

Administrator's progress report**2.24B**

Name of Company New Jarrold Printing Limited in Administration	Company Number 04976866
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 5504 of 2006

(a) Insert full names and addresses of administrators

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

From

To

(b) 1 February 2009

(b) 31 July 2009

Signed

Joint Administrator

(b) Insert dates

Dated 28 August 2009

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.

Shirely Grose	
PricewaterhouseCoopers LLP, Hill House Richmond Hill, Bournemouth, BH2 6HR	
	Tel 01202 296 012
DX Number DX151400	DX Exchange Bournemouth 17

TUESDAY



A16

06/04/2010

261

COMPANIES HOUSE

When you have completed and signed this form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff



**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 period ended 31 July 2009

28 August 2009

Section	Pages	
1	Joint Administrators' progress report for the period ended 31 July 2009	1 – 4
2	Statutory and other information	5
3	Receipts and payments account	6
4	Estimated financial outcome as at 31 July 2009	7
Appendix A	Analysis of Administrators' time costs from 1 February 2009 to 31 July 2009	Appendix A

New Jarrold Printing Limited – in Administration

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 period ended 31 July 2009

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") since the Administrators' previous report dated 27 February 2009.

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 *directores*
- 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 £2.4 million
 - 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.

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

1. Joint Administrators' progress report for the period ended 31 July 2009

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 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 £51,320

The Administrators continued to trade the business and have achieved trading sales of £2,255,842 in respect of stock and work in progress against which they incurred trading costs of £2,199,971 generating a small surplus. Physical trading ceased in September 2006

The Administrators have also realised £12,340 in respect of motor vehicles, refunds of £127,423 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

This remains the case

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 Administrators 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 outstanding VAT matters mentioned above, the Administrators applied to Court to extend the Administration for a further period of 12 months to 30 June 2009. The Court sanctioned the extension

Due to the VAT issue not being resolved, there was no alternative but to apply to Court for a further extension of the Administration. The Court granted an extension to 29 June 2010

Receipts and payments account

An account of the receipts and payments in the Administration for the thirty six months to 31 July 2009 is set out in section 3 to this report

Total receipts in the six month period from 1 February 2009 to 31 July 2009 comprise -

- Interest earned on funds invested £90,
- Accounting adjustment of £1,464,

Total payments in the six month period from 1 February 2009 to 31 July 2009 comprise -

- Postage, stationery and printing costs of £1,454,
- Transport and carriage costs of £19,
- Bank charges of £197,
- Legal fees of £3,655,
- Statutory costs of £5,

1. Joint Administrators' progress report for the period ended 31 July 2009

- Office holders fees of £65,266

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 £321,919.92 have been admitted and two interim dividends totalling 70p in the £ have been paid in respect of the claims agreed at that time.

The Administrators reported previously that there were tax and VAT matters to be finalised 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.

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 6. We also attach an estimated financial outcome on page 7.

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

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 Administrators' remuneration has been approved by the Creditors' Committee on a time cost basis. In the three years to date, the Administrators have drawn remuneration of £1,010,266. This includes

£235,000 pertaining to the supervision of the sale of the plant and machinery over a 6 month period and supervision of the Administration trading period.

To 31 July 2009, the Administrators have incurred costs of £1,024,988. An analysis of these costs since the last report is included in the attached Appendix A. The outstanding balance will be drawn in due course.

The Administrators have drawn £518 and £482 in respect of photocopying and mileage, respectively, the basis for which has been approved by the Creditors' Committee.

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 2006 to 31 July 2009

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

1. Joint Administrators' progress report for the period ended 31 July 2009

Next report

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



S Oldfield
Joint Administrator
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, 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 Trevellyn 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) 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
Division of the Administrators' responsibilities:	Dissolution
Proposed end of the Administration:	Nil
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 2009

Account Name		Total £	Account Name		Total £
Fixed receipts	Plant and machinery	2,134,160 43	Trading payments	Employee expenses and wages	1,212,111 16
	Debts	3,002,877 75		Trading purchases	525,980 26
	Bank interest	<u>80 22</u>		Dues payments	15,710 49
		5,137,118 40		Postage, stationary and printing	2,233 84
				Retention of title payments	26,648 02
				Heat, light and power	158,572 24
Floating receipts	Plant and machinery	116,834 15		Transport & carriage	84,033 82
	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	<u>51,239 86</u>		Leasehold property - settlement	739 76
		<u>320,342.63</u>		Leases	33,318 84
				Site cleaning	631 16
				Petty cash	300 00
				Sub-contractors	<u>1,600 00</u>
					2,199,971 44
Trading receipts	Post appointment trading sales	<u>2,255,841.74</u>			
			Other Floating payments		
Fixed payments	Agents' fees	154,101 24		Bank charges	1,005 49
	Secured creditors	<u>3,329,996 79</u>		Interest	106 04
		3,484,098.03		Agents' fees	45,613 31
				Insurance	11,433 80
				Legal fees	84,377 40
				Corporation tax	6,885 86
				Statutory costs	4,978 36
				Room hire and meeting costs	86 17
Fixed plant and machinery payment	Rent and service charge	110,871 49		Office holders' fees	775,266 09
	Insurance	10,178 00		Office holders' disbursements	22,216 31
	Legal fees	105,777 46		Storage costs	2,446 49
	Cleaning and clearance	29,082 83		Irrecoverable VAT	2,728 69
	Security costs	751 89		VAT payable	<u>2,220 18</u>
	Employee related-costs	59,977 63			959,364.19
	Utilities	68,701 04			
	Repairs and maintenance	9,817 66		Funds available to preferential creditors	439,711 11
	Office holders' fees	<u>235,000 00</u>		Dividend to preferential creditors	(225,324 00)
		630,158.00		Funds in hand	214,387.11
Total fixed payments		4,114,256.03			

