Rule 2 47

Form 2 24B

The Insolvency Act 1986

Administrator's progress report

2.24B

Name of Company	Company Number
New Jarrold Printing Limited in Administration	04976866

In the	Court case number
High Court of Justice, Chancery Division, Companies Court (full name of court)	5504 of 2006

We Stephen Mark Oldfield, Colin Michael Trevethyn Haig and David Christian Chubb of PricewaterhouseCoopers LLP, The Atrium, St Georges Street, Norwich, NR3 1AG, Administrators of the above company attach a progress report for the period

From	To
1 February 2008	31 July 2008

Signed

Joint Administrator

Dated 28 August 2008

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form The contact information that you give will be visible to searchers of the public record

Shirley V Grose	
PricewaterhouseCoopers LLP Hill House, Richmond Hill, Bournemouth BH2 6HR	
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Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff

PRICEWATERHOUSECOOPERS

New Jarrold Printing Limited – in Administration
High Court of Justice, Chancery Division, Companies Court
Case No. 5504 of 2006

Joint Administrators' progress report for the six months ended 31 July 2008

28 August 2008

Contents

S M Oldfield C M T Haig and D C Chubb were appointed joint administrators of New Jarrold Printing Limited on 1 August 2006 The administrators act as agents of the company without personal liability All administrators are licensed to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales

1. Joint Administrators' progress report for the six months ended 31 July 2008

Introduction

In accordance with Rule 2 47 of the Insolvency Rules 1986 ("IR86"), the Joint Administrators ("the Administrators") write to provide creditors with details of the progress of the Administration of New Jarrold Printing Limited ("the Company") in the six months since the Administrators' previous report dated 22 February 2008

Background information and initial actions taken by the Administrators

As at the date of the Administrators' appointment on 1 August 2006 the position as regards the Company was as follows -

- The Company was a web offset printer of consumer magazines and directories
- The Administrators' appointment arose as a consequence of the Company's balance sheet being likely to show a net liabilities position during August 2006 and the uncertainty concerning sufficient cash flow being available to fund the payroll costs for August
- Key issues facing the Company were as follows -
  - Significant cumulative losses totalling £2 4million
  - Trading losses due to the loss of the Company's major contract with EMAP in January 2006
  - Exceptional costs incurred in unsuccessful attempts to relocate the business to new premises

Following an initial review, the Administrators concluded that the most appropriate strategy was to trade the business as a going concern, whilst seeking a buyer for its business and assets This was undertaken with the intention of maximising realisation of the Company's principal assets and preserving the jobs of the Company's employees This corresponds with the purpose of the Administration as set out in the Administrators' proposals dated 22 September 2006 This being that the Administrators would continue to manage and finance the Company's business, affairs and property from trading revenue/asset realisations in such manner as they consider expedient with a view to achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration)

Immediately following their appointment, the Administrators took steps to protect and preserve the Company's assets Assets comprised

- Plant and machinery
- Book debts
- Cash at bank
- Stock and work in progress

Trading and debtors

The Administrators report that in the trading period which concluded during November 2006, a loss was incurred amounting to approximately £260,000 Trading of the business was essential, not only in order to try and attempt a going concern sale and preserve jobs (mitigate employee claims) but also to avoid breach of customer contracts which would have severely impacted upon debtor realisations and work in progress This enabled an increase in debtor realisations of approximately £700,000 compared with ceasing to trade on appointment

Sale of business and assets

Despite discussions being held with many parties interested in acquiring the business as a going concern, it was not ultimately possible to achieve a sale of the business The challenge for potential buyers of finding alternative premises was soon followed by the Company's largest customer, National Magazines, placing its magazine printing with a different supplier during September 2006 Consequently, interested parties withdrew, leaving the Administrators with no alternative but to wind down the business

1. Joint Administrators' progress report for the six months ended 31 July 2008

Realisation of assets

The directors estimated in their statement of affairs that plant and machinery would realise £1,670,000 The Administrators appointed agents, Henry Butcher, to market and sell the Company's plant and machinery and have realised £2,250,994, £2,134,160 of which was subject to a fixed charge in favour of Venture Finance This, however, excludes very significant costs of removal in total amounting to in excess of £500,000 (shown in section 3 of the attached receipts and payments account, as fixed charge payment) ie approximating to the Director's Statement of Affairs estimate

