BUSINESS & FINANCE

A GUIDE TO THE REGION'S COMMERCE, INDUSTRY AND MONEY MATTERS

Savers' funds hit record in a 'landmark' performance

2012 was a landmark year for Stafford Railway Building Society with savers' funds topping £200 million for the first time.

For the year to the end of October the society, which has its offices in Market Square, made a profit of £1.28m before tax and added £1.04m in after tax profits to the reserves.

It continued to attract new members – both savers and borrowers – and finished the financial year with growth in total assets of 6.32 per cent. The society also reported that liquidity is up to a healthy 27.88 per cent – with liquid assets now amounting to £55.8m.

Stafford Railway Building Society's Susan Whiting

Total advances were up to £159.1m from £153.8m in 2011.

Profits were down from £1.45m in 2011, but Mrs Whiting said the society was not fixated on profits and plans to lend more during the next year.

"We were really pleased to achieve over £1 million in after tax profits once again, despite an increase in costs which are beyond our control, such as regulatory fees and the charge for the FSCS guarantee," she said.

"For us, a successful year is one where we've struck a balance between making sufficient profit to keep us financially stable, and providing the best deal we can for our members, whether they are savers or borrowers.

"If we can do that, and continue to give good service, we will keep our members happy and hopefully attract more members. So the fact that our total assets have grown by over 6% in such difficult times is a great result."

The 136-year-old society, which employs 19 staff, has more than 10,000 members.

Construction output woes continue

Report by SIMON PENFOLD

Hopes for a recovery in the UK's beleaguered construction industry have been dashed after the latest figures showed its January output remained stuck at a seven- month low.

The industry is shrinking at its fastest rate since last June, surprising economists and adding to fears of a triple-dip recession.

The Markit/CIPS Construction Purchasing Managers' Index (PMI) – which measures overall output in the sector – held at 48.7 last month, stuck at December's six-month low. Any reading below 50 indicates a slowdown in the sector.

The blame was put on weak demand and a lack of new projects, while some firms said the unusually heavy snow in January added to their problems.

The data also showed that January was the eighth month in a row when the amount of new business fell - the longest continuous period of decline in the construction sector since 2008.

Tim Moore, senior economist at survey compiler Markit, said: "January's survey results are yet another indicator of the severe underlying fragility across the UK construction sector.

"Snowfall at the start of the year may have disrupted output to some degree, but unfavourable weather outside is clearly far down the long list of difficulties afflicting construction companies at present.

"Looking ahead, construction firms reported improved optimism about the business outlook, although much of this appeared to rest on hopes that the chorus of calls for greater public sector investment spending starts to come to fruition."

Construction accounts for just 6.8 per cent of UK national output but has been a major drag on the economy since the financial crisis started five years ago. It remains 15 per cent smaller as an industry that at its peak in 2008.

David Noble, chief executive officer at the Chartered Institute of Purchasing & Supply (CIPS), said: "Snow compounded difficult economic conditions to ensure the construction sector's winter blues continued into January.

"Yet against expectations, businesses have a spring in their step looking ahead to 2013. This new-found confidence has been buoyed by news of public investment, but it could be found wanting, if the Government's recent rhetoric on major infrastructure projects fails to bear fruit.

"In a reversal of fortunes, the commercial sector stabilised after a tough second half of 2012, while civil engineering has experienced its first decline in five months. The housing sector continues to contract albeit at a less severe pace than we have become used to in the last year.

Manufacturing team on an expansion drive

Report by JOHN CORSER

A unique manufacturing collaboration is embarking on a major expansion drive that could secure £7.5 million of new work and create more than 150 jobs.

The Midlands Assembly Network – a nine-strong collective of world class manufacturing businesses – believes 2013 will be a year of expansion as new projects come online in the automotive, electronics and renewables sectors.

It is expecting the growth to come from domestic customers and overseas clients, with the launch of a new website (**www.man-group.co.uk**) set to support the concerted marketing drive.

The group has also appointed a dedicated business development manager to go out and sell 'the MAN difference.'

"There's a lot of negative talk about manufacturing output slowing down and if we're not careful we'll talk ourselves into another recession," explained Tony Hague, chairman and managing director of PP Electrical Systems in Cheslyn Hay.

The MAN team, from left: Phil Rowley of SMT Developments, Alan Rollason of ACE, Steve Gaston of FW Cables, Tony Sartorius of Alucast, Tony Hague of PP Electrical Systems, Richard Bunce of Mec Comm, Matt Powell of Barkley Plastics, Ian Whateley of ACE and Rowan Crozier from Brandauer

"We recognise how tough it is out there, but we prefer to be positive and look at what we can do to seek out and exploit new opportunities. Talking across the nine firms in the group, there is definitely a sense of new projects starting after months of prep work."

He continued: "With what we've got planned, I would expect us to add £7.5m of sales in 2013 and this should lead to nearly 150 jobs – some of whom will be apprentices. It's important we create that pipeline of future engineers. We'll also be looking to invest over £2m to aid this expansion. This will involve new machinery, training programmes and the continued introduction of lean processes."

> **"I would expect us to add £7.5m of sales in 2013"**
> Tony Hague
> Midlands Assembly Network

First established in 2006, the Midlands Assembly Network is made up of nine members including Advanced Chemical Etching, Alucast, Brandauer, Barkley Plastics, FW Cables, Mec-Com, PP Electrical Systems, SMT Developments and Westley Engineering.

Each company offers a different engineering solution, ranging from high volume precision pressings, electrical control systems and tooling to PCB assembly, wire harnesses, specialist fabrication and injection moulding.

Together, they boast 10 world class manufacturing facilities, employ nearly 550 highly skilled professionals and hold a string of industry quality accreditations.

"In order to support our expansion, we have invested heavily in the new website, which provides everything you need to know about MAN, the companies involved and what we do. This provides us with a global platform when pitching for new work," added Mr Hague.

"The appointment of Steve Gaston as our first ever dedicated business development manager is another major step forward. He has been involved in manufacturing for more than 40 years and with the group since it first started."

Mr Gaston said: "We've already identified the first three sectors we're going after and we have a number of new clients visits already in the diary. 2013 is going to be an exciting year."

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