

Registered number: 41819
Charity number: 235245

THE STANBOROUGH PRESS LTD

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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THE STANBOROUGH PRESS LTD

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THE STANBOROUGH PRESS LTD

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2011**

Trustees

D W McFarlane
P Hammond
G M Barham, Chief Financial Officer
M Clarke
S Davis
G J Hibbert (appointed 3 March 2011)
D Marshall (resigned 3 March 2011)
M Martinelli (resigned 3 June 2010)
E Lowe
C Mitchell
V Pilmoor
D Rafferty
P Poddar
H Singh (resigned 3 June 2010)
R Smith (resigned 3 June 2010)
I Sweeney
M B Thomas (appointed 3 March 2011)
Nico van Rensburg (appointed 18 October 2012)

Company registered number

41819

Charity registered number

235245

Registered office

Alma Park, Grantham, Lincolnshire, NG31 9SL

Company secretary

G M Barham

Chief executive officer

P Hammond

Auditors

Colledge Redfern, New Colledge House, 2 Nascot Street, Watford, Herts, WD17 4RB

THE STANBOROUGH PRESS LTD

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Stanborough Press Ltd (the company) for the ended 31 December 2011. The Trustees confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a CONSTITUTION

The company is registered as a members limited liability company and was set up by a Memorandum of Association on 23 August 1894.

The company is constituted under a Memorandum of Association dated 23 August 1894 and is a registered charity number 235245.

The principal object of the company is to provide Seventh-day Adventist Christian literature and similar materials to nurture faith and the spiritual development among Seventh-day Adventists and the general public in the United Kingdom and such other countries that can benefit from our supply.

b METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the company is the responsibility of the Trustees who are appointed annually by the British Union Conference of Seventh-day Adventists.

c ORGANISATIONAL STRUCTURE AND DECISION MAKING

The company acts in accordance with the philosophy and operating policies of the world-wide Seventh-day Adventist church. It is supported by its parent organisation, the British Union Conference of Seventh-day Adventists, and receives support from its sister publishing house, The Review and Herald Publishing Association in the United States of America.

It is governed by its Board of Directors, which meets three times a year. The day-to-day management is delegated to its officers, three of whom are directors of the company, and report directly to the Board.

The company also administers House of Natural Food Ltd, a non-charitable company selling health foods, mainly to members of the Seventh-day Adventist congregations in the British Isles.

d. RISK MANAGEMENT

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

THE STANBOROUGH PRESS LTD

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2011

Objectives and Activities

a. POLICIES AND OBJECTIVES

The principle objective of the company is to procure and distribute Christian literature

b. STRATEGIES FOR ACHIEVING OBJECTIVES

The company sells its literature to Seventh-day Adventist organisations in foreign countries, and to the general public in the United Kingdom

Achievements and performance

a GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b REVIEW OF ACTIVITIES

The Stanborough Press continued to publish and distribute quarterly Bible Study materials as required by Seventh-day Adventist Churches, literature for faith development, and large numbers of books for general distribution in various African and European languages. A range of children's, health and family life books were also developed and brought to market. Further development of literature by the churches founding author were developed and distributed. Various convocations held by the church serve as significant outlets for these materials.

During 2011 sales to West, East, Central and Southern Africa continued to be significant. The establishment of Stanborough Press's subsidiary in South Africa is now well underway with a warehouse and bookshop operating from the cities of Pretoria and Johannesburg respectively. Despite demanding considerable amount of capital resources throughout the year, it helped to extend the organisation's missionary outreach in this territory. The trustees believe that there remains significant growth potential in this region in the years to come.

c. INVESTMENT POLICY AND PERFORMANCE

For the most part, funds are utilised for the working capital of the company and the maintenance of stock to furnish our markets. Interest earned in deposit accounts is incidental to the overall operation.

d. FACTORS RELEVANT TO ACHIEVE OBJECTIVES

The demand for our core materials is being sustained, and our export market is strong. Demand for discretionary reading materials has weakened in the current economic climate reducing the viability of sales events. Publishing market research also indicates a reasonable shift from printed material to electronic formats.