The Administrators have realised £3,002,878 in respect of factored and non-factored debts This compares very favourably with the directors' estimate of £2,460,000 in their statement of affairs The increase is largely due to the Administrators' decision to trade the Company as a going concern which enabled debtor realisations to be enhanced

The Administrators have recovered cash at bank of £6,721 and received bank interest of £48,125

The Administrators continued to trade the business and have achieved trading sales of £2,255,842 in respect of stock and work in progress Physical trading ceased in September 2006

The administrators have also realised £12,340 in respect of motor vehicles, refunds of £127,422 and £5,784 in respect of third party funds

Other issues

The administrators have settled retention of title claims amounting to £26,648 and made duress payments of £15,710 in order to continue to trade and utilise stock held by the Company at the date of appointment

Creditors' Committee

The Administrators have liaised with the Creditors' Committee to discuss issues and outline key decisions The Administrators last reported to the Creditors' Committee on 24 January 2007 who agreed on this date that their involvement was no longer required given all major issues of the administration had been finalised and all that was left was to pay a preferential dividend with no surplus likely for unsecured creditors

Extension of the Administration

The Administrators initially applied to Court to extend the administration for a period of six months to 1 February 2008 The Court sanctioned the extension for only a further 5 months which expired on 1 January 2008

The Adminstors sought a further extension of 6 months to 30 June 2008 to finalise preferential claims and to deal with outstanding tax matters

Due to the unexpected delays in resolving the oustanding VAT matters mentioned above, the Administrators applied to Court to extend the Administration for a further period of 12 months to the 30 June 2009 The Court sanctioned the extension

Receipts and payments account

An account of the receipts and payments in the Administration for the *twenty four months to 31 July 2008 is set out in section 3 to this report*

Total receipts in the period comprise -

- Sale of plant and machinery subject to a fixed charge £2,134,160,
- Debts £3,002,878,
- Sale of plant and machinery subject to a floating charge £116,834,
- Motor vehicles £12,340,
- Refunds £127,422,
- Cash at bank £6,721,
- Third party funds £5,784,

1. Joint Administrators' progress report for the six months ended 31 July 2008

- Interest earned on funds invested £48,125,
- Post appointment trading sales £2,255,841,

The principal payments include -

Plant and machinery removal costs

- Agents' fees £154,101
- Rent and service charge Fixed £110,871,
- Insurance £10,178,
- Legal fees £105,777,
- Cleaning and site clearance £29,083,
- Employee related costs £59,978,
- Utilities £68,701,
- Repairs and maintainance £9,818,
- Administrators' site supervision fees £235,000

Other costs

- Employee expenses and wages £1,213,575,
- Trading purchases £525,980,
- Heat, light and power £158,572,
- Transport and carriage £84,015,
- Rent and service charge £128,046,
- Agents' fees £45,613,
- Legal fees £71,532,
- Leases £33,319,
- Administrators' remuneration and disbursements of £710,000 and £22,197 respectively for the period

Outcome for creditors

The secured creditor, Venture Finance, has been repaid in full

The Administrators advised in their proposals that the dividend prospects for preferential creditors would depend on the outcome of the sale of the plant and machinery

Preferential creditors' claims were estimated to total £325,000 in the directors' statement of affairs The Administrators estimated that preferential creditors' claims would not exceed £330,000 Claims of £321,832 14 have been admitted and an interim dividend of 20p in the £ was paid in March 2007 in respect of the claims agreed at that time

The Administrators reported previously that there were tax and VAT matters to be finanlised with HM Revenue & Customs The tax matter has been resolved, however, the VAT matter remains ongoing The outcome may have a significant impact on the final dividend payable to preferential creditors e

