also announced that it bought land from UK Coal at Pelsall in Walsall and Castle Gresley in Derbyshire. It is also taking part in a joint-venture to develop 2,000 homes over seven sites with homebuilder Persimmon.

Takeover talks still on for 888

Internet gambling firm 888 Holdings yesterday said takeover talks with Ladbrokes were still ongoing as it bolstered its negotiating position with strong final-quarter sales.

The company, which offers casino, poker and sport betting, said an announcement regarding a potential deal with Ladbrokes would be made when appropriate – following reports that discussions had hit difficulties over the tabled price.

888, which recently launched an advertising campaign with former Australian international cricketer Shane Warne, posted an 18pc increase in operating income to \$71m (£44m) in the final quarter of 2010.

Bookmaker Ladbrokes revealed it was in talks to buy 888 in December, following reports it had offered £240m for the company.

Housing contract win for Lovell

The East Anglian operation of affordable housing builder Lovell has been awarded a £2.75m contract for a development for Orbit Homes in Lowestoft.

Lovell, whose regional office is in Norwich, will start work in March on the scheme for 29 energy-efficient houses and flats for social rent and shared ownership through Orbit.

Designed by architects at Ingleton Wood, which has offices in Norwich, the development is at St Margaret's Road and is set to be completed in May 2012.

Hint that deal may not suit N&P team

Picture: ADRIAN JUDD

By SAM WILLIAMS
Senior business writer

Plans by Norwich & Peterborough Building Society to transfer its financial advisers to Aviva could encounter resistance after reports that a number are considering jumping ship.

As reported in the EDP last month, 21 N&P financial planners are set to become tied Aviva agents in an agreement between the businesses, which is set to go through on February 21.

But the boss of a financial advice firm has confirmed he has received "many" calls from N&P advisers looking for new jobs in recent days.

Colin Parkin, director of Lincoln-based Ample Financial Services, told the FT Adviser: "Many do not seem happy with the deal."

Mr Parkin yesterday confirmed he had received "a number" of calls from advisers based in more than one area, but declined to give details on numbers.

But officials at Aviva said the affected advisers had been "generally supportive" of the transfer, which comes ahead of the government's Retail Distribution Review (RDR) which is expected to increase the cost and complexity of providing financial advice when it comes into force at the end of 2012.

A spokesman for the insurer said: "The feedback we have had from advisers has been pretty good and generally supportive."



CHANGES: Financial advisers face a decision amid a business shake-up.

"In our view the sales force have got a very bright future with a big, market-leading company with market-leading products."

The transfer will see the 21 N&P advisers transferred to Aviva under TUPE legislation. The advisers will offer Aviva products and services but still be based in N&P's branches.

A spokesman for N&P added: "For an organisation of our size and the way we operate it's not going to be cost-effective to offer financial advice going forwards. The best solution for us was to make sure our customers

still have access to financial advisers in our branches."

Carl Lamb, the Norwich-based managing director of national financial advice firm Almary Green, said he expected a 20pc shrinkage in the industry as a result of financial advice businesses closing or merging following the RDR.

He said: "There are big changes on the way. The financial services industry is going to be more rigorously regulated from next year, making it far more expensive to practise."

January bounce-back for shops

Shoppers eager to hit the high street after being trapped at home by the snow helped retail sales bounce back in January, the British Retail Consortium (BRC) says today.

A rush to beat the VAT hike on January 4 and the allure of clearance sales boosted non-food sales at the start of the month, but they eased back as consumer caution took hold, the BRC said.

Like-for-like retail sales were up 2.3pc year-on-year in January, the BRC said, the strongest growth since March last year and an improvement on the 0.3pc year-on-year decline seen in snow-struck December.

UK retailers had a torrid festive season as Arctic conditions gripped the country, with big players such as Next and HMV reporting a slump in sales.

But the BRC's January retail sales monitor does not give a complete picture as it compares with a feeble,

snow-hit performance last year.

Stephen Robertson, BRC director general, said: "Growth this January was driven by a relatively short but strong burst of non-food buying early in the month."

"Clearance discounts and a last chance to beat the VAT rise got people buying things like furniture and electricals in the first few days."

He went on: "Later in the month sales of non-food goods slowed, particularly for bigger items, as the reality of worries about jobs and personal finances returned to customers' minds."

The BRC data comes a few weeks after official figures revealed that a weak services sector, which includes retail, led the economy into an unexpected decline in the final quarter of 2010.

Mr Robertson said improving consumer confidence was essential for turning round the economy.

He said: "A range of pressures is bearing down on customers. As it considers the budget, the government must not add any more."

Internet, mail order and phone sales fell back in January after household consumers had turned to non-store means in December. Sales were 12.3pc higher than a year ago, less than the 18pc rise in December.

