

Adobe says Q4 a record

Adobe has announced record fourth quarter results. Sales are up 26% to \$355.2m in the three months to December 1 2000, although profits fell from \$97.4m to \$79.2m. With restructuring costs taken out, however, profits reached a record \$127.5m and Adobe says that profit margins should hold up in 2001. "Despite some reports of an industry showdown, we continue to see strong growth in the Network Publishing economy," says chief executive officer Bruce Chizen.

ID Data sees losses

ID Data, the smart card company that was one of the few print-related firms to float on the Alternative Investment Market last year (*Printing World*, September 25, 2000), has announced its first interim results showing pretax losses of £1.6m, broadly in line with expectations. ID Data is changing from magnetic cards to smart card and Internet security products. With credit card fraud soaring by 46% last year, ID Data's more secure smart card products are in greater demand, and new contracts with the AA and Tesco, worth £6m in total, have been signed.

Cheque snubbed

Caradon, the building materials and printing group that is about to be renamed Novar, is under renewed pressure to sell its cheque printing operation in the US from the UK Active Value Fund, a major shareholder. Caradon is resisting the demands, saying they would not be in shareholders' long-term interests.

Recession fears as US print issues warnings

By Alex Grant

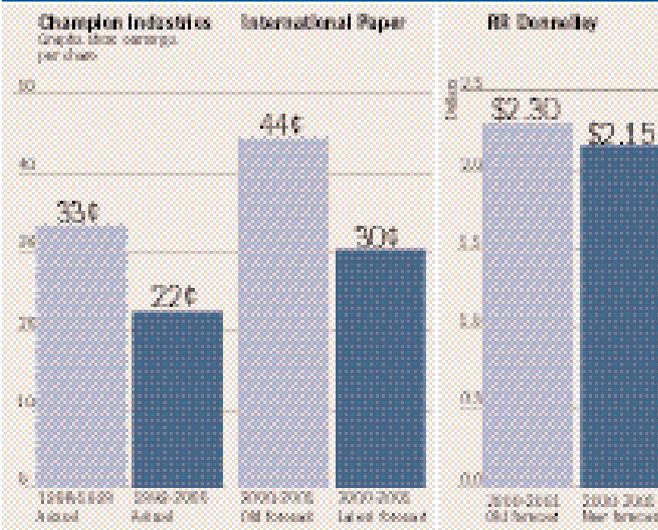
As US factory output slumped to its lowest level in nine years, the last days of 2000 were marked by a string of unseasonal profits warnings from US companies.

RR Donnelley, the world's second largest printing group, has cut its full-year profit forecast from \$2.30 to nearer \$2.15 per share. Higher than expected overheads and a drop in profits at its Mexican, logistics and direct mail operations are blamed, although longer run printing has proved better. The results are expected out on January 31.

The warning has prompted RR Donnelley to resume its share buy back programme, setting aside \$165m. "We are aggressively addressing our short term issues and our long term outlook remains positive," says chief executive William Davis.

But there are still worries about over-capacity as the US begins to look like it could be entering a recession year. Just before

US stocks augur ill



Following a 50% profits fall at Champion, others have cut their forecasts

Christmas, printing and office supplies group Champion announced a 30% fall in annual profits to \$2.1m. Although print sales had grown slightly, "cost containment" is now on the company's mind.

At the same time International Paper, the world's largest paper group, has cut its profits forecast much

more dramatically, from 44 cents to 30 cents per share, because of continued over-capacity and a \$40m rise in energy costs. But IP's share price has stayed up, ironically, and paper prices have been stable in recent months with only coated freesheet papers showing a price fall of about \$50 a ton in the last six months.

IP's warning follows sim-

ilar statements from Mead, which has halved its profits forecast to just 15-20 cents a share and has prompted fears that the two-year recovery in the paper industry may be faltering. Analysts also see paper stocks as a bellwether of economic fortunes and take profit warnings from IP and others as a clear sign that the US economy is slowing down faster than expected.

IP is responding by cutting a further 100,000 tons of capacity, and raising its disposal target from \$3bn to \$5bn.

Nor are printing equipment suppliers immune. Ctp manufacturer Presstek, which has seen its share price slide from nearly 20 cents to 10 cents since October, has rushed out a bullish market statement, saying it was seeing pleasing demand for its new Dimension ctp products, but is making no predictions about its annual results, due out in late February.

