

BPIF brokers low insurance costs

By Alex Grant

Some printers have seen insurance premiums rocket by up to 500% in the past few months, complains the BPIF, which is promising to cut premiums for those printers that can prove they are a low risk.

Employers' public liability insurance premiums have risen by an average of 400% in the past year, mainly due to global factors such as the impact of the September 11 terror attacks.

Another factor is that it is becoming much more common for employees to take their workplace to court over allegations of injury, ill-treatment, or medical conditions such as vibration white finger or deafness.

"Insurers have had some bad experiences on the payment front and all policy holders are having to pay more, even if they haven't been making higher claims,"

says Peter Sellers, an independent insurance broker.

Some employers have also been stung by much higher general insurance premium hikes based on their individual claims histories or the lack of risk management in the workplace.

For example, flexo printers can lose out if chemicals are not stored in fire proof areas, and all printers find that premiums for fire protection rise sharply if paper is stored in piles more than 4m high.

Accreditation such as ISO 14001 would also help reduce premiums, as does being located in more modern buildings away from floodplains.

The BPIF, which runs an insurance scheme through Aon Risk Services, is planning to broker lower premiums for its members that pass a health and safety check. Such checks are

already on offer but do not lead to an automatic cut in premiums.

"Generally premiums are going through the roof," says BPIF insurance manager Steve Walker. "Insurance companies want to avoid companies that are just carrying on willy-nilly without spending any management time thinking about how risks can be reduced."

On top of the problems caused by September 11 and other disasters, the insurance market has become a lot less competitive because of a round of mergers and a reluctance for insurers to consider taking on new policyholders, particularly smaller businesses which are seen as a bigger risk.

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In brief

- Insurance premiums rise
- Compensation culture cited
- Let us help says BPIF

AGT appeals for refinance

Applied Graphic Technologies, parent company of Seven Worldwide, is appealing to its noteholders to refinance the company ahead of make-or-break talks with its banks.

The meeting with noteholders, who are being asked to agree to have their notes redeemed at the price of 10.5p per £1, is being held in London at Sever's offices on Shepherdess Walk on August 27 as the 10% sub-ordinated notes are offered on the London Stock Exchange. An earlier meeting

held on July 30 did not prove to have a quorum.

AGT made a net loss of \$337m in the first quarter of 2002 and has a large borrowing facility with its banks, which is up for renewal in April 2003. It has already missed some repayments to the banks and amended its agreement with them six times.

"If our bondholders don't agree to our offer, we will have to make a new offer," says AGT's vice-president and treasurer Patrick Grady. "But we have every expect-

tation that it will reach a satisfactory conclusion."

The notes are mainly owned by holders of old Wace shares, most of which are institutions rather than individuals. They received the bond notes when AGT bought Seven Worldwide from Wace (which has since been wound up) in 1999.

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In brief

- AGT appeals to its lenders
- Wants to pay 10.5p per £1
- Confident of the future

Profit warning as Buhrmann downturns

Buhrmann, the office products supplier, has warned of lower than expected full-year profits because of a fall in sales in the US in the second quarter.

Worldwide, paper merchanting sales fell from €776m to €751m, due to lower demand for

commercial papers because of the advertising downturn. This was cushioned by sales of office papers, which have risen.

Orders for Buhrmann's graphic systems division, which resells the Heidelberg NexPress and other production-level printers, fell

from €137m to €113m in the quarter. No increase in sales is forecast for the second half of the year.

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In brief

- Buhrmann issues profits warning
- US sales fall the culprit
- Second half outlook dim

NUR's profits slide

NUR Macroprinters has made a loss of \$1m in the second quarter after a fall in sales from \$30.3m to \$23.4m. As a result, NUR has breached one of the financial covenants in one of its loan agreements, and is having to seek a waiver from the bank. However, Q2 sales are slightly higher than in Q1 (when they reached \$21.4m), thanks to higher demand for the Fresco product. NUR has recently made 15% of staff redundant and cut salaries for those that remain in a bid to cut costs.

Getting payment

The Forum of Private Business has produced a *Cash Flow Guide* to help small businesses understand the new late payment law which was extended to cover all businesses on August 7. The guide costs £50 for FGB members, £300 to non-members, and is available from www.fpb.co.uk or by calling 01565 634467.