THE STANBOROUGH PRESS LTD

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2011

Financial review

a. RESERVES POLICY

The directors estimated the general reserve requirement of the company based on the level of working capital needed for ongoing operations at £1,650,000. The actual general reserves as at 31 December 2011 were £1,256,993.

b. FINANCIAL RESULTS

The financial results for the year are shown in the attached financial statements. The operating results of the non-charitable subsidiary organisation, House of Natural Food Limited, have been brought into the financial statement of activity as fundraising income and expense.

Plans for the future

a FUTURE DEVELOPMENTS

The warehouse in Grantham is in need of refurbishment. Ongoing development in this area will take priority as and when funds become available.

The subsidiary in South Africa will continue to develop with the support of the parent organisation. Developing relationships with local partners will be among the strategic objectives in expanding potential outlet points for printed materials.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of The Stanborough Press Ltd for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for

THE STANBOROUGH PRESS LTD

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011**

taking reasonable steps for the prevention and detection of fraud and other irregularities

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that

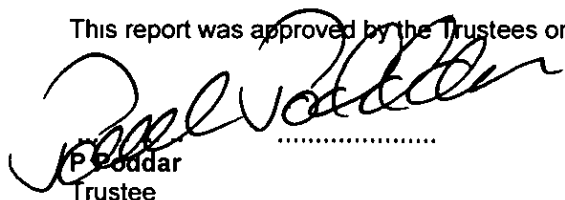
- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information

AUDITOR

The auditors are deemed to be reappointed under section 487(2) of the Companies Act 2006

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the Trustees on 26 October 2012 and signed on their behalf, by


P. Poudar
Trustee

THE STANBOROUGH PRESS LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE STANBOROUGH PRESS LTD

We have audited the financial statements of The Stanborough Press Ltd for the year ended 31 December 2011 set out on pages 8 to 24. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standards - Provisions Available for Small Entities, in the following circumstances:

- In common with many other businesses of this size and nature, the company uses our firm to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

THE STANBOROUGH PRESS LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE STANBOROUGH PRESS LTD

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' report



D. J. Colledge (Senior statutory auditor)

for and on behalf of

Colledge Redfern

Chartered Certified Accountants
Registered Auditors

New Colledge House
2 Nascot Street
Watford
Herts
WD17 4RB
26 October 2012

THE STANBOROUGH PRESS LTD

**STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Operating grants from parent charity	2	-	33,375	33,375	33,000
Operating grants from associated USA non-profit entity	2	-	-	-	7,852
Other voluntary income	2	29,922	11,210	41,132	43,002
Activities for generating funds	3	-	53,753	53,753	53,520
Investment income	4	-	1,375	1,375	1,223
Incoming resources from charitable activities		-	2,883,181	2,883,181	2,116,267
TOTAL INCOMING RESOURCES		29,922	2,982,894	3,012,816	2,254,864
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	6	-	112,308	112,308	111,625
Fundraising expenses and other costs	3	-	60,895	60,895	67,361
Charitable activities	13	29,922	3,077,833	3,107,755	2,036,736
Governance costs	9	-	10,802	10,802	13,648
TOTAL RESOURCES EXPENDED	12	29,922	3,261,838	3,291,760	2,229,370
NET INCOME / (EXPENDITURE) BEFORE REVALUATIONS		-	(278,944)	(278,944)	25,494
Actuarial gains and losses on defined benefit pension schemes		-	-	-	15,000
NET MOVEMENT IN FUNDS FOR THE YEAR		-	(278,944)	(278,944)	40,494
<i>Total funds at 1 January 2011</i>		<i>-</i>	<i>2,714,460</i>	<i>2,714,460</i>	<i>2,673,966</i>
TOTAL FUNDS AT 31 DECEMBER 2011		-	2,435,516	2,435,516	2,714,460

