

Heidelberg prepares for next expansion

By Gareth Ward

Heidelberg will need a substantial acquisition if it is to achieve chief executive Bernhard Schreier's aim of becoming an €8bn company by 2007, and the signs are that the company is preparing for such a move.

It is to put a motion before its annual meeting in September which, if passed, would allow management to repurchase up to 10% of the issued share capital and then to be able to use shares as currency for acquisitions. Repurchased shares would also be used in a stock option scheme.

At the beginning of last week, Heidelberg's shares stood at €42 each having fallen from more than €54 at the start of May. In

July, the company published its annual results showing a slight fall in sales and profits.

Organic growth to achieve the figure that Mr Schreier repeated is the target with the release of the figures, will need to be around 10%, well above GDP and industry growth rates. With the domestic market stagnant, Heidelberg will be looking to the US and in the longer term to emerging markets like China to fuel long term growth.

In the shorter term however, with web sales static and sheetfed sales expected to be reduced in coming years because of industry consolidation, Heidelberg cannot afford to rely on digital presses to bring the boost to sales. The most

logical answer would be some form of acquisition, something that is likely as Heidelberg looks to round off its product range in finishing equipment.

The decision to repurchase shares seems to run counter to an earlier policy of seeking as many shares as possible on the market. But the effect is the same. The relative scarcity of shares traded means that there is little interest from investors which means that the share price drifts downward.

With a larger proportion of its shares traded than the current 22%, something that will happen when RWE divests its 50% stake in the company, greater interest in the shares should see the price pick up.

However, acquisitions in the finishing area tend to be on the small side and would not go a long way to helping Heidelberg achieve its sales goal. Competition authorities would prevent an acquisition of a press manufacturer and there is no money in prepress.

An ongoing consumables business on the other hand could help Heidelberg hit the target. Agfa for example generates sales of €2bn in its graphic arts business. That is the sort of deal to make Bernhard Schreier a very happy man in one fell swoop.

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In brief

- Heidelberg looks to the future
- Acquisition trail beckons
- Consumable option

Kodak eyes the world

Kodak has set up a global manufacturing services business unit, which will manufacture coated materials, chemicals and precision parts for other suppliers. The unit will seek out new markets for new products, including polymer and paper substrates, applying the company's skills in high quality coating.

Takeover completed

Transcontinental, the North American commercial printing group, has completed its takeover of three Gesca factories in Canada. The acquisition of Imprimerie Canada, Qualimax and TR Offset includes 15-year contracts to print *Le Soleil*, *Le Droit* and *Le Nouvelliste*.

GPO row rumbles on

A US senator is considering legal action to stop the privatisation of US Government print buying. Minnesota senator Mark Dayton, Democratic chair of the committee overseeing the Government Printing Office, says that the scale of its print buying power saves the US taxpayer money.

VgI buys Eagle 44
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Employment review may widen union framework

The Government has launched its long-awaited review of the Employment Relations Act, the law that since 2000 has given workers at larger companies the right to collective bargaining through a trade union.

The review might see this right extended to smaller companies as the GPMU has long demanded, by the lowering or abolition of a 20-employee threshold on statutory union recognition. This is one reason why after a small increase in the late 1990s union membership has fallen back slightly from 29.5% in 2000 to 29.1% in 2001. In print, which is dominated by small firms, the fall has been much more severe.

The Government also plans to incorporate the EU directive on information and consultation into UK law, giving employers a duty to consult with staff about changes in the workplace.

Trade & Industry secretary Patricia Hewitt says it is a "caricature" to suggest that the "UK has to choose between a job-destroying European Social model and a job-creating deregulatory US

model." She adds: "Decent standards and flexibility in the workplace should become the norm rather than a luxury."

Oddly, both the TUC and CBI have welcomed the review, although for different reasons. The CBI says the key is now to promote best practice across industry, rather than introduce more legislation or "reopen the debate about employment rights." The CBI wants employers to have as much flexibility as possible over how they consult with employees.

The TUC, meanwhile, sees the review as "another staging post on our long campaign to give people at work in the UK the same minimum decent standards as in the rest of Europe."

Another law, the 2002 Employment Bill, recently passed and active from 2003 onwards, will give new fathers paid paternity leave and the right to more flexible hours for working mothers.

It also encourages employers and employees to settle disputes internally without recourse to employment tribunals.

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Royal Mail charges get the brush off

By Alex Grant

The Royal Mail has backtracked on plans to impose a £14 charge on small firms to receive their post before 9am.