The Administrators are pleased to advise that there are sufficient funds available in the administration to enable the administration to declare a second and interim dividend to preferential creditors of 50 pence in the £ bringing the total dividend paid to 70p in the £ Formal notice of this declaration was sent to preferential creditors on 21 August 2008 This represents formal notice of the dividend in accordance with Rule 2 98 of the Insolvency Rules 1986 The outcome of the VAT position, as explained above, will determine the timing and amount of any further dividends which will be paid to preferential creditors

A summary of the financial information relating to the administration is enclosed This is in the form of a receipts and payments account on page 8 We also attach an estimated financial outcome on page 9

The Administrators regret to advise that as indicated in our previous report and at the creditor's meeting and also in the Creditor's Committee meeting, it is highly unlikely a distribution will be made to unsecured creditors

1. Joint Administrators' progress report for the six months ended 31 July 2008

Please note that the guidance on dividend prospects given in this report is indicative only It should not be used as the sole or principal basis of any bad debt provision decision

Administrators' remuneration

The Adminstrators' remuneration has been approved by the Creditors' Committee on a time cost basis To date the Administrators have drawn remuneration of £945,000 This includes £235,000 pertaining to the supervision of the sale of the plant and machinery over a 6 month period

To 31 July 2008, the Administrators have incurred costs of £952,874 An analysis of these costs since the last report is included in the attached appendicies A1 & A2 The outstanding balance will be drawn as and when *funds become available*

The Adminstrators have drawn £291 and £482 in respect of photocopying and mileage respectively

Details of subcontracted work

Payroll was sub-contracted during the Administration to Jarrold & Sons Limited in accordance with the existing practice of the Company prior to the Administrators' appointment

Summary of legal and other professional firms instructed in the period 1 August 06 to 31 July 08

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal advice	Kennedys	Industry knowledge	Time costs
Legal advice	Eversheds	Industry knowledge	Time costs
Legal advice	Dickinson Dees	Industry Knowledge	Time costs
Chattel agents and valuers	Henry Butcher	Industry knowledge	5% of realisations plus valuation fee and agreed realisation costs incurred

Next report

The Adminstrators' next report to creditors will be at the earlier of the conclusion of the Administration or in approximately six months

S Oldfield
Joint Adminstrator
New Jarrold Printing Limited

2. Statutory information

Court details for the Administration	High Court of Justice Chancery Division, Companies Court 5504 of 2006
Full name.	New Jarrold Printing Limited
Trading name.	New Jarrold Printing Limited or NJP
Registered address	St James' Mill, Whitefriars, Norwich, Norfolk, NR3 1SH
Registered number.	04976866
Company directors·	Peter Michael Strong, Christopher John Doggett, David Elliot Medler, Ian Graeme Thorpe, Robert George Pitts
Company secretary:	Gregory John Kane (resigned 1 February 07) in order to take a new appointment
Shareholdings held by the directors and secretary	Gregory Kane 40,000 ordinary shares, David Medler 40,000 ordinary shares, Robert Pitts 120,000 ordinary shares, Ian Thorpe 40,000 ordinary shares, Peter Strong 10,000 ordinary shares
Date of the Administration appointment.	1 August 2006
Administrators' names and addresses:	Stephen Mark Oldfield, Colin Michael Trevethyn Haig, David Christian Chubb of PricewaterhouseCoopers LLP, The Atrium, St George's Street, Norwich, NR3 1AG
Changes in office holder	N/A
Appointer's / applicant's name and address·	Board of Directors, NJP Limited, c/o St James' Mill, Whitefriars, Norwich, Norfolk, NR3 1SH
Objective being pursued by the Administrators:	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration)
Division of the Administrators' responsibilities	In relation to paragraph 100(2) Sch B1 IA86, during the period for which the Administration is in force, any function to be exercised by the persons appointed to act as Administrators may be done by any or all of the persons appointed or any of the persons for the time being holding that office
Proposed end of the Administration·	Dissolution
Estimated dividend for unsecured creditors.	Nil
Estimated values of the prescribed part and the company's net property	Nil
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86	N/A
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000)	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings

3. Receipts and payments account for the period 1 August 2006 to 31 July 2008

	Account Name	Total £			Account Name	Total £
Fixed receipts	Plant and machinery	2,134,160 43		Trading payments	Employee expenses and wages	1,213,575 29
	Debts	3,002,877 75			Trading purchases	525,980 26
	Bank interest	45 41			Duress payments	15,710 49
		5,137,083.59			Postage, stationary and printing	779 86
					Retention of title payments	26,648 02
					Heat, light and power	158,572 24
Floating receipts	Plant and machinery	116,834 15			Transport and carriage	84,015 22
	Motor vehicles	12,340 43			Venture Finance - trading fee	8,170 57
	Refunds	127,422 86			Rent and service charge	128,046 00
	Cash at bank	6,721 14			Rent - Staple Inn Buildings	827 26
	Third party funds	5,784 19			Repairs and maintenance	1,048 02
	Interest	48,125 37			Leasehold property - settlement	739 76
		317,228.14			Leases	33,318 84
					Site cleaning	631 16
					Sub-contractors	1,600 00
					Petty Cash	300 00
						2,199,962.99
Trading receipts	Post appointment trading sales	**2,255,841 74**				
				Other Floating payments	Bank charges	796 91
Fixed payments	Agents' fees	154,101 24			Interest	106 04
	Secured creditors	3,329,996 79			Agents' fees	45,613 31
		3,484,098.03			Insurance	11,433 80
					Legal fees	71,532 40
					Statutory advertising	4,973 36
Fixed plant and machinery payment	Rent and service charge	110,871 49			Room hire and meeting costs	86 17
	Insurance	10,178 00			Office holders' fees	710,000 00
	Legal fees	105,777 46			Office holders' disbursements	22,197 00
	Cleaning and site clearance	29,082 83			Storage costs	2,446 49
	Security costs	751 89			Irrecoverable VAT	2,728 69
	Employee related costs	59,977 63			VAT (recoverable)	35,115 82
	Utilities	68,701 04				**907,029.99**
	Repairs and maintenance	9,817 66				
	Office holders' fees	235,000 00				
		630,158 00			Funds available to preferential Creditors	488,904 46
					Dividend to preferential creditors	(63,907 19)
Total fixed payments		**4,114,256 03**			Funds in hand	**424,997 27**

4. Estimated Financial Outcome as at the 31 July 2008

	Account Name	Total £			Account Name	Total £
Fixed receipts	Plant and machinery	2,134,160		Trading payments	Employee expenses and wages	1,213,575
	Debts	3,002,878			Trading purchases	525,980
	Bank interest	45			Duress payments	15,710
		5,137,084			Postage, stationary and printing	780
					Retention of title payments	26,648
					Heat, light and power	158,572
Floating receipts	Plant and machinery	116,834			Transport & carriage	84,015
	Motor vehicles	12,340			Venture Finance - trading fee	8,171
	Refunds	127,423			Rent and service charge	128,046
	Cash at bank	6,721			Rent - Staple Inn Buildings	827
	Third party funds	5,784			Repairs and maintenance	1,048
	Interest	48,125			Leasehold property - settlement	740
		317,228			Leases	33,319
					Site cleaning	631
					Petty cash	300
					Sub-contractors	1,600
Trading receipts	Post appointment trading sales	**2,255,842**				**2,199,963**
				Other Floating payments	Bank charges	900
Fixed payments	Agents' fees	154,101			Interest	400
	Secured creditors	3,329,997			Agents' fees	45,613
		3,484,098			Insurance	11,434
					Legal fees	***Uncertain***
					Statutory costs	10,000
Fixed plant and	Rent and service charge	110,871			Room hire and meeting costs	86
machinery payment	Insurance	10,178			Office holders' fees	***Uncertain***
	Legal fees	105,777			Office holders' disbursements	***Uncertain***
	Cleaning and clearance	29,083			Storage costs	3,000
	Security costs	752			Irrecoverable VAT	2,729
	Employee related-costs	59,978				***Uncertain***
	Utilities	68,701				
	Repairs and maintenance	9,818			Funds available to preferential Creditors	***Uncertain***
	Office holders' fees	235,000				
		630,158			Dividend to preferential creditors	*Uncertain*
					Funds available to unsecured creditors	***Uncertain***
Total fixed payments		**4,114,256**				