The notes on pages 10 to 24 form part of these financial statements

THE STANBOROUGH PRESS LTD
REGISTERED NUMBER: 41819

BALANCE SHEET
AS AT 31 DECEMBER 2011

	Note	£	2011 £	£	2010 £
Tangible assets	17		191,699		170,134
CURRENT ASSETS					
Stocks		1,957,638		1,550,493	
Debtors	18	1,304,533		1,133,532	
Cash at bank and in hand		466,976		716,763	
		<u>3,729,147</u>		<u>3,400,788</u>	
CREDITORS amounts falling due within one year	19	(1,411,663)		(774,295)	
NET CURRENT ASSETS			<u>2,317,484</u>		<u>2,626,493</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,509,183</u>		<u>2,796,627</u>
CREDITORS amounts falling due after more than one year	20		(13,667)		(22,167)
NET ASSETS EXCLUDING PENSION SCHEME ASSETS/(LIABILITIES)			<u>2,495,516</u>		<u>2,774,460</u>
Defined benefit pension scheme liability	23	(60,000)		(60,000)	
NET ASSETS INCLUDING PENSION SCHEME ASSETS/(LIABILITIES)			<u>2,435,516</u>		<u>2,714,460</u>
CHARITY FUNDS					
Unrestricted funds	22				
Share capital	21	1,066		1,066	
Unrestricted income funds	22	<u>2,434,450</u>		<u>2,713,394</u>	
Total unrestricted funds			<u>2,435,516</u>		<u>2,714,460</u>
SHAREHOLDERS' AND CHARITY'S FUNDS			<u>2,435,516</u>		<u>2,714,460</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Trustees on 26 October 2012 and signed on their behalf, by



Nico van Rensburg

The notes on pages 10 to 24 form part of these financial statements

THE STANBOROUGH PRESS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The company is a company limited by shares.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Incoming resources

All incoming resources are included in the Statement of financial activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

THE STANBOROUGH PRESS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1 ACCOUNTING POLICIES (continued)

1.6 Cash flow

The financial statements do not include a Cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.7 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

Revenue is recognised when goods are dispatched

1.8 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	1% - straight line
Plant & machinery	-	5% to 20% - straight line

1.9 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

1.10 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Statement of financial activities

1.11 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

THE STANBOROUGH PRESS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

1. ACCOUNTING POLICIES (continued)

The company operates a defined benefits pension scheme. The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. Therefore, as required by FRS17 'Retirement benefits', the company accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of financial activities represents contributions payable to the scheme in respect of the accounting period.

2. VOLUNTARY INCOME

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	<i>Total funds 2010 £</i>
Operating grants from parent charity	-	33,375	33,375	33,000
Operating grants from associated USA non-profit entity	-	-	-	7,852
Subtotal detailed disclosure	-	33,375	33,375	40,852
Donations	29,922	201	30,123	38,002
Grants	-	11,009	11,009	5,000
Subtotal	29,922	11,210	41,132	43,002
Voluntary income	29,922	44,585	74,507	83,854

THE STANBOROUGH PRESS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

3. TRADING ACTIVITIES

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
General trading income				
Sales of health foods	-	53,753	53,753	53,520
	<u>-</u>	<u>53,753</u>	<u>53,753</u>	<u>53,520</u>
Fundraising trading expenses				
Cost of health foods sold	-	39,042	39,042	44,206
Health food distribution expenses	-	21,853	21,853	23,155
	<u>-</u>	<u>60,895</u>	<u>60,895</u>	<u>67,361</u>
Net expenditure from trading activities	<u>-</u>	<u>(7,142)</u>	<u>(7,142)</u>	<u>(13,841)</u>

4. INVESTMENT INCOME

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Bank interest in the United Kingdom	-	1,375	1,375	1,223
	<u>-</u>	<u>1,375</u>	<u>1,375</u>	<u>1,223</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Publishing and distribution of Christian literature	-	2,543,464	2,543,464	1,723,494
Support of Christian congregations	-	339,666	339,666	392,632
Publishing royalties	-	51	51	141
	<u>-</u>	<u>2,883,181</u>	<u>2,883,181</u>	<u>2,116,267</u>

THE STANBOROUGH PRESS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

6. COSTS OF GENERATING INCOME

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Travel expenses	-	78,160	78,160	71,628
Advertising expenses	-	34,148	34,148	39,997
	<u>-</u>	<u>112,308</u>	<u>112,308</u>	<u>111,625</u>

7. GRANTS TO INSTITUTIONS

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Support of Christian congregations	29,922	4,232	34,154	48,591