Master Graphics has got the go-ahead from credi-

Newsprint hike hits revenue

A feared 15% increase in newsprint costs this year will put severe pressure on newspaper publishers which are already seeing advertising revenue and profits begin to peak.

Johnston Press, which is trying to take over Yorkshire Post owner Regional Independent Media, has already seen a slowdown in ad revenue growth, down from 9% to 6% by the end of 2000.

With a 15% increase in printing costs, 2001 must bring Johnston further

economies of scale to compensate, and at the very least it expects "more modest" profits growth this year, although Johnston is confident enough to have bought four titles from Mortons in Lincolnshire.

Pretax profits at the Daily Mail & General Trust, announced last year, have fallen from £205m to £192m partly because of the costs of launching Metro titles in London and other cities. DMGT plans to spend £70m on new ventures in 2001 including another

free paper in Manchester, as sales of its paid-for titles are either static or falling.

National titles could also face increased competition from The Express as new owner Richard Desmond moves the paper closer to the Mail titles through a tie-in with his magazine OK!

Only the Financial Times, which saw an 11% increase in circulation and a rise in ad revenue in 2000, seems to be immune.

● News Corp, parent company of News International,

Amberley decimation

Amberley Group, parent company of Bousfield Heaton's where an mbo fell through last September, has reported dismal half-year results showing a 10% fall in sales and a decimation in profits from £3.27m to £337,000.

Bousfield's own sales were down by 15%, and the effect of "cost reduction programmes" (including 25 job losses) are "yet to filter through" according to Amberley chairman Roger Fletcher.



OS profits clouded by criticism

The Ordnance Survey has made a profit for the first time in its 209-year history, even though it faces criticism of its accounting methods and calls from the Tories for the state-owned map printer to be priva-

tised.

Although the OS made a surplus of £12.7m in 1999-2000, following a loss of £8.9m the year before, it is in dispute with the National Audit Office over the value of its unique National Topo-

graphic Database. The NAO says the database is an asset worth at least £50m while the OS says its value cannot really be qualified as it constantly needs updating.

The surplus will be re-

legal notices

Compulsory winding up

The following case is due to be heard at the Royal Courts of Justice, Strand, London WC2A 2LL

● **The Inspired Printing Company Ltd** 1 Warner House, Harrobian Business Village, Bessborough, Harrow, Middlesex HA1 3EX on January 24 at 10.30am. Petition by Inland Revenue

The following cases are due to be heard at Leeds District Registry, The Courthouse, Oxford Row, Leeds LS1 1BG

● **Typesecure Ltd** 114B Bentley Road, Doncaster, South Yorkshire DN5 9QW on January 23 at 10.30am. Petition by Customs & Excise

● **KPL Publishing** Caledonian House, 98 The Centre, Feltham, Middlesex TW13 4BN on January 23 at 10.30am. Petition by Customs & Excise

Appointment of liquidators

● **Campaign Colour Ltd** Lithographic printer. Liquidator: RA Segal, A Segal & Co, Albert Chambers, 221-223 Chingford Mount Road, Chingford, London E4 8LP

● **FBB Central Ltd** Printer. Liquidator: C Morris, Jacksons Corporate Recovery & Insolvency, Norwest Court, Guildhall Street, Preston PR1 3NU

● **K&S Print & Distribution Services Ltd** Printer. Liquidator: PJ Bridger, Bridgers, 47 London Street, Reading, Berkshire RG1 4PS

● **Quadace Ltd** Printing.

Liquidators: CS Jackson and MRE Matthews, BKL Weeks Green, Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire SO53 3TZ

● **Summit Press Ltd** Printer. Liquidator: SL Conn, Stephen Conn & Co, 17 St Ann's Square, Manchester M2 7PW

● **Ink-Link Ltd** Ink blender.

Liquidator: RJ Weston, Deloitte & Touche, 1 Woodborough Road, Nottingham NG1 3FG

● **Hamiltons the Colour People Ltd** Photographic printing. Liquidator: DL Platt, Sorskys, Gable House, 239 Regents Park Road, Finchley, London N3 3LF

● **Shadowdean Ltd** Printer.

Liquidator: RJ Weston, Deloitte & Touche, 1 Woodborough Road, Nottingham NG1 3FG

● **Middlewood Paper Stock Co Ltd** Paper merchants.

