

NW
008294
E15

REGISTRAR'S COPY



**CHURCH OF SCIENTOLOGY RELIGIOUS
EDUCATION COLLEGE INC**

FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED

28 DECEMBER 2000

Company No. F9154

CHURCH OF SCIENTOLOGY RELIGIOUS EDUCATION COLLEGE INC

FINANCIAL STATEMENTS

For the period ended 28 December 2000

INDEX	PAGE
Accounting policies	1
Income and expenditure account	3
Accountants' report	3
Balance sheet	4
Notes to the financial statements	5

CHURCH OF SCIENTOLOGY RELIGIOUS EDUCATION COLLEGE INC

ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the Church, which are set out below, have remained unchanged from the previous period, except that freehold buildings and short leasehold property are being depreciated for the first time in this period.

INCOME

Income is the total amount receivable by the Church for spiritual counselling and religious instruction given to individuals together with materials supplied, donations, and income from related activities provided to other churches and organisations.

DEPRECIATION

Depreciation is calculated to write down the cost of all tangible fixed assets by the straight line method over their expected useful lives.

The annual rates generally applicable are:

Freehold buildings	2%
Furniture, fixtures and equipment	10%
Computer equipment	33%
Motor vehicles	25%

The short leasehold buildings are amortised over the period of the lease.

In previous years depreciation had not been provided on the freehold buildings as it is the Church's policy to maintain these assets in a continual state of sound repair. Provision is made in the profit and loss account for any permanent diminution in value.

STOCKS

Stocks of religious books and artifacts are stated at the lower of cost and net realisable value.

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies have been translated into sterling at the rates of exchange ruling at the balance sheet date.

Exchange differences are dealt with through the income and expenditure account.

CONSOLIDATION

The financial statements of the subsidiary companies have not been incorporated into a consolidated set of financial statements because the Trustees do not consider that the additional expense involved would be of any benefit to the members.

CHURCH OF SCIENTOLOGY RELIGIOUS EDUCATION COLLEGE INC

ACCOUNTING POLICIES

DONATIONS RECEIVED FOR CAPITAL EXPENDITURE

Donations received for capital expenditure are dealt with through reserves.

The Trustees of the Church consider that this policy is necessary to enable users of these financial statements to more fully appreciate the true financial position of the Church, as these donations do not form part of the income from the normal activities of the Church.

CHURCH OF SCIENTOLOGY RELIGIOUS EDUCATION COLLEGE INC

INCOME AND EXPENDITURE ACCOUNT

For the period ended 28 December 2000

	Note	52 weeks ended 28 December 2000 £	52 weeks ended 30 December 1999 £
Income	2		
From recurring activities		7,003,680	5,704,655
Exceptional receipt		1,606,362	-
Total		8,610,042	5,704,655
Expenditure		7,501,045	5,951,708
Operating surplus/(deficit)		1,108,997	(247,053)
Interest receivable		192,910	29,824
		1,301,907	(217,229)
Interest payable and similar charges	4	130,345	119,666
Surplus/(deficit) on ordinary activities before taxation	2	1,171,562	(336,895)
Tax on surplus/(deficit) on ordinary activities	5	-	-
Surplus/(deficit) sustained for the financial period	13	1,171,562	(336,895)

The accompanying accounting policies and notes form an integral part of these financial statements.

Accountants' Report to the Trustees of Church of Scientology Religious Education College Inc

We have prepared without audit the financial statements on pages 1 to 8 for the 52 weeks ended 28 December 2000 from the books and information supplied to us.

Lees House
21 Dyke Road
BRIGHTON
East Sussex
BN1 3GD

Grant Thornton
GRANT THORNTON
Chartered Accountants

31 January 2002

CHURCH OF SCIENTOLOGY RELIGIOUS EDUCATION COLLEGE INC

BALANCE SHEET AT 28 DECEMBER 2000

	Note	28 December 2000		30 December 1999	
		£	£	£	£
Fixed assets					
Tangible assets	6		9,479,406		9,620,267
Subsidiary undertakings	7		<u>451,000</u>		<u>451,000</u>
			<u>9,930,406</u>		<u>10,071,267</u>
Current assets					
Stocks	8	1,997,089		2,225,534	
Debtors	9	1,334,939		1,146,833	
Bank balances and cash		<u>3,872,429</u>		<u>1,396,998</u>	
		<u>7,204,457</u>		<u>4,769,365</u>	
Current liabilities					
Creditors: amounts falling due within one year	10		<u>971,644</u>		<u>1,045,809</u>
Net current assets			<u>6,232,813</u>		<u>3,723,556</u>
Total assets less current liabilities			<u>16,163,219</u>		<u>13,794,823</u>
Creditors: amounts falling due after more than one year	11		<u>122,152</u>		<u>-</u>
			<u>16,041,067</u>		<u>13,794,823</u>
Financed by:					
Amounts due to associated churches			10,615,171		9,524,671
Parishioners' donations received in advance			520,827		502,484
Long term loans	12		1,514,366		1,548,527
Accumulated funds	13		<u>3,390,703</u>		<u>2,219,141</u>
			<u>16,041,067</u>		<u>13,794,823</u>

The financial statements were approved by the Trustees on 31 January 2002

BRUCE PERRY )
 RICHARD WILKINS )
) TRUSTEES
)

The accompanying accounting policies and notes form an integral part of these financial statements.

CHURCH OF SCIENTOLOGY RELIGIOUS EDUCATION COLLEGE INC

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 28 December 2000

1 STATUS

The Church of Scientology Religious Education College Inc was incorporated as a non-profit making religious organisation under the South Australia Associations Incorporation Act 1956-65 on 19 October 1976 and commenced activities in the United Kingdom on 1 May 1977.

