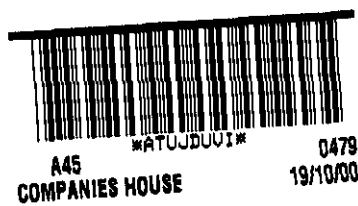


THE STANBOROUGH PRESS LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1999

Company Number: 41819

Registered Charity Number: 235245



THE STANBOROUGH PRESS LTD
REPORT AND ACCOUNTS
YEAR ENDED 31ST DECEMBER 1999

CONTENTS	Page
Legal and administration	1
Board of directors' report	2 - 3
Auditors' report	4
Statement of financial activities	5
Balance sheet	6
Statement of cash flows	7 - 8
Notes to the accounts	9 - 14

THE STANBOROUGH PRESS LTD

LEGAL AND ADMINISTRATION

Directors:

C R Perry
P Hammond
D Marshall
M R Dove
H Singh
T N C Wilson
K Shelbourne
M V Malcolm

E Johnson
J M Pearce
E R Francis
D W McFarlane
K C Henry
R Bruinsma
M B Thomas

Secretary:

P Hammond

Registered Office:

Alma Park
Grantham
Lincs
NG31 9SL

Auditors:

Colledge Redfern
Chartered Certified Accountants and Registered Auditors
2 Nascot Street
Watford
Herts WD1 3RB

THE STANBOROUGH PRESS LTD
BOARD OF DIRECTORS'S REPORT
FOR THE YEAR ENDED 31ST DECEMBER 1999

The directors of The Stanborough Press Ltd present their report and the audited accounts for the year ended 31st December 1999.

CHARITABLE AIMS

The company was formed by, and is responsible to, the executive committee of the British Union Conference of Seventh-day Adventists. It is dedicated to the advancement of religion in accordance with the teachings of the Seventh-day Adventist Church.

POLICIES

In accordance with the philosophy of this Church, the funds of the charitable company are held for the following purposes:

Purchasing, printing and distributing periodicals, books, tracts and other Christian publications

Distribution directly to the general public in the British Isles is through another charitable company, which is administered by the company and whose directors are appointed by the British Union Conference of Seventh-day Adventists

The company is also undertakes a minimal amount of general printing and publishing at the discretion of the directors, and administers a non-charitable subsidiary company which distributes health foods, mainly to Seventh-day Adventist congregations in the British Isles.

ORGANISATIONAL STRUCTURE

The company is governed by its Board of Directors, which meets three times a year. Its day-to-day management is delegated to the six executive officers, four of whom were directors of the company during the year, and who report directly to the Board.

The company has relationships with the following constituent bodies of the Seventh-day Adventist Church in the British Isles::

The British Union Conference of Seventh-day Adventists - its parent body

North England Conference of Seventh-day Adventists - in whose territory the company resides

REVIEW OF THE FINANCIAL STATEMENTS

As shown in the attached accounts, the net movement in funds for the year amounted to £(94,692) (1998: £9,747). The retained reserves at 31st December 1999 amount to £1,418,793.

Actual sales during 1999 have shown a slight increase over the previous year. The one item which has caused the company to go into financial loss for the year is a fraud which has taken place. This is, at the present time, subject to a police investigation with the individual being held on police bail for this offence pending charges being laid.

REVIEW OF ACTIVITIES

The company has continued to publish large quantities of books and periodicals for distribution within the British Isles and to the export markets which it serves. Over 80% of the books which are printed at The Stanborough Press are exported, which makes a considerable contribution to the production unit.

Through the Adventist Book Centre, which the company operates, the sales have increased, and the directors give thanks to the dedicated staff for this.