8 EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Publishing and distribution of Christian literature	-	3,073,601	3,073,601	1,988,145
Support of Christian congregations	29,922	4,232	34,154	48,591
	<u>29,922</u>	<u>3,077,833</u>	<u>3,107,755</u>	<u>2,036,736</u>

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2011 £	Depreciation 2011 £	Other costs 2011 £	Total 2011 £	Total 2010 £
Publishing and distribution of Christian literature	594,829	12,960	2,465,812	3,073,601	1,988,145
Support of Christian congregations	-	-	34,154	34,154	48,591
	<u>594,829</u>	<u>12,960</u>	<u>2,499,966</u>	<u>3,107,755</u>	<u>2,036,736</u>

THE STANBOROUGH PRESS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

9 GOVERNANCE COSTS

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Internal audit costs	-	-	-	2,083
Auditors' remuneration	-	10,802	10,802	11,565
	<u>-</u>	<u>10,802</u>	<u>10,802</u>	<u>13,648</u>

THE STANBOROUGH PRESS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

10. DIRECT COSTS

	Publishing & distribution £	Total 2011 £	Total 2010 £
Pension interest	-	-	3,000
Supplies	2,030,862	2,030,862	1,105,292
	<u>2,030,862</u>	<u>2,030,862</u>	<u>1,108,292</u>

11 SUPPORT COSTS

	Publishing & distribution £	Total 2011 £	Total 2010 £
Travel expenses	82,911	82,911	44,261
Other personnel expenses	4,922	4,922	5,994
Insurance	127,798	127,798	90,004
Repairs and maintenance	19,122	19,122	23,979
Other accommodation costs	33,579	33,579	29,276
Postage & telephone	20,645	20,645	20,105
Supplies	80,454	80,454	91,284
Interest expense	4,589	4,589	(4,022)
Exchange fluctuation	(6,266)	(6,266)	(13,950)
Royalties expense	15,661	15,661	23,751
Postage, freight and despatch expenses	420,893	420,893	364,510
Overheads recovered in finished goods	(369,358)	(369,358)	(399,755)
Wages and salaries	504,566	504,566	500,588
National insurance	51,381	51,381	47,498
Pension cost	38,882	38,882	42,968
Depreciation	12,960	12,960	13,362
	<u>1,042,739</u>	<u>1,042,739</u>	<u>879,853</u>

THE STANBOROUGH PRESS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

12 ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2011 £	Depreciation 2011 £	Other costs 2011 £	Total 2011 £	Total 2010 £
Costs of health foods sold	-	-	112,308	112,308	111,625
Trading expenses	-	-	60,895	60,895	67,361
Costs of generating funds	-	-	173,203	173,203	178,986
Publishing and distribution of Christian literature	594,829	12,960	2,465,812	3,073,601	1,989,776
Support of Christian congregations	-	-	34,154	34,154	46,960
Charitable activities	594,829	12,960	2,499,966	3,107,755	2,036,736
Governance	-	-	10,802	10,802	13,648
	594,829	12,960	2,683,971	3,291,760	2,229,370

13. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2011 £	Grant funding of activities 2011 £	Support costs 2011 £	Total 2011 £	Total 2010 £
Publishing and distribution of Christian literature	2,030,862	-	1,042,739	3,073,601	1,989,776
Support of Christian congregations	-	34,154	-	34,154	46,960
Total	2,030,862	34,154	1,042,739	3,107,755	2,036,736

THE STANBOROUGH PRESS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

14. NET INCOME / (EXPENDITURE)

This is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets - owned by the charity	12,960	13,362
Auditors' remuneration	10,802	11,565
Internal audit costs	-	2,083
Pension costs	38,882	42,968
	<u> </u>	<u> </u>

15. STAFF COSTS

Staff costs were as follows

	2011 £	2010 £
Wages and salaries	504,566	500,588
Social security costs	51,381	47,498
Other pension costs (Note 23)	38,882	42,968
	<u> </u>	<u> </u>
	594,829	591,054
	<u> </u>	<u> </u>