4. Estimated financial outcome as at 31 July 2009

Account Name		Total £	Account Name		Total £
Fixed receipts	Plant and machinery	2,134,160	Trading payments	Employee expenses and wages	1,212,111
	Debts	3,002,878		Trading purchases	525,980
	Bank interest	<u>80</u>		Duress payments	15,710
		5,137,118		Postage, stationary and printing	2,234
				Retention of title payments	26,648
Floating receipts	Plant and machinery	116,834		Heat, light and power	158,572
	Motor vehicles	12,340		Transport & carriage	84,034
	Refunds	<i>uncertain</i>		Venture Finance - trading fee	8,171
	Cash at bank	6,721		Rent and service charge	128,046
	Third party funds	5,784		Rent - Staple Inn Buildings	827
	Interest	<u>51,240</u>		Repairs and maintenance	1,048
		<i>Uncertain</i>		Leasehold property - settlement	740
				Leases	33,319
				Site cleaning	631
				Petty cash	300
				Sub-contractors	<u>1,600</u>
Trading receipts	Post appointment trading sales	<u>2,255,842</u>			2,199,971
			Other Floating payments	Bank charges	1,005
				Interest	106
Fixed payments	Agents' fees	154,101		Agents' fees	45,613
	Secured creditors	<u>3,329,997</u>		Insurance	11,434
		3,484,098		Legal fees	<i>Uncertain</i>
				Corporation tax	6,886
				Statutory costs	4,978
				Room hire and meeting costs	86
Fixed plant and machinery payment	Rent and service charge	110,871		Office holders' fees	<i>Uncertain</i>
	Insurance	10,178		Office holders' disbursements	<i>Uncertain</i>
	Legal fees	105,777		Storage costs	3,000
	Cleaning and clearance	29,083		Irrecoverable VAT	<u>2,729</u>
	Security costs	752			<i>Uncertain</i>
	Employee related-costs	59,978			
	Utilities	68,701		Funds available to preferential creditors	<i>Uncertain</i>
	Repairs and maintenance	9,818			
	Office holders' fees	<u>235,000</u>		Dividend to preferential creditors	<i>Uncertain</i>
		630,158			
Total fixed payments		<u>4,114,256</u>		Funds in hand	<i>Uncertain</i>

New Jarrold Printing Limited in Administration

Appendix A

Analysis of administrators' time costs for the period from 1 February 2009 to 31 July 2009

<u>Category of work</u>	<u>Partner</u>	<u>Director</u>	<u>Senior Manager</u>	<u>Manager</u>	<u>Senior Associate</u>	<u>Associate</u>	<u>Practice support</u>	<u>Total Hours</u>	<u>Time costs £</u>	<u>Average hourly rate £</u>
Strategy, planning and general administration	-	-	0 75	1 00	5 35	4 10	5 20	16 40	2,471 60	150 71
Creditors' claims / distributions	-	-	-	0 20	1 90	2 10	0 30	4 50	726 90	161 53
Accounting and treasury	-	0 08	0 45	7 55	11 75	31 95	0 95	52 73	8,645 10	163 95
Reporting to appointor / committee / creditors	0 50	-	0 70	5 60	12 20	14 60	2 90	36 50	6,437 20	176 36
Statutory and compliance	0 50	-	1 20	3 35	17 10	0 45	-	22 60	5,055 25	223 68
Tax / VAT / Pensions (specialist)	-	-	3 80	1 10	4 45	0 80	-	10 15	4,439 50	437 39
Case Specific	-	-	-	-	-	-	-	-	-	-
Total for period to 31 July 2009	1 00	0 08	6 90	18.80	52 75	54 00	9 35	142 88	27,775 55	194 40
Hours and cost b/f 31 January 2009								5,612 83	997,212.29	
Total								5,755 71	1,024,987 84	178 08
Charge out rate per hour (up to) from 1 July 2009	480 00	400 00	350 00	275 00	210 00	130 00	70 00			
Charge out rate per hour (up to) from 1 January 2009	-	-	810 00	-	260 00	140 00	-			