2 INCOME AND SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION

An analysis of income by geographical region has not been provided.

Surplus/(deficit) on ordinary activities before taxation is stated after:

	52 weeks ended 28 December 2000 £	52 weeks ended 30 December 1999 £
Exceptional receipt – refund of VAT previously paid in prior years, following granting of exemption by Customs and Excise	<u>1,606,362</u>	<u>-</u>
Depreciation	567,885	349,685
Net currency conversion losses	1,020,736	382,834
Loss on disposal of fixed assets	<u>7,891</u>	<u>5,995</u>

Interest receivable in 2000 includes £85,500 arising from the exceptional receipt, which relates to prior years.

3 TRUSTEES

	52 weeks ended 28 December 2000 £	52 weeks ended 30 December 1999 £
Management remuneration in respect of trustees	<u>3,183</u>	<u>4,152</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks ended 28 December 2000 £	52 weeks ended 30 December 1999 £
On bank overdrafts and other loans		
- repayable within 5 years, otherwise than by instalments	99,504	98,451
- repayable within 5 years by instalments	<u>30,841</u>	<u>21,215</u>
	<u>130,345</u>	<u>119,666</u>

CHURCH OF SCIENTOLOGY RELIGIOUS EDUCATION COLLEGE INC

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 28 December 2000

5 TAX ON SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES

The Church is a South Australian charity, and is established in England for charitable purposes only. The Trustees consider that corporation tax is therefore not applicable. Had it been applicable, the charge for the 52 weeks ended 28 December 2000 would have been approximately £38,000.

6 TANGIBLE FIXED ASSETS

	Total £	Freehold property £	Short leasehold property £	Furniture, fixtures and equipment £	Motor vehicles £
Cost					
At 31 December 1999	12,636,488	8,916,767	-	3,662,649	57,072
Additions	438,165	24,448	72,386	178,655	162,676
Disposals	(31,865)	-	-	(6,290)	(25,575)
Reclassification	-	(11,441)	11,441	-	-
At 28 December 2000	13,042,788	8,929,774	83,827	3,835,014	194,173
Depreciation					
At 31 December 1999	3,016,221	-	-	2,972,058	44,163
Provided in the period	567,885	178,595	9,843	335,585	43,862
Disposals	(20,724)	-	-	(1,258)	(19,466)
At 28 December 2000	3,563,382	178,595	9,843	3,306,385	68,559
Net book amounts					
At 28 December 2000	9,479,406	8,751,179	73,984	528,629	125,614
At 30 December 1999	9,620,267	8,916,767	-	690,591	12,909

CHURCH OF SCIENTOLOGY RELIGIOUS EDUCATION COLLEGE INC

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 28 December 2000

7 SUBSIDIARY UNDERTAKINGS

£

Shares at cost

At 31 December 1999 and

At 28 December 2000

451,000

At 28 December 2000, the subsidiary undertakings, which were wholly owned and incorporated in England and Wales, comprised:

	Nature of business	Amount and class of share capital
Nesta Investments Limited	Holding of investment properties	180,000 £1 ordinary; 3 £1 non cumulative preference
SOR Services (UK) Limited	Provides bookkeeping services	1,000 £1 ordinary

The results of the subsidiary undertakings for the year ended 31 December 2000, not dealt with in the Church financial statements were as follows:

	Profit after tax £	Aggregate capital and reserves £
Nesta Investments Limited	<u>450</u>	<u>792,798</u>
SOR Services (UK) Limited	<u>647</u>	<u>11,938</u>

8 STOCKS

28 December 2000 30 December 1999
£ £

Religious books and artefacts	<u>1,997,089</u>	<u>2,225,534</u>
-------------------------------	------------------	------------------

There were no significant differences between the replacement cost and the values disclosed for stocks.

9 DEBTORS

28 December 2000 30 December 1999
£ £

Prepayments and accrued income	1,229,394	996,424
Tax recoverable	30,666	27,626
Other debtors	74,879	122,783
	<u>1,334,939</u>	<u>1,146,833</u>

Prepayments and accrued income at 28 December 2000 includes £1,217,650 (30 December 1999: £938,341) in respect of prepaid staff development costs.

CHURCH OF SCIENTOLOGY RELIGIOUS EDUCATION COLLEGE INC

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 28 December 2000

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28 December 2000	30 December 1999
	£	£
Bank overdraft	34,636	-
Due to subsidiary undertaking	393,708	392,758
Social security and other taxes	27,554	142,458
Finance leases and hire purchase instalments	30,207	-
Accruals and other creditors	485,539	510,593
	<u>971,644</u>	<u>1,045,809</u>

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	28 December 2000	30 December 1999
	£	£
Finance leases and hire purchase instalments		
Due in 1 to 2 years	30,207	-
Due in 2 to 5 years	59,945	-
	<u>90,152</u>	<u>-</u>
Other creditor	32,000	-
	<u>122,152</u>	<u>-</u>

12 LONG TERM LOANS

	28 December 2000	30 December 1999
	£	£
Loan from associated church repayable by 19 December 2008 (secured)	955,099	1,051,987
Other loans	559,267	496,540
	<u>1,514,366</u>	<u>1,548,527</u>

13 ACCUMULATED FUNDS

	Total	Capital funds	General funds
	£	£	£
At 31 December 1999	2,219,141	6,773,043	(4,553,902)
Surplus retained for the period	1,171,562	-	1,171,562
At 28 December 2000	<u>3,390,703</u>	<u>6,773,043</u>	<u>(3,382,340)</u>