The printing of materials for the Seventh-day Adventist Church in the British Isles, and its various entities continues to make a valuable contribution to the Company.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for ensuring that proper accounting records are kept, which disclose with reasonable accuracy at any time the financial position of the company, in accordance with the Companies Act 1985. They are also responsible for safeguarding the assets of the company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

They are responsible for the preparation of the annual financial statements. In this they are required to select suitable accounting policies and apply them consistently, to make judgements and estimates that are reasonable and prudent, to state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts and to prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

THE STANBOROUGH PRESS LTD

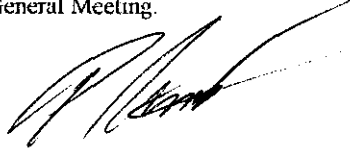
BOARD OF DIRECTORS'S REPORT

FOR THE YEAR ENDED 31ST DECEMBER 1999

AUDITORS

The charitable company's auditors, Colledge Redfern, have indicated their willingness to continue in office and offer themselves for re-appointment at the next Annual General Meeting.

Signed on behalf of the directors

A handwritten signature in black ink, appearing to be a stylized 'P' followed by a surname, possibly 'P. [unclear]'. The signature is written over a horizontal line.

**AUDITORS REPORT TO THE MEMBERS OF
THE STANBOROUGH PRESS LTD**

We have audited the accounts on pages 5 to 14 which have been prepared under the historical cost convention, modified by the revaluation of properties, and under the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurances that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Limitation of scope

Included in trade debtors is £519,000 due from Seventh-day Adventist institutions in Africa. The receipt of these monies depends on the continuing financial viability of these institutions. We have been unable to obtain information with which to assess this viability, and are therefore unable to venture an opinion as to whether these debts are properly valued.

Excepting opinion

Except for any adjustment which might have been made if any of the debts referred to in the above paragraph are irrecoverable, in our opinion the financial statements give a true and fair view of the charitable company's affairs as at 31st December 1999 and of its incoming resources and application of resources, including its income and expenditure for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.


Colledge Redfern

Chartered Certified Accountants and Registered Auditors

16 October 2000

2 Nascot Street
Watford
Herts WD1 3RB

THE STANBOROUGH PRESS LTD

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST DECEMBER 1999

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 1999 £	Total 1998 £
Incoming resources						
Donations and Gifts		23,430	-	-	23,430	51,769
Grants Receivable		58,714	-	-	58,714	50,645
Investment Income		4,708	-	-	4,708	1,352
Service income	2	1,681,792	-	-	1,681,792	1,662,921
Total incoming resources		<u>1,768,644</u>	<u>-</u>	<u>-</u>	<u>1,768,644</u>	<u>1,766,687</u>
Resources expended						
Direct charitable expenditure:	6					
Cost of literature distributed		1,078,111	-	-	1,078,111	1,128,500
Distribution costs		416,404	41	-	416,445	369,805
Support costs		167,781	-	-	167,781	183,640
Grants made	7	50,426	-	-	50,426	41,286
		<u>1,712,722</u>	<u>41</u>	<u>-</u>	<u>1,712,763</u>	<u>1,723,231</u>
Other expenditure:						
Management and administration of the charity		31,196	-	-	31,196	33,709
Total resources expended		<u>1,743,918</u>	<u>41</u>	<u>-</u>	<u>1,743,959</u>	<u>1,756,940</u>
Net incoming resources before transfers		24,726	(41)	-	24,685	9,747
Transfers between funds		3,500	-	(3,500)	-	-
Net incoming resources		<u>28,226</u>	<u>(41)</u>	<u>(3,500)</u>	<u>24,685</u>	<u>9,747</u>
Corporation tax provided/(released)		2,269	-	-	2,269	-
Funds misappropriated		(121,646)	-	-	(121,646)	-
Net movement in funds	3	(91,151)	(41)	(3,500)	(94,692)	9,747
Fund balances brought forward at 1st January 1999		1,508,625	1,360	3,500	1,513,485	1,503,738
Fund balances carried forward at 31st December 1999		<u>£1,417,474</u>	<u>£ 1,319</u>	<u>£ -</u>	<u>£1,418,793</u>	<u>£1,513,485</u>

- All transactions are derived from continuing activities.
- All recognised gains and losses are included in the Statement of Financial Activities.

