

Press Release

Carlisle December 21st 2009

The Board of Trustees and Senior Management of leading Carlisle-based Christian Charity, IBS-STL UK, formerly known as STL are pleased to announce the sale of two of its three trading divisions: Authentic Media and STL Distribution, as well as the sale of a significant number of its retail stores that comprise the third trading division: Wesley Owen. A large number of jobs have been secured as a result of the sale and the Charity's mission of '*Advancing the Christian Faith*' will continue.

The management team has worked closely with the Baker Tilly Corporate Finance LLP over the last month to secure the sale of all or part of the Charity's business units. Completion of the sale agreements is expected to be finalised by the weekend with the new owners taking control immediately thereafter. This is regarded as extremely good news and ends a period of uncertainty and anxiety for many of our employees.

The sale details are as follows;

- **Authentic Music** based in Milton Keynes has been bought by **Kingsway Communications** operating from Eastbourne.
- **Authentic Book Publishing and 8 Wesley Owen Stores** (Bath Birmingham, Bristol, Bromley, Coleraine, Derby, Glasgow and York) have been sold to **Koorong**, which is owned by the Bootes family. Based in Sydney, Koorong has 18 stores operating successfully throughout Australia. It has purchased all of the Authentic and Paternoster intellectual property and author contracts, the freehold properties in Glasgow and York, the Wesley Owen trading name, and the domain name, wesleyowen.com. They plan to continue to operate from the Milton Keynes area.
- **STL Distribution** has been purchased by **John Ritchie Ltd** a rapidly expanding book publisher and distributor based in Kilmarnock, Scotland. John Ritchie Ltd has purchased all of the Carlisle properties and intends to retain Carlisle as a major base of operation. The business will continue to trade as STL Distribution. John Ritchie Ltd is a wholly owned subsidiary of The Lord's Work Trust which has substantial resources and supports Christian outreach and projects around the world. All profits from the business are returned to the Trust.
- A further **6 Wesley Owen stores** (Bolton, Cambridge, Coventry, Guildford, Kingston and Stockport) have been acquired by **CLC International (UK)** whose head office is in Alresford, Hampshire, and whose stores operate as **CLC Bookshops**.
- There are ongoing discussions with a number of local groups interested in retaining their local Christian Bookshop. This may take some time to progress. In the meantime the administrators are continuing to trade from each of the remaining 26 stores. The administrators are keen to secure future trading from as many of these premises as possible and would welcome any expressions of interest.

In each case the new owners will purchase the assets of the parts of the business; no one is taking over responsibility for the IBS-STL UK charity which regrettably will be put into Administration for an orderly wind down.

Commenting on the sales, **Keith Danby** Chief Executive said, "*I am delighted with the developments. I could not have imagined 5 weeks ago such a positive outcome. All along we have had three goals in mind; the continuity of the distribution of Christian resources, safeguarding as many jobs as possible, and finding purchasers who would invest in the businesses and take them to*

a new level. We believe all of the purchasers fit these aspirations and we wish them every success going forward."

Danby went on to pay tribute to all the staff, saying, *"this has been a very difficult time for all of our staff around the country. Some have worked for the Charity for almost 20 years. They are dedicated, hardworking and passionate about the mission of the Charity. It has been a very difficult year for everyone and the uncertainty of the last month has created extraordinary anxiety for people with families, financial commitments and obligations yet they have continued to fight for the survival of the company and done their very best to keep going."*

Michael Fitch, Chairman of the Board of Trustees also stated his delight, *"the work of Authentic, STL Distribution and Wesley Owen is very important in advancing the Christian faith in the UK and we are delighted that this work will continue under the ownership of these high calibre operators. I want to also thank all of the employees for their hard work under difficult circumstances"*.

Ken Munro, CEO of John Ritchie Ltd, emphasised the importance of continuity in the existing business and his confidence with regard to the future prospects of the newly extended group. *"Our immediate goal is to quickly return the business to the levels of service and stability that STL Distribution customers have enjoyed over many years. We will achieve this building on the existing team and infra-structure as the foundation of our future success"*. He added *"I am confident that this significant acquisition for John Ritchie Ltd will ultimately support and strengthen the CBC trade in the UK, and trust that the future prosperity of the business will make a significant contribution to the on-going mission and objectives of our parent Trust"*.

Russell Cash, Partner at Baker Tilly Restructuring & Recovery in Manchester, said, *"We are delighted that such a successful outcome has been achieved. We have worked closely with a number of people within the business over several weeks and have been impressed with the commitment and attitude displayed by everybody we have encountered. I am particularly pleased that so many jobs have been preserved and I wish everybody connected all the very best for the future"*

"The sales which have been secured are to parties who are well placed, and extremely keen, to continue to operate the business within the traditional core values adopted by IBS-STL over many years.

"Whilst 14 of the retail outlets are now being operated by CLC and Koorong, we are keen to explore interest in the remaining 26 stores with a view to securing a future in the medium to long term. Each of the stores are currently continuing to trade under our control"

Phil Burnham, CLC's National Director, said, *"CLC's acquisition of these bookshops, whilst presenting us with a number of challenges in the short term, also give us the opportunity to further fulfil our purpose statement. We are committed to keeping these six Christian witness and resource centres open on the high street. In the light of so many bookshop closures throughout this year CLC considered it necessary to act. While on the one hand I wish that we at CLC could have done more, to have done nothing would have filled us with remorse. We continue to pray for our colleagues in the trade and at IBS-STL, each affected to a greater or lesser degree by the recent unfortunate events"*.

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