

Tradehold's £1m profit in six months

Tradehold, which has retail and property investments in the UK, said on Tuesday that although the adverse conditions in the British economy were expected to continue, the company's outlook for the next six months was positive.

The company reported a profit of £1m for the six months ended August, from a £3.3m loss in the same period a year ago.

Although listed on the JSE, Tradehold earns all its income from investments in pounds and reports its results in that currency to avoid possible distortions caused by the fluctuating value of the rand.

Its main investments are an 85% holding in the Moorgarth group of property companies, 71% of Reward Investments, an asset-backed, short-term lending business and an indirect holding of 15.9% in the variety retail group Instore. Tradehold has no operating assets in South Africa. Its chairman is Christo Wiese.

"The British economy remained in the doldrums during the reporting period with official figures released at the end of July indicating that the economy had shrunk for three consecutive quarters.

"However, towards the end of the period there was the start of a surge in job creation; inflation decreased closer to the government's target of 2% while consumer spending was slowly starting to gain momentum," the company said.

In the six months ending August, it said revenue grew to £4.719m from £3.241m.

The company said its expectation at the end of the previous period that the outlook for Reward Investments was highly promising was correct as net profit of £0.4m, after tax and members interests, exceeded the £0.2m achieved for the previous year.

Tradehold said that Moorgarth produced a net profit of £0.7m from £0.4m in 2011, boosted by a net increase of £0.5 million. This was primarily driven by an escalation in the value of one of its properties for which planning permission for residential development was obtained.

"The value of the portfolio, which includes unencumbered retail, leisure and commercial properties stood at £54.2m, at the end of the period," Tradehold said.

Looking ahead, the company said it would continue to look to sell the smaller assets within the existing portfolio with a view to replacing these with higher yielding, better quality assets in the retail sector.

"In the second half of the year the focus will be on acquiring more secondary retail warehouses and shopping centres," it

added.

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