Food sales slowed in January as consumers had less need to buy, having stocked up during the snow, the BRC said. Healthy eating items and fruit and vegetables were popular after Christmas.

In clothing, the cold weather helped sales of outerwear, knitwear and hosiery, the BRC said.

Sales of electrical goods picked up in the first few days of the month, helped by clearance discounts and some big-ticket purchasing before the VAT increase from 17.5pc to 20pc.

AND IN SHORT...

■ Water firm Pennon said its Viridor Waste Management subsidiary has bought Somerset materials recycling company Martock Waste Paper for £7.4m from the Bowers family. Martock handles around 50,000 tonnes of paper and other recycled material a year.

■ Engineering and project management firm AMEC, headquartered in Cheshire, has agreed to buy Australian-based specialist engineering consultancy Zektingroup from its owner-managers for up to 48 million Australian dollars

(£30.2m). Founded in 1992, Zektin employs 200 people.

■ Safety equipment firm Latchways said it was continuing to see export-led growth, with the UK market hampered by a subdued construction market and the impact of December's snow. Business is particularly strong in north America, according to the Devizes-based group.

■ Aerospace parts supplier Umeco confirmed talks to sell its supply chain unit Pattonair. The Leamington Spa-based firm said the discussions

were not exclusive and that no final terms had been agreed.

■ Telecoms consolidator Daisy Group, which is based in Lancashire, has secured £40m from Barclays to finance its acquisition war chest, bringing the company's total loan facilities to £115m.

■ Defence group Cobham has acquired US surveillance technology company Corp Ten International for up to \$24m (£14.9m). Corp Ten will become part of Cobham's Avionics and Surveillance Division.

Moss Bros to sell its Hugo Boss stores

Menswear chain Moss Bros yesterday announced the sale of its 15 Hugo Boss stores in a move ending a 16-year franchise deal with the fashion giant.

Moss Bros will sell the outlets back to Hugo Boss for £16.5m, helping finance turnaround plans for its core business.

The group, which has 155 stores in the UK and Ireland, added that ongoing cost-cutting efforts were paying off as it confirmed second-half trading held up well despite the pre-Christmas snow disruption.

Like-for-like sales rose 7pc in the 26 weeks to January 29 – a slight slowdown on the 8.3pc reported in early December.

Moss Bros said it wants to use the Hugo Boss money to revamp core stores and finance new initiatives, such as the roll-out of its Moss Bespoke tailoring service.

It will also invest cash in its online offering and said the deal will mean it can operate debt free.

Moss Bros, which also trades as Savoy Tailors Guild and Cecil Gee, has operated Hugo Boss stores under franchise since 1995.

But it said it will continue to maintain a wholesale relationship with Hugo Boss.

Brian Brick, chief executive of Moss Bros, said: "This is a transformational deal for Moss Bros and absolutely in line with our recently developed strategy of focusing on growing our own brands. Having restored the quality of the product offering of the core Moss Bros business and established a strong momentum in positive like-for-like sales, this transaction will give us the opportunity to focus exclusively on investing and developing the brands which we own, from a position of operational and financial strength."

NORWICH LIVESTOCK

Forward (184) cattle. Quality stock made top prices and David Dairies, EA Hull and TJ Curson saw prices to £770 for Simmental steers. Demand for secondary quality was easier with fewer buyers around the ringside.

Charolais – 8/10mo bulls £360. 8/10mo steers £505, heifers £400. Simmental – 8/10mo steers £630. 11/15mo steers £770, heifers £585. Limousin – 8/10mo steers £685; heifers £660.

British Blue – 8/10mo steers £590. Aberdeen Angus – 8/10mo steers £560; heifers £360. 16/19mo steers £575.

Hereford – 11/15mo steers £465. Friesian – 8/10mo steers £260. Breeding cattle – Aged in-calf Hereford X cow £610.

Rearing calves (33) Bulls – British Blue £150; Aberdeen Angus £90; Simmental £152. Heifers – British Blue £182; Aberdeen Angus £118; Simmental £125. Friesians: 1st quality: £28 to £44; 2nd quality £17 to £25.

Sheep (247) – Prime hogget trade matching national trend. Ben Key had the top price of 174kg. Cull ewe trade good and ewe lamb prices soar to a new level.

Prices – Standard 150p to 174p (166.5p); medium 160.4p to 172.5p (165.1p); heavy 149.4p to 154p (151.5p); super heavy 131.5p. Cull ewes (12) – £34.50 to £77.50 (£58.30).

Breeding sheep (83) – Store hoggets £50.50 to £66.50 (£59.70). In lamb: Texels to £78; Crossbred £90.50; Mule £68. Crossbred ewes with twins £138, with singles £100.

Cull cows to 110p kg.