The Royal Mail, whose parent company is about to ditch the Consignia name, has new delivery patterns in ten areas on trial: Crawley; Bow, east London; Sheringham; St Helens; Llanelli; Newhaven; Newbury; Loughborough; Halifax; Thirsk; Plymouth; Ballymena; parts of Edinburgh; and east Manchester.

In these areas the second post has been abolished and companies that receive fewer than 20 items a day are being charged to receive them before 9am. Otherwise, small companies must wait to receive mail anytime between 9am and lunchtime, as will households.

But the idea of a flat £14-a-week charge has been ditched after chairman Allan Leighton swiftly intervened when he first heard of the charge on BBC Radio 4 before managers had told him. Three

charging levels, £5, £10 and £14 a week, will now be levied. But the charges may not have many takers. Small printers in the trial areas seem reluctant to pay the extra premium and will wait for a later delivery.

"We don't get anything particularly urgent through the mail, so like most people we'll just live with it," says Steve Roucroft, managing director of Peplicity, a small screenprinter in Loughborough.

"We think it's a stupid idea. It'll cost more to separate small customers from larger ones than to bung all the mail through early," says a spokeswoman for the Printing Press, a small printer-binder in Plymouth. "We'll wait to get our post later. As most of our work arrives electronically or is brought in by customers themselves, and we don't do the bank run until the afternoon."

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In brief

- Post charges faced by printers
- Ten areas chosen for trials
- Stoical response to moves

legal notices

Compulsory winding up

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

- **Loony-Print Ltd** 320 Moseley Road, Levenshulme, Manchester, Lancashire M19 2LH on July 25 at 10.30am. Petition by Customs & Excise
- **Vibe Nation Magazine Ltd** Brazennose House, Lincoln Square, Manchester M2 5BL on July 25 at 10.30am. Petition by Customs & Excise

The following case is due to be heard at Liverpool District Registry, Queen Elizabeth II Law Courts, Derby Square, Liverpool

- **The Typefoundry Ltd** 32 Billing Road, Northampton, Northamptonshire on July 22 at 10am Petition by Customs & Excise

Appointment of liquidators

- **AXM Ltd** Previous company name: **Addax Media Ltd** Publishing and communications agency. Liquidators: A Tate, Baker Tilly, Lancaster House, 7 Elmfield Road, Bromley and L Brittain, 12 Gleneagles Court, Brighton Road, Crawley
- **Pelican Press Ltd** Printer. Liquidator: SL Conn, Stephen Conn & Co, 17 St Ann's Square, Manchester M2 7PW
- **Plumb Publications Co Ltd** Publishing of books. Liquidator: C Morris, Marshall Peters, 7-8 Chapel Street, Preston PR1 8AN
- **KNP Group Ltd** Previous company name: **Ridgehaze Ltd** Printing. Liquidators: MJ Orton, 2 Cornwall Street, Birmingham B3 2DL and AW Graham, Peat House, 1 Waterloo Way, Leicester LE1 6LP
- **Colden Offset Ltd** Printing. Liquidator: JP McLean, Grant Thornton, Higham House, Higham Place, Newcastle NE1 8EE
- **RS Colour Laboratory Ltd** Photographic film and digital image processors. Liquidators: P Long and J Newell, PKF, Sovereign House, Queen Street, Manchester M2 5HR
- **Icon Visual Communications Ltd** Graphic design consultancy.

Liquidators: DJ Watchorn and GS Walloff, Elwell Watchorn & Saxton, 170 Park Road, Peterborough PE1 2UF

- **Macetrend Ltd** Printing. Liquidator: L Bednash, Pearl Assurance House, 319 Ballards Lane, London N12 8LY
- **F Higginbottom & Son Ltd** Bookbinding and finishing. Liquidator: GAM Simmonds, Simmonds and Company, Crown House, 217 Higher Hillgate, Stockport SK1 3RB
- **Media Realisations Ltd** (previous name of company, **The Maket Tiers Ltd, Beepbase Ltd**) Advertising. Liquidators: DK Duggins and R Bailey, Ernst & Yopung, Becket House 1 Lambeth Palace Road, London SE1 7EU

Appointment of Receivers

- **Carlton Barclay Ltd** LA Manning and AP Beveridge, Kroll Buchler Phillips, 84 Grosvenor Street, London W1K 3LN

