

Magazines upbeat

I Feel Good, the magazine publisher behind *Viz* and A5 men's title *Jack*, has reduced its losses from £1.1m to £285,000 in the six months to June 30. *Jack* has caught on since its launch in April and circulation and advertising revenue have been 22% above expectations. *Viz's* revenues are up 81% since it went from six to ten issues a year. However, sales of *Bizarre* have fallen 7.8%.

Online incentive

The Inland Revenue should give taxpayers a financial incentive to file returns online rather than by printed forms, says the Commons' public accounts committee. Without discounts for online returns the Inland Revenue will find it hard to meet its target of increasing such transactions by 50% before 2005, meaning continuing digital orders for printed forms.

Losses increase

Losses at T/R Systems, the maker of cluster printers, have increased from \$2m to \$6.9m in the three months to July 31 due to writedown of its inventory and severance costs. Sales have fallen from \$5.6m to \$3.9m year-on-year, but were 20% up on the previous quarter.

Texting is tops

It is official: text messaging rules the world. A new survey by the National Literacy Trust shows that 32% of people said they had received a text message in the past week, and only 29% a personal letter on paper.

Communis up 8% and wins Barclays' print

By Alex Grant

Communis, the print group which took over Centurion Press in May for £42m, has increased its first-half profits by 8% and has won the right to manage the lion's share of Barclays Bank's print procurement, thanks to its new online document management system.

Barclays has been promising a review of its print suppliers for months and has opted to form a "strategic partnership" with Communis, which says the deal will lead to a "significant increase" in business.

Print management sales for the six months to June 30 have leapt from £3m to £13.9m because of the Centurion takeover, and is one of only two areas to show profits growth, from £400,000 to £600,000, although percentage return on sales is down from

14.8% to 4.3%. The other is security products, where profits rose from £2.6m to £3.5m partly because of the closure of a works in Acton, London.

Overall however, Communis says that "early indications are that trading in the second half will show no improvement" on the first.

Direct marketing margins at Communis's Chorleys and Broadprint division have fallen from 10.1% to 9.1% because of deflationary market pressures, and the loss of an order from Bradford & Bingley last year. The division's sales are down from £44m to £38m as a result.

And total borrowings have risen

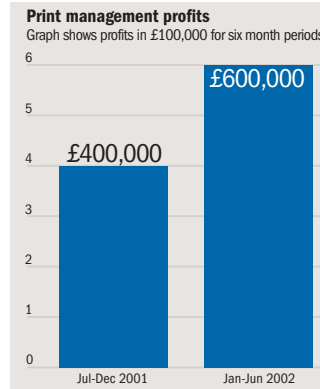
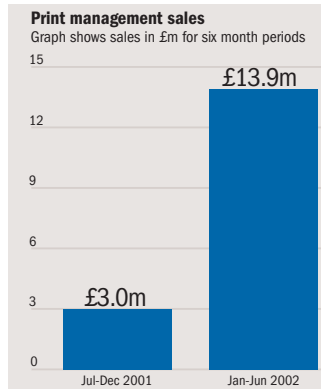
from £3m to £31.6m to fund the Centurion takeover. An exceptional charge is also due in the second half because of the cost of integrating Centurion's IT systems with Communis.

Communis's chairman Stuart Wallis and chief executive David Jones stand to make a further £3.8m in bonuses in the next year if targets are met, though shares will need to rise much higher than their current level. The two men have already shared bonuses of £3.8m since Communis acquired Waddington in 2000. Mr Wallis plans to retire after five years in the job, at next year's agm. A search for a new chairman is already underway.

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In brief

- Communis profits rise
- Up 8% in the first half
- Wins part of Barclays' print



Paper industry exit lifts Bunzl profits

Bunzl says that its sell-off of its paper distribution arm in July, marking "the final break with the paper industry with which Bunzl has been associated for over 100 years" has made it more confident about the future.

Total pretax profits in the six months to June 30 were up 6% to £96.3m, and turnover also rose 6% to £1.49bn. By contrast, paper sales fell marginally and

profits were down from £10.2m to £7.8m.

Its paper interests were sold for £139m to PaperlinX. Although once purely a paper company, at the time of the sale, paper only accounted for 11% of Bunzl's sales and just 7% of operating profits.