THE STANBOROUGH PRESS LTD

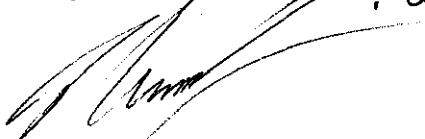
BALANCE SHEET

AT 31ST DECEMBER 1999

	Note	£	1999	£	1998	£
FIXED ASSETS						
Tangible assets	8			677,051		737,129
CURRENT ASSETS						
Stocks	9	707,600			683,704	
Debtors						
Amounts falling due in more than 1 year	10	98,000			176,570	
Amounts falling due within 1 year	10	599,883			527,237	
Cash at bank and in hand		37,921			13,504	
			1,443,404			1,401,015
CREDITORS: amounts falling due within one year	11	693,079			624,659	
NET CURRENT ASSETS				750,325		776,356
CREDITORS: amounts falling due after more than one year	12			(8,583)		-
NET ASSETS				£ 1,418,793		£ 1,513,485
FUNDS						
Endowment funds:	13			-		3,500
Restricted funds:	14			1,319		1,360
Unrestricted funds:						
Designated funds	15			547,604		570,667
General funds				869,870		937,958
				£ 1,418,793		£ 1,513,485

14TH SEPTEMBER, 2000

Approved by the directors on
and signed on their behalf by:



THE STANBOROUGH PRESS LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER 1999

	Note	£	1999 £	£	1998 £	£
Net cash flow from operating activities	Page 8		(10,934)			177,727
Returns on investments and servicing of finance:						
Income from investment		4,708		1,352		
less cost of finance		(43,944)		(44,483)		
			(39,236)			(43,131)
Investing activities:						
Proceeds from assets sold		250		919		
less assets purchased		(22,703)		(45,668)		
			(22,453)			(44,749)
Net cash flow before financing			(72,623)			89,847
Financing:						
Loans received		16,995		-		
less loans repaid		(2,750)		-		
			14,245			-
Increase/(decrease) in cash resources	Page 8		(58,378)			89,847
Cash resources at 1st January 1999			(155,000)			(244,847)
Cash resources at 31st December 1999			(213,378)			(155,000)

THE STANBOROUGH PRESS LTD

CASH FLOW STATEMENT INFORMATION

FOR THE YEAR ENDED 31ST DECEMBER 1999

**RECONCILIATION OF CHANGES IN RESOURCES TO
CASH FLOW FROM OPERATING ACTIVITIES:**

	1999 £	1998 £
Net incoming/(outgoing) resources as shown on		
Statement of Financial Activity	(94,692)	9,747
Adjustments to exclude investing, financing and non-cash items:		
Depreciation	82,114	82,428
Loss/(gain) on disposal of tangible fixed assets	417	(7,524)
Net investment cost/(income)	39,236	43,131
Decrease/(increase) in stocks	(23,895)	(54,386)
Decrease/(increase) in debtors	5,925	25,069
Increase/(decrease) in creditors	(20,039)	79,262
	<u>(10,934)</u>	<u>177,727</u>

**RECONCILIATION OF NET CASH FLOW TO
MOVEMENT IN NET DEBT:**

	Cash £	Bank overdraft £	Loans £	Total £
Net debt at 1st January 1999	13,504	(168,503)	-	(154,999)
Increase/(decrease) in cash resources	24,417	(82,796)		(58,379)
New lease and hire purchase financing			(5,995)	(5,995)
Other loans received			(11,000)	(11,000)
Loan repayments			2,750	2,750
Net debt at 31st December 1999	<u>37,921</u>	<u>(251,299)</u>	<u>(14,245)</u>	<u>(227,623)</u>

THE STANBOROUGH PRESS LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

1 ACCOUNTING POLICIES

Basis of accounting

The accounts are prepared under the historical cost basis, modified by the revaluation of properties and in accordance with the Statement of Recommended Practice (Accounting by Charities), and applicable accounting standards.

Fund Accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the board of directors in furtherance of the general charitable objectives.

Designated funds comprise amounts that have been set aside at the discretion of the board of directors for specific purposes.

Restricted funds comprise amounts received for specific operations of the charity, and may not be used for any other purpose.