Meetings of creditors

- **Repro Graphic (UK) Ltd** at Devlin House, 36 St George Street, Mayfair, London W1R 9FA on July 23 at noon
 - **Coronado Ltd** (t/a **Prism Quality Printing**) at Brazennose House West, Brazennose Street, Manchester M2 5FE on July 15
 - **Eclipse Print Management Ltd** at Poppleton & Appleby, 32 High Street, Manchester M4 1QD on July 25 at noon
- ### Notices to creditors
- **Planit Litho Ltd** Creditors to send claims to ET Kerr, Pannell House, 159 Charles Street, Leicester LE1 1LD by September 2
 - **Photobition Display (UK) Ltd, Photobition Print & Promotions Ltd, Photobition Warrens Ltd** Creditors to send claims to R Bailey, Ernst & Young LLP, Becket House, 1 Lambeth Palace Road, London SE1 7EU by August 12
 - **Precision Colour Systems Ltd** Creditors to send claims to R Bailey, Ernst & Young LLP, Becket House, 1 Lambeth Palace Road, London SE1 7EU by August 12

Final meetings

- **Sunday Business Newspapers Ltd** at 96 Queen Street, Sheffield S1 1WF on August 27 at 11am for members and at 11.15am for creditors
 - **Slogans Printing & Embroidery Ltd** at 41 Kingston Street, Cambridge CB1 2NU on August 21 at 10am for members and at 10.10am for creditors
 - **Valeforce Associates Ltd** (t/a **Avon Books**) at Rothman Pantall & Co, Clareville House, 26-27 Oxendon Street, London SW1Y 4EP on August 1 at 10am for members and at 10.15am for creditors
 - **Integrated Print Logistics Ltd** at Mountview Court, 1148 High Road, Whetstone, London N20 0RA on August 14 at 10am for members and at 10.15am for creditors
 - **Focus Graphics Ltd** at Wesley House, Huddersfield Road, Birstall, Batley, West Yorkshire WF17 9EJ on July 26 at 10am
 - **Sceptre Graphics Ltd** at 3 Portland Terrace, Newcastle upon Tyne NE2 1QQ on August 5 at 10am for members and at 10.30am for creditors
 - **Capital Reprographics Ltd** at 75 Springfield Road, Chelmsford, Essex CM2 6JB on August 30 at 2pm for members and at 2.15pm for creditors
 - **Masterscan (Digital Colour) Ltd** at Begbies Traynor, The Old Exchange, 234 Southchurch Road, Southend-on-Sea, Essex SS1 2EG on August 28 at 10am for members and at 10.15am for creditors.
 - **Spectrum Savage Design & Print Ltd** (formerly **Spectrum Design & Print Ltd**) at 84 Grosvenor Street, London W1K 3LN on August 19 at 10.45am for members and at 11am for creditors
 - **Allstock Book Co Ltd** at 18 Theydon Road, London E5 9NZ on August 23 at 10.15am for members and 10.30am for creditors
- ### Disclaimer
- **Purple Patch** 7 Firefly Road, Hamble Point Marina, Hamble, Hampshire SO31 4NB wishes to make it known that it has no connection with Purple Patch Ltd, which appeared in Legals of July 1

Business GROW-HOW



From Paul Holohan & the team at Richmond Capital Partners Limited

EMPLOYMENT TRIBUNALS - KEEP TO THE RULES TO AVOID HEAVY PENALTIES!

BUSINESSADVICE

My printing business has been producing quality print for almost 30 years. I was taken to an industrial tribunal a few years ago for unfair dismissal, simply because I sacked someone for poor attendance. I always thought I was in the right. I gave her warnings and paid her notice money, but I lost the case. I still feel cheated to this day because I thought that I had followed procedures correctly. How does a tribunal decide on compensation? How long does an employee have to take me to a tribunal? I am worried that this could happen again.

The technical term has now been changed to employment tribunal. For many years the rights of employees have been growing and there are an increasing number of tribunals.

A dismissal is deemed fair only if you have a valid reason, have investigated the problem thoroughly and have considered taking other action.

There are five potentially fair reasons for dismissal:- conduct, capability, redundancy, a statutory ban or some other substantial reason.

There are reasons that are not appropriate for dismissing a worker leading to unfair dismissal claims. Examples include an employee taking part in trade union activities, enforcing or taking action on health and safety issues and taking maternity leave.

Only employees who have completed one year's continuous employment are eligible to apply to a tribunal for redress.

Disgruntled employees must submit a tribunal application within three months of termination.

Employers wishing to resist must do so within 21 days. After the expiration of this period, a date will be set for the hearing.

A tribunal will investigate procedures used and this is the most common reason for employers losing cases.

Compensation may be paid and will be based on the employee's net losses arising from the unfair dismissal.

Be careful out there!

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.