Bunzl now concentrates on plastics, its filter business Filtrona, and outsourcing, which

it says are "higher return, higher growth businesses".

But Bunzl has also not ruled out a further sale of its plastics division, which makes plastic cups and plugs and whose profits are down 8%.

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In brief

- Paper exit lifts Bunzl
- Pretax profits up by 6%
- May also sell off plastics

Smiles at the factory gates

Manufacturing output rose in August after three months in a row of slowing growth.

The purchasing managers' index rose steeply from 49.1 to 51 in August. As anything above 50 indicates growth this change will be seized upon as a sure sign of hope, especially as it has come in the middle of the quiet holiday season.

July's figure was originally 49.8, meaning that the decline earlier this summer had not been as bad as originally reported.

The output index rose even more steeply from 50.2 to 55.0. But many printers are also badly hit by the rise in input prices, which is especially steep for chemical products due to rising oil prices.

The decline earlier in the summer had been blamed on bank holidays and the impact of the Golden Jubilee and the World Cup in June, but many economists had been unconvinced.

Oakhill sees difficulties

Just a month after saying its was seeing signs of improvement in the print marketplace, Oakhill Group has changed its tune and said that tough conditions will persist in the second half.

"The outlook for the remainder of the year must be set against the very difficult market conditions that continue to prevail," says chairman Martin Delany, although some improvement for

the speciality print division is expected.

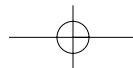
Oakhill, the print group that includes Hythe Offset in Colchester and bookprinter Bell & Bain, saw a 10% rise in profits in the first half of 2002, from £2.07m to £2.27m, and a 1% rise in sales. Managed print services saw sales increase 16% to £12.39m while specialty print fell from £20.4m to £19.2m.

But after exceptional costs profits were down from £532,000 to £449,000. Managing director Alan Jordan had told the agm there were signs that a recovery would continue in the third and fourth quarters.

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In brief

- Oakhill changes predictions
- Now sees a tough future
- Recovery signs retreat



BPIF cool on IoD broadside about DTI 'shortcomings'

The BPIF has distanced itself from an Institute of Directors broadside at the Department of Trade & Industry for being "shrouded in confusion," "contradictory" and having Secretaries of State "come and go with the regularity of third century Roman emperors".

The IoD has attacked the DTI for being a Jekyll and Hyde department, deregulating with one hand and applying more red tape with the other.

"This is an independent survey of IoD members and you can't argue with its results," says the BPIF's director of industry competitiveness Andy Brown. "But our experience of the DTI lately has been very positive. Its

support for Print 21 has been first class."

Patricia Hewitt is the DTI's fourth Secretary of State in five years, but she has impressed the BPIF with her knowledge of e-commerce and competitiveness issues.

Chief executive Michael Johnson adds that the DTI's overdue reorganisation into industry-specific sectors has meant that print now has its own desk of civil servants, including the assistant director Jodie Truss, who are dedicated to the industry.

"This is good for the industry. They didn't have the right structure before, but I think they have got it right now," says Mr John-

son who also welcomes the DTI's greater willingness to meet employers face-to-face, although he agreed with the IoD that the DTI could do more to publicise its internal changes.

The DTI has funded three BPIF-sponsored initiatives lately: a guide for printers to develop strategic plans for their businesses; a management skills project including the new management qualification available at Loughborough University; and most recently provided funds for careers material for schoolleavers.

In brief

- IoD blasts DTI
- Claims it is 'confused'
- BPIF plays a cool hand

legal notices

Compulsory winding up

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

- **Resolution Graphics Ltd** Lion House, 51 Sheen Lane, London on September 30 at 10am. Petition by Customs & Excise

Appointment of liquidators

- **Longmore Press Ltd** Printer. Liquidator: DM Clements, BKR Haines Watts, 6 St Stephens Court, 15-17 St Stephen's Road, Bournemouth BH2 6LA
- **Thornton & Pearson Ltd** Printer. Liquidators: ME Fergusson and DM Walker, BKR Haines Watts, Park House, Park Square West, Leeds LS1 2PS
- **DMG Marketing Ltd** Magazine publisher. Liquidator: KB Stout, Keith Stout & Associates, 138 Park Lane, Romford, Essex RM11 1BE
- **CDW (Graphic Design) Ltd** Graphic design. Liquidators: MJ Moore and NA Brackenbury, Kroll Buchler Phillips, Airedale House, 77 Albion Street, Leeds LS1 5AP
- **Xcalibur Signs Ltd** Designer and

printer. Liquidator: T Mitchell, Cranfield Recovery Ltd, 4 Castle Street, Warwick CV34 4BP