Endowment funds comprise amounts received as permanent funding, the amount of which may only be used for the charity's purposes under specified circumstances.

Incoming resources

Incoming resources represents the total income receivable during the year comprising grants, donations and gifts, merchandise and publications, investment income and gifts in kind.

Resources expended

Resources are used for the production, purchase and distribution of Christian literature to the general public

Depreciation

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives using the following rates:

Freehold property	- 1.5% on cost
Plant and equipment	- 10% to 50% on cost

2. SERVICE INCOME

	1999 £	1998 £
Income from sales	1,312,175	1,300,505
Income from services rendered	332,812	326,667
Costs recovered from subsidiary companies	36,804	35,748
	<u>£ 1,681,791</u>	<u>£ 1,662,920</u>

Included in income from sales are exports totalling £703,767 (1998: 635,111), including exports to Africa £602,834, and to America £80,358

THE STANBOROUGH PRESS LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

3. NET MOVEMENT IN FUNDS

	1999 £	1998 £
The net movement in funds is stated after charging:		
Depreciation	82,530	74,904
Bank Interest	20,188	33,235
Loan Interest	23,756	11,248
Auditors remuneration - Statutory audit	7,440	8,000
Differences on foreign exchange	10,932	841
Grants to group entities	12,000	-
Grants to British related entities	36,907	39,501
Grants to individuals	1,519	1,785

4. EMPLOYEES AND STAFF COSTS

	1999 Number	1998 Number
In aggregate the number of full and part time persons employed during the year was:		
Charitable operations	26	27
Management and central services	7	8
	33	35

Staff costs were as follows:

	£	£
Salaries and wages	405,259	412,493
National insurance	33,456	36,710
Pension scheme	68,039	50,199
Travel expenses	68,867	73,408
Accommodation and removal expenses	1,956	-
	£ 577,577	£ 572,810

5. BOARD OF DIRECTORS REMUNERATION AND REIMBURSED EXPENSES

4 members of the board of directors (1998: 4) received remuneration as executives amounting to £87,081 (1998: £82,725)
Expenses relating to travel and subsistence totalling £48,613 (1998: £53,310) were reimbursed to 4 members (1998: 4)

THE STANBOROUGH PRESS LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

6. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs £	Other £	Depreciation £	Total £
Direct Charitable expenditure				
Cost of literature distributed	290,969	714,557	72,585	1,078,111
Distribution costs	177,855	237,386	1,204	416,445
Support costs	108,753	50,286	8,742	167,781
Grants made	-	50,426	-	50,426
	<u>577,577</u>	<u>1,052,655</u>	<u>82,531</u>	<u>1,712,763</u>
Other expenditure:				
Management and administration of the charity	-	31,196	-	31,196
	<u>£ 577,577</u>	<u>£1,083,851</u>	<u>£ 82,531</u>	<u>£1,743,959</u>

7. GRANTS MADE

	1999 £	1998 £
Grants to group entities	12,000	-
Grants to British related entities	36,907	39,501
Grants to individuals	1,519	1,785
	<u>£ 50,426</u>	<u>£ 41,286</u>

8. TANGIBLE ASSETS

	Freehold property £	Plant and equipment £	Total £
Cost			
1st January 1999	575,000	928,774	1,503,774
Additions	-	22,703	22,703
Disposals	-	(66,856)	(66,856)
31st December 1999	<u>575,000</u>	<u>884,621</u>	<u>1,459,621</u>
Accumulated depreciation			
1st January 1999	80,077	686,568	766,645
Charge for the year	7,920	74,194	82,114
Disposals	-	(66,189)	(66,189)
31st December 1999	<u>87,997</u>	<u>694,573</u>	<u>782,570</u>
Net Book Value			
31st December 1999	<u>£ 487,003</u>	<u>£ 190,048</u>	<u>£ 677,051</u>
31st December 1998	<u>£ 494,923</u>	<u>£ 242,206</u>	<u>£ 737,129</u>

The net book value at 31st December 1999 represents fixed assets used for:

Cost of literature distributed	487,003	190,048	677,051
Distribution costs	-	-	-
Support costs	-	-	-
Grants made	-	-	-
	<u>487,003</u>	<u>190,048</u>	<u>677,051</u>
Other	-	-	-
	<u>£ 487,003</u>	<u>£ 190,048</u>	<u>£ 677,051</u>

THE STANBOROUGH PRESS LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

9. STOCKS	1999	1998
	£	£
Raw materials	16,254	50,822
Work in progress	220,645	129,575
Goods For Resale	470,701	503,307
	<u>£ 707,600</u>	<u>£ 683,704</u>
10. DEBTORS	1999	1998
	£	£
Amounts due in more than 1 year:		
Trade debtors	£ 98,000	£ 176,570
Amounts due within 1 year:		
Value added tax	-	1,929
Trade debtors	557,306	515,079
Amounts due from related charities	30,594	818
Other debtors	1,138	855
Prepaid expenses	10,845	8,556
	<u>£ 599,883</u>	<u>£ 527,237</u>
11. CREDITORS: amounts falling due within one year	1999	1998
	£	£
Bank overdraft	251,299	168,503
Obligations under hire purchase leases	1,995	-
Trade Creditors	391,667	435,570
Corporation tax	-	2,269
Value added tax	3,962	-
Payroll taxes	9,379	9,719
Amounts due to parent charity	3,667	-
Other creditors	17,755	5,846
Accrued expenses	1,875	-
Deferred income	11,480	2,752
	<u>£ 693,079</u>	<u>£ 624,659</u>
12. CREDITORS: amounts falling due after one year	1999	1998
	£	£
Obligations under finance leases falling due after more than one year are as follows:		
Due in two to five years	4,000	-
Amounts owed to parent organisation	4,583	-
	<u>£ 8,583</u>	<u>£ -</u>

THE STANBOROUGH PRESS LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

13 ENDOWMENT FUNDS

	Balance at 1st January 1998	Incoming resources	Expenditure	Transfers	Balance at 31st December 1999
	£	£	£	£	£
Annuity capital	3,500	-	-	(3,500)	-
	<u>3,500</u>	<u>-</u>	<u>-</u>	<u>(3,500)</u>	<u>-</u>

The annuity capital was transferred to general funds, in accordance with the annuity agreement, on the death of the annuitant during 1999.

14. RESTRICTED FUNDS

	Balance at 1st January 1998	Incoming resources	Expenditure	Balance at 31st December 1999
	£	£	£	£
Great Preachers publication	675	-	-	675
Russia literature distribution	237	-	41	196
Londonderry literature distribution	448	-	-	448
	<u>1,360</u>	<u>-</u>	<u>41</u>	<u>1,319</u>

15. DESIGNATED FUNDS

	Balance at 1st January 1998	New designations	Utilised/ realised	Balance at 31st December 1999
	£	£	£	£
Property revaluation reserve	338,442	-	6,210	332,232
Future pensions	24,000	-	23,183	817
Special projects	908	-	-	908
New machinery purchases	198,695	-	-	198,695
Vehicles replacements	8,622	6,330	-	14,952
	<u>570,667</u>	<u>6,330</u>	<u>29,393</u>	<u>547,604</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible assets	677,051	-	677,051
Current assets	1,442,085	1,319	1,443,404
Current liabilities	(693,079)	-	(693,079)
Long term liabilities	(8,583)	-	(8,583)
Total Net Assets	<u>£ 1,417,474</u>	<u>£ 1,319</u>	<u>£ 1,418,793</u>

THE STANBOROUGH PRESS LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

17. SHARE CAPITAL

Included in general funds is the issued share capital of the company.

1999

1998

Authorised: 10,000 ordinary shares of £1 each

10,000

10,000

Allotted, called up and fully paid: 1,066 ordinary shares of £1 each

1,066

1,066

18. PARENT ORGANISATION

The ultimate controlling entity is the British Union Conference of Seventh-day Adventists, by virtue of its beneficial ownership of the whole of the company's issued share capital.