Bank on vehicles

Free small business banking is on offer from an unlikely source, National Car Rental. NCR will set up a free bank account with Royal Bank of Scotland and a subscription to *Management Today* for anyone who opens a car or van rental account with them and who has booked five or more vehicles. More details on 0870 600 6666.

Germans pulp euro Page 14

BASF's profits rise 10%

BASF, the chemical giant and inkmaker, has defied the industry trend and increased its profits by nearly 10% in the second quarter despite hardly any rise in sales. And ink seems to be a more profitable commodity to be selling than most other chemicals.

BASF has benefited from a wave of cost cuts and healthy growth in the Asian market, which has helped to offset economic problems in Europe and North America.

In its performance product division, which includes printing inks, sales were at the same level as 2001, €2.1bn. Costs have been saved by the closure of plants in Birkenhead and Frankfurt, which BASF hopes will achieve a 65% rise in profits for the division.

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In brief

- BASF increases profits nearly 10%
- Benefits from cost cutting
- Asian market helps out

Colourgen boosts sales to £10m

Colourgen, the distributor of wide format printing equipment, has seen sales grow 15% to more than £10m in the past year, proof that there is still growth in wide format print, although part of the rise in sales was due to a new deal with Epson.

Profits for the year to June 30 were around £300,000, up from £200,000 last time. Colourgen only sold Encad printers and was the US supplier's exclusive distributor in the UK.

Since then it has broadened its range by supplying Epson and Seiko printers.

Later this year it will also start selling the new Kodak 5260 printer.

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In brief

- Colourgen sales up 15%
- Profits up to £300,000
- Wider range of products



Business GROW-HOW



From Paul Holohan & the team at
Richmond Capital Partners Limited

SAVING CAPITAL- GAINS TAX ON ASSET TRANSFER

I am the sole trader owner of a small self-adhesive label business. I have been told that there are advantages in trading as a limited company. But if I wind up as a sole trader and transfer my assets to a limited company what is the position on capital-gains tax (CGT) and in particular the treatment of goodwill?

In most cases there are reliefs that can be used to avoid CGT on the transfer of assets to a limited company.

CGT is chargeable on goodwill and property, the two assets that sole traders are most likely to have.

Incorporation relief entitles you to hold over part of any capital gain into base cost of the shares you receive in exchange for transferring the business to a new limited company. This relief requires you to transfer **all** the assets but may exclude cash and liabilities.

If you receive cash as well as shares in the transfer, then a part of the gain will remain taxable. This may be useful if you have not used your £7,700 annual CGT exemption and could save you tax at a later date.

Alternatively, the CGT charge could be avoided by using gift relief for business assets. This holds over any gain against the base cost of the asset in the company.

This relief also allows some assets to be retained **outside** the company. It may, for example, be useful if you wish to keep a freehold property outside the company.

The way you use incorporation and gift relief will depend on your circumstances. But there are other taxes to consider too.

VAT is rarely a problem but take advice on your property; stamp duty is no longer charged on goodwill, but it is likely to be repayable on the transfer of your property, if you do so.

As always take professional advice but remember the exposure is far less in a limited company and would protect you should you have a setback.

Good luck!

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

BUSINESSADVICE

Reed confident of the future despite advertising slump

Reed Elsevier has seen half-year profits slump from £182m to £100m this year after exceptional gains because of the advertising slowdown.

However, it says it is still on track to get double-digit growth in the future thanks to the resilience

of its scientific and technical publication markets.

But although profits before exceptionals were only 3% down at £398m, this full year's profits will be at the same level as last year's at best.

Reed has also ruled out the idea

that it could be about to buy part of the Bertelsmann publishing empire.