- **Facsimile Graphics Ltd** Reproduction of computer media. Liquidators: NH O'Reilly, Numerica, PO Box 2653, 66 Wigmore Street, London W1A 3RT and ME Cork, 1 Snow Hill, London EC1A 2EN
- **The Typefoundry Ltd** Typesetter to publishers. Liquidators: PJ Windatt and GS Petit, BRI Business Recovery & Insolvency, 102-104 St James Road, Northampton NN5 5LF

Meetings of creditors

- **Premier Design Publications Ltd** at Begbies Traynor, 1 Winckley Court, Chapel Street, Preston PR1 8BU on September 11 at 11.30am
- **Tartan Press Ltd** at Jacksons Insolvency Practitioners, Clive House, Clive Street, Bolton BL1 1ET on September 30 at 11am

Notices to creditors

- **L&P Platemakers Ltd** Creditors to send in claims to DL Cockshott and RH Barker, Baker

Tilly, Carlton House, Grammar School Street, Bradford BD1 4NS by September 30

- **Storm Publishing Ltd** Creditors to send claims to P Bushby, Baker Tilly, Exchange House, 446 Midsummer Boulevard, Central Milton Keynes by September 24
- **Printplan Lithocolor Ltd** Creditors to send claims to RL Cain, Phillips Cain, 21-23 Station Road, Gerrards Cross, Buckinghamshire SL9 8ES by October 22

Final meetings

- **Meshcount Graphics Ltd** at Gildershorp & Partners, 22 Paul Street, Shepton Mallett, Somerset BA4 5LA on September 24 at 10.30am
- **Ibis Publications Ltd** at Pridie Brewster, Carolyn House, 29-31 Greville Street, London EC1N 8RB on October 1 at 12.15pm
- **White Horse Press (UK) Ltd** at Wesley House, Huddersfield Road, Birstall, Batley, West Yorkshire WF17 9EJ on September 27 at 10am
- **RB Graphics Ltd** at Castlegate House, 36 Castle Street, Hertford, Hertfordshire SG14 1HH on October 1 at 3.30pm

Business GROW-HOW



From Paul Holohan & the team at
Richmond Capital Partners Limited

MONKEY BUSINESS?

My company is in serious difficulty following the loss of a major account. My accountants have suggested Administration but what does this mean in plain terms?

An Administration is a process designed to rescue a company from the clutches of Receivership or Liquidation.

It usually represents the last chance for the company's survival or, at worst, the opportunity for a beneficial realisation of its assets on better terms than may otherwise be achieved.

The first step to place a company into Administration is an application to Court to obtain what is known as an Administration Order. This can be done by the following:-

- The company itself
- The directors
- A creditor or creditors
- All or any of the above

The objectives of an Administration Order must be at least one of the following:-

- The survival of the company
- The approval of a Voluntary Arrangement
- A compromise between the company and its creditors
- An advantageous realisation of the company's assets

The party which petitions for the Administration Order must nominate an Insolvency Practitioner as the Administrator. If the Order is obtained, it is the Administrator's duty to convene a meeting of the company's creditors within 3 months, or such other time specified by the Court, to consider his proposal for achieving the objectives set out in the Order. It is then for the creditors to decide how to proceed.

It is proposed that the Administration procedure be streamlined by adding an out of Court route which should speed up the process. The intention of new legislation (The Enterprise Bill) is that most Administrations will be completed within 3 months.

So who wins?

- The directors – if the company can be saved as a going concern they may remain in control and not lose their livelihoods.
- The shareholders – they may be able to recoup at least something at a future date if the company is preserved.
- The creditors – who may receive the maximum possible under the circumstances.
- The bank – which may be able to maintain its relationship with the company and minimise its losses.
- The employees – as job losses may be avoided or minimised.
- The economy – which will be bolstered by each company saved.

So there is potentially something for everybody here.

I hope that this helps you to understand better this very topical issue.

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

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