Liquidator: RJ Weston, Deloitte & Touche, 1 Woodborough Road, Nottingham NG1 3FG

● **Cronin Fencing Ltd** Printer.

Liquidator: RJ Weston, Deloitte & Touche, 1 Woodborough Road, Nottingham NG1 3FG

● **JB Fairfax Press Ltd** Book production. Liquidator: RJ Weston, Deloitte & Touche, 1 Woodborough Road, Nottingham NG1 3FG

● **Copycats Digital Print Ltd** Previous company name: The Copycat Shop Printer. Liquidator: P Gotham, Begbies Traynor, The Old Exchange, 234 Southchurch Road, Southend-on-Sea, Essex SS1 2EG

Appointment of receivers

● **SMS Direct Ltd, SMS Business Forms Ltd, SMS Creative Ltd, Spectrum Marketing Services Ltd** Printers. Joint

administrative receivers: SP Bower and DR Whiteley Smith, RSM Robson Rhodes, 186 City Road, London EC1V 2NU

Meetings of creditors

● **Book Box Distribution Ltd** at Glenroyd House, 96-98 St James Road, Northampton NN5 5LG on January 5 at 11am

● **Lancashire Micrographics Ltd** at 21 St Andrews Crescent, Cardiff on December 14

● **WH Print Services Ltd** at 195 Banbury Road, Oxford OX2 7AR on December 18

● **Design Matters (Print) Ltd** at Albert Chambers, 221-223 Chingford Mount Road, London E4 8LP on December 21

● **Portman Press Ltd** at Novotel Hotel, Greyfriars, Ipswich, Suffolk on January 5

● **Bristol Waste Paper Ltd** at 1st Floor, 62 High Street, Hanham, Bristol BS15 3DR on January 3

● **Thames Offset Printing Ltd** at 5 Park Court, Pyrford Road, West Byfleet, Surrey KT14 6SD on January 9 at 10.30am

● **Spearpress Ltd** at 21-23 Station Road, Gerrards Cross, Buckinghamshire SL9 8ES on January 16 at 11.15am

● **PCL Realisations Ltd** (formerly The Printing Crew Ltd) at Stoke-on-Trent Moat House Hotel, Etruria Hall, Festival Way, Etruria, Stoke-on-Trent ST1 5BQ on January 17 at 11am

● **Brampton Print & Design Ltd** at

Business GROW-HOW



From Paul Holohan & the team at Richmond Capital Partners Limited

PROPERTY REVALUATIONS

My printing company is housed in a freehold property which we bought some years ago. It is owned by the company and we believe it is worth considerably more than we paid for it and at which it stands on the books. Can we and should we re-value it? Are there any particular issues to be aware of?

In the UK, it has always been permissible to re-value any asset including property, leaving this valuation figure in the accounts until the directors decide another valuation is necessary. For public companies in particular it is highly advisable to ensure asset valuations are up to date to prevent attack from asset strippers. For private companies revaluation ensures a more accurate assessment of the company's worth.

Until recently there were no definitive rules as to who should conduct valuations of the assets but these days are now gone.

For accounting periods ending on or after March 31st 2000 there are now new accounting standards (FRS15). These set out strict rules regarding valuation of fixed assets including property and the main points are:-

- Companies must choose whether to carry each class of assets at cost or at valuation in their financial accounts. All assets must be treated on the same basis.
- Valuations cannot be carried out selectively but must be completed for all assets of a particular type.
- Valuations must be kept up to date.
- A qualified external valuer must be employed either to complete a valuation or to review one which has been made internally.
- Valuations must be carried out at least once every 5 years. Many will carry out valuations annually and many in two out of every 5 years.
- Valuations are carried out on the basis of "existing use".
- Investment properties are exempted.
- Subsequent expenditure should always be charged in the profit and loss account except in very restricted and clearly defined circumstances.

Whilst this can only form a brief summary of the new standard, it is a useful basis to review the revaluation issue in the light of these new developments.

The issue of the value of tangible assets is also often worth considering alongside other strategic issues eg. if you decided to sell the business in future to realise the wealth you have created. In these circumstances the revaluation issue takes on a much more significant and different meaning and it is important to look at the whole picture and not simply valuation.

It is certainly worthwhile consulting a professional advisor to go through the issues with you and to highlight the strategic options open to you.

Above all plan ahead — it's money well spent.

The author accepts no legal responsibility for the advice given. Comments and advice given in this column do not necessarily represent

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