The average monthly number of employees during the year was as follows

	2011 No.	2010 No.
Charitable activities	15	16
Support staff	4	5
	<u> </u>	<u> </u>
	19	21
	<u> </u>	<u> </u>

No employee received remuneration amounting to more than £60,000 in either year

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16. TRUSTEES' REMUNERATION

During the year retirement benefits were accruing to 1 Trustee (2010 - 1) in respect of defined contribution pension schemes

During the year retirement benefits were accruing to 1 Trustee (2010 - 1) in respect of defined benefit pension schemes

Trustees' salaries as executives

	2011 £	2010 £
G M Barham	-	27,675
P Hammond	34,833	33,553
D Marshall	-	32,741
P Poddar	34,348	33,761
G J Hibbert	34,025	-
	<hr/>	<hr/>
Total	103,206	127,730
	<hr/>	<hr/>

17 TANGIBLE FIXED ASSETS

	Freehold property £	Plant & machinery £	Total £
Cost			
At 1 January 2011	176,746	182,480	359,226
Additions	31,360	2,395	33,755
Disposals	-	(37,261)	(37,261)
	<hr/>	<hr/>	<hr/>
At 31 December 2011	208,106	147,614	355,720
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2011	38,255	150,837	189,092
Charge for the year	2,104	10,086	12,190
On disposals	-	(37,261)	(37,261)
	<hr/>	<hr/>	<hr/>
At 31 December 2011	40,359	123,662	164,021
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2011	167,747	23,952	191,699
	<hr/>	<hr/>	<hr/>
At 31 December 2010	138,491	31,643	170,134
	<hr/>	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. DEBTORS

	2011 £	2010 £
Due after more than one year		
Trade debtors	390,000	150,000
Due within one year		
Trade debtors	776,655	708,130
Amounts owed by group undertakings	109,235	157,919
Other debtors	8,138	15,969
Prepayments and accrued income	7,954	81,315
Grants Receivable	12,551	20,199
	<u>1,304,533</u>	<u>1,133,532</u>

19 CREDITORS:

Amounts falling due within one year

	2011 £	2010 £
Bank loans and overdrafts	12,100	883
Trade creditors	630,222	303,729
Amounts owed to group undertakings	8,500	8,500
Amounts owed to associated entities	713,528	346,044
Other creditors	18,211	73,924
Accruals and deferred income	29,102	41,215
	<u>1,411,663</u>	<u>774,295</u>

20 CREDITORS:

Amounts falling due after more than one year

	2011 £	2010 £
Amounts owed to group undertakings	<u>13,667</u>	<u>22,167</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2011 £	2010 £
Repayable by instalments	<u>-</u>	<u>3,167</u>

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NOTES TO THE FINANCIAL STATEMENTS
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21. SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
1,066 Ordinary shares of £1 each	1,066	1,066

22 STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Designated funds					
Future bad debts	255,000	-	-	101,000	356,000
Property maintenance	300,000	-	-	-	300,000
Transitional pension assistance	50,000	-	-	10,000	60,000
Invested in property	170,135	-	(12,191)	33,755	191,699
	<u>775,135</u>	<u>-</u>	<u>(12,191)</u>	<u>144,755</u>	<u>907,699</u>
General funds					
General Funds - all funds	1,938,259	2,982,894	(3,249,647)	(144,755)	1,526,751
Share capital	1,066	-	-	-	1,066
	<u>1,939,325</u>	<u>2,982,894</u>	<u>(3,249,647)</u>	<u>(144,755)</u>	<u>1,527,817</u>
Total Unrestricted funds	<u>2,714,460</u>	<u>2,982,894</u>	<u>(3,261,838)</u>	<u>-</u>	<u>2,435,516</u>
Restricted funds					
Donations for special purposes	-	29,922	(29,922)	-	-
Total of funds	<u>2,714,460</u>	<u>3,012,816</u>	<u>(3,291,760)</u>	<u>-</u>	<u>2,435,516</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Designated funds	775,135	-	(12,191)	144,755	907,699
General funds	1,939,325	2,982,894	(3,249,647)	(144,755)	1,527,817
	<u>2,714,460</u>	<u>2,982,894</u>	<u>(3,261,838)</u>	<u>-</u>	<u>2,435,516</u>
Restricted funds	-	29,922	(29,922)	-	-
	<u>2,714,460</u>	<u>3,012,816</u>	<u>(3,291,760)</u>	<u>-</u>	<u>2,435,516</u>

23. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £37,119 (2010 £37,360).