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In brief

- Reed Elsevier profits slump
- Confident of the future
- Technical/scientific lifeline

legal notices

Compulsory winding up

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

● **Illuminations Publishing Ltd** 46 Whitegate Drive, Blackpool, Lancashire FY3 9AL on August 22 at 10.30am. Petition by Customs & Excise

● **Rose Digi Graphics Ltd** Walker House, 6-8 Boundary Street, London E2 7JE on September 10 at 10.30am. Petition by Bousfield Ltd

Appointment of liquidators

● **Minerva Press Ltd** Previous company name: **Trustline Ltd** Publishing of books. Liquidators: JPT Redmond, Stoughton House, Harborough Road, Oadby, Leicester LE2 4LP and CI Vickers, Southfield House, 11 Liverpool Gardens, Worthing BH11 1RY

● **Printworks (Sales) Ltd** Printer. Liquidator: JS French, Redhead French, 43-45 Butts Green Road, Hornchurch, Essex RM11 2JX

● **Paggett Studios Ltd** Printer. Liquidators: ET Kerr and BJ Hamblin, PKF, Pannell House, 159 Charles Street, Leicester LE1 1LD

● **William Kilbride Ltd** Purchase and sales of printing equipment. Liquidator: DEM Mond, Hodgsons, George House, 48 George Street, Manchester M1 4HF

● **Cannon Finishers Ltd** Print finisher. Liquidators: C Hemming and M Middowson, Royal Victoria House, 51-55 The Pantiles, Tunbridge Wells, Kent TN2 5TD

● **Aspire Print & Repro Ltd** and

Aspire Marketing Ltd Print management. Liquidator: BP Knights, Knights & Company, 43-55 Milford Street, Salisbury, Wiltshire SP1 2BP

● **Applebury Ltd** Previous company name: **Thinkdigital Solutions Ltd** Producers of digital software. Liquidator: SL Conn, Stephen Conn & Co, 17 St Ann's Square, Manchester M2 7PW

● **Heartline Books Ltd** Previous company name: **Choosencode Ltd** Paper, printing and publishing. Liquidator: SD Swaden, Leonard Curtis & Co, One Great Cumberland Place, London W1H 7LW

● **Harlequin 9 Ltd** Printing and services. Liquidator: C Morris, Marshall Peters, 7-8 Chapel Street, Preston PR1 8AN

● **SGS Machinery Ltd** Renovation of printing machines. Liquidators: SR Smailes and SB Ryman, Rothman Pantall & Co, Clareville House, 26-27 Oxendon Street, London SW1Y 4EP

Meetings of creditors

● **Facsimile Graphics Ltd** at Numerica, 66 Wigmore Street, London W1U 2HQ on August 21 at 12.15pm

● **DJY Design & Print Ltd** at Elliot, Woolfe & Rose, Premier House, 112 Station Road, Edgware, Middlesex HA8 7TT on August 23 at 11am

● **Caspian Graphics Ltd** at 1-2 Raymond Buildings, Grays Inn, London WC1R 5NR on September 5 at 11am

● **New Day Printers Ltd** at 83-93 George Street, Hull HU1 3BN on August 16

● **Longmore Press Ltd** at Metro House, Northgate, Chichester,

West Sussex PO19 1SD on August 15

Notices to creditors

● **Freshname 217 Ltd** (formerly called **Call Print 10 Ltd**). Creditors to send claims to DR Beat, Tenon Recovery, Moriston House, 75 Springfield Road, Chelmsford, Essex CM2 6JB by September 23

● **Esprinto Ltd** Creditors to send claims to DR Morris, The Till Morris Partnership, 32 Brook Street, Warwick, CV34 4BL by September 30

● **The Printing Company Group Ltd** Creditors to send claims to BP Knights, Knights & Co, Milford House, 43-55 Milford Street, Salisbury, Wiltshire SP1 2BP by October 1

● **Numbi Publishing Ltd** Creditors to send claims to J Berman, 76 New Cavendish Street, London W1G 9TB by October 31

● **Aspire Print & Repro Ltd** Creditors to send claims to PBP Knights, Knights & Co, Milford House, 43-55 Milford Street, Salisbury, Wiltshire SP1 2BP by October 1

Final meetings

● **Rosspress Ltd** at 2 Bloomsbury Street, London WC1 3ST on September 13 at 10am for members and at 10.30am for creditors

● **Corinium Digital Imaging Ltd** at Insol House, 39 Station Road, Lutterworth, Leicestershire LE17 4AP on September 11 at 10am for members and at 10.30am for creditors

● **The Wynton Book Co Ltd** at 52 Moss Road, Alderley Edge, Cheshire SK9 7JB on September 10 at 10am for members and at 10.30am for creditors