New Jarrold Printing Limited in administration

APPENDIX A1

Analysis of liquidator's time costs for the period from 1 February 2008 to 31 May 2008

Category of work	Partner	Director	Senior Manager	Manager	Executive	Analyst	Practice support	Total Hours	Time costs £	Average hourly rate £
Strategy, planning and general administration	0 50	-	0 10	3 05	-	9 20	6 45	19 30	2,238 25	115 97
Asset reali' - freehold / leasehold property	-	-	-	-	-	-	-	-	-	-
- plant & machinery	-	-	-	-	-	-	-	-	-	-
- chattel assets	-	-	-	0 50	-	-	-	0 50	97 50	195 00
- book debts	-	-	-	1 50	-	-	-	1 50	292 50	195 00
- other assets	-	-	-	-	-	-	-	-	-	-
Investigation	-	-	-	-	-	2 60	-	2 60	299 00	115 00
Creditors' claims / distributions	-	-	-	7 05	24 06	2 10	0 20	33 41	5,598 15	167 56
Accounting and treasury	-	0 16	0 25	25 95	2 00	35 85	1 00	65 21	9,686 15	148 54
Reporting to appointor / committee / creditors	-	-	0 45	5 65	-	12 40	1 50	20 00	2,723 50	136 18
Statutory and compliance	-	-	0 30	9 20	0 60	10 12	0 58	20 80	3,162 10	152 02
Tax / VAT / Pensions	-	-	13 35	37 00	12 05	6 42	-	68 82	19,614 85	285 02
Case specific (state category)	-	-	-	-	-	-	-	-	-	-
Total for period to 31 May 2008	**0 50**	**0 16**	**14 45**	**89 90**	**38 71**	**78 69**	**9 73**	**232 14**	**43,712 00**	188 30
Brought forward from 31 January 2008								5096 21	892,098 14	
Total								**5,328 35**	**935,810 14**	175 63
Charge out rates										
BRS (Upto)	350 00	340 00	235 00	195 00	165 00	115 00	60 00			
Specialist teams (Upto)	-	-	685 00	-	225 00	110 00	-			

New Jarrold Printing Limited in administration

APPENDIX A2

Analysis of liquidator's time costs for the period from 1 June 2008 to 31 July 2008

Category of work	Partner	Director	Senior Manager	Manager	Executive	Analyst	Practice support	Total Hours	Time costs £	Average hourly rate £
Strategy, planning and general administration	-	-	0 30	1 00	-	2 75	3 10	7 15	767 75	107 38
Asset realisations - freehold / leasehold property	-	-	-	-	-	-	-	-	-	-
- plant & machinery	-	-	-	-	-	-	-	-	-	-
- chattel assets	-	-	-	-	-	-	-	-	-	-
- book debts	-	-	-	-	-	-	-	-	-	-
- other assets	-	-	-	-	-	-	-	-	-	-
Investigation	-	-	-	-	-	0 20	-	0 20	23 00	115 00
Creditors' claims / distributions	-	-	-	0 80	11 60	2 16	-	14 56	2,318 40	159 23
Accounting and treasury	-	-	-	22 04	0 30	7 05	-	29 39	5,158 05	175 50
Reporting to appointor / committee / creditors	0 50	0 08	-	0 50	-	-	1 50	2 58	389 70	151 05
Statutory and compliance	-	-	0 30	20 25	-	6 80	-	27 35	4,801 25	175 55
Tax / VAT / Pensions	-	-	2 60	2 35	4 90	3 75	-	13 60	3,606 50	265 18
	-	-	-	-	-	-	-	-	-	-
Total for period to 31 July 2008	**0 50**	**0.08**	**3.20**	**46.94**	**16 80**	**22 71**	**4 60**	**94.83**	**17,064.65**	179 95
Brought forward from 31 May 2008								5328 35	935,810 14	
Total								**5,423 18**	**952,874.79**	175 70
Charge out rate per hour (up to)	350 00	340 00	685 00	195 00	225 00	115 00	60 00			