In respect of certain employees the company participates in the Seventh day Adventist Retirement Plan, a defined benefit multi employer scheme providing pensions for employees of Seventh day Adventist institutions in the United Kingdom and Ireland. The assets of the scheme are held in a separate trustee administered fund.

The scheme assets are not hypothecated to the individual participating institutions and a scheme wide contribution rate is set. The company is therefore exposed to actuarial risks associated with other institutions employees, and unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore with effect from 2011, as required by FRS17 Retirement Benefits, accounts for the scheme as if it were a defined contribution scheme.

A scheme wide contribution rate is set. For 2011 the rate was 18.8% of relevant pensionable salaries. Contributions in 2011 by the company, one of sixteen institutional members, amounted to £1,762 (2010 £1,608) representing less than 1% of the total participating employer contributions to the plan.

At 31st January 2012, the total plan deficit was £22,091,000. Some of the larger institutional members of the scheme have agreed to make annual extra contributions which in the opinion of the pension scheme trustees will gradually reduce and eventually eliminate the deficit. In 2010 the likely share of the deficit attributable to the company was estimated at £60,000; a provision for this amount has been retained.

24. OTHER FINANCIAL COMMITMENTS

The company has assets and liabilities in foreign currencies (mainly US dollars). These assets at 31 December 2011 exceeded the liabilities in foreign currencies by £369,538 (2010 £629,354). A weakening of these currencies against the pound prior to settlement would adversely affect the working capital of the company.

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**NOTES TO THE FINANCIAL STATEMENTS
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25 TRUSTEES' BENEFITS ADVANCES, CREDIT AND GUARANTEES

Two trustees received advances for travelling on the company's behalf, as follows

	2011 £	2010 £
Balance advanced at 01 January	(104)	20,342
Amounts advanced during the year	71,263	71,310
Expenses reported during the year	(68,006)	(91,756)
	<hr/>	<hr/>
Balance advanced at 31 December	<u>3,153</u>	<u>(104)</u>

26. RELATED PARTY TRANSACTIONS

The parent charity is the British Union Conference of Seventh-day Adventists (BUC), Stanborough Park, Garston, Watford, Herts, WD25 9JZ, by virtue of its owning the whole of the company's share capital

The company also has an agreement with the Review and Herald Publishing Association (R&H), a non-profit publishing house in the USA, from which it purchases goods on favourable terms, and which subsidises part of the company's promotional expenses

	BUC £	R&H £	2011 Total £	2010 Total £
Goods sold to related party	393,296	200,467	593,763	229,813
Goods purchased from related party	-	861,817	861,817	389,798
Amounts owed by related party	23,992	-	23,992	102,261
Amounts owed to related party	22,167	707,646	729,813	359,614
	<hr/>	<hr/>	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

27. The Stanborough Press (South Africa) Pty Ltd

In order to further its charitable objectives, in October 2010, the company entered into an agreement with The Southern Africa Union Conference to take over their activity in respect of the sale and distribution of Seventh-day Adventist literature and to establish a warehouse in Johannesburg South Africa

This was commenced during 2011 by means of taking over an existing operation. This proved to be problematical with regard to organisational and regulatory difficulties. Financial losses have been incurred however the trustees consider that this activity has served to provide Seventh-day Adventist Christian literature among Seventh-day Adventists and the general public in South Africa.

In order to bring this activity more fully under the control of the company a wholly owned subsidiary company, The Stanborough Press (South Africa) Pty Ltd, was formed on 7th March 2011, with the intention to transfer the operation. This was not achieved in 2011. With the help of the companies qualified professional advisers in South Africa it is planned that this will be fully implemented by the close of 2012.

Based on a review by the auditors appointed for The Stanborough Press (South Africa) Pty Ltd a provision of £355,000 had been made against the net value & cost to the company of resources supplied to South Africa in 2011 of £625,825.