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**CHURCH OF SCIENTOLOGY RELIGIOUS  
EDUCATION COLLEGE INC**

FINANCIAL STATEMENTS

FOR THE 53 WEEKS ENDED



A14	*AJUXS4Y*	0056
COMPANIES HOUSE		28/01/04
A51	*RFTZQMI*	0601
COMPANIES HOUSE		05/12/03

Company No F9154

**CHURCH OF SCIENTOLOGY RELIGIOUS EDUCATION COLLEGE INC**

**FINANCIAL STATEMENTS**

For the period ended 3 January 2002

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# **CHURCH OF SCIENTOLOGY RELIGIOUS EDUCATION COLLEGE INC**

## **PRINCIPAL ACCOUNTING POLICIES**

For the period ended 3 January 2002

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### **BASIS OF ACCOUNTING**

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.

### **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 property is amortised over the period of the lease.

### **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.

### **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 3 January 2002

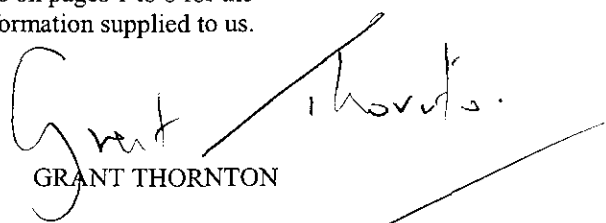
	Note	53 weeks ended 3 January 2002		52 weeks ended 28 December 2000	
		£	£	£	£
<b>Income</b>	2				
From recurring activities		8,531,462		7,003,680	
Exceptional receipt		-		1,606,362	
Total		8,531,462		8,610,042	
<b>Expenditure</b>		8,248,642		7,501,045	
Operating surplus		282,820		1,108,997	
Interest receivable		107,508		192,910	
Interest payable and similar charges	4	140,556		130,345	
<b>Surplus on ordinary activities before taxation</b>	2	249,772		1,171,562	
Tax on surplus on ordinary activities	5	-		-	
<b>Surplus retained for the financial period</b>	13	249,772		1,171,562	

### 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 53 weeks ended 3 January 2002 from the books and information supplied to us.

The Explorer Building  
Fleming Way  
Manor Royal  
Crawley  
West Sussex  
RH10 9GT

4 December 2003

  
GRANT THORNTON  
Chartered Accountants

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

**CHURCH OF SCIENTOLOGY RELIGIOUS EDUCATION COLLEGE INC**

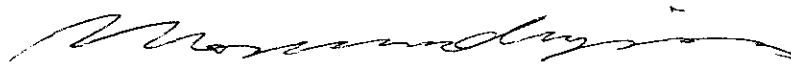
**BALANCE SHEET AT 3 JANUARY 2002**

	Note	3 January 2002		28 December 2000	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	6		9,399,130		9,479,406
Subsidiary undertakings	7		<u>451,000</u>		<u>451,000</u>
			<u>9,850,130</u>		<u>9,930,406</u>
<b>Current assets</b>					
Stocks	8	1,906,634		1,997,089	
Debtors	9	1,889,075		1,334,939	
Bank balances and cash		<u>3,443,980</u>		<u>3,872,429</u>	
		<u>7,239,689</u>		<u>7,204,457</u>	
<b>Creditors: amounts falling due within one year</b>	10		<u>827,078</u>		<u>971,644</u>
<b>Net current assets</b>			<u>6,412,611</u>		<u>6,232,813</u>
<b>Total assets less current liabilities</b>			<u>16,262,741</u>		<u>16,163,219</u>
<b>Creditors: amounts falling due after more than one year</b>	11		<u>88,767</u>		<u>122,152</u>
			<u>16,173,974</u>		<u>16,041,067</u>
<b>Financed by:</b>					
Amounts due to associated churches			11,722,460		10,615,171
Parishioners' donations received in advance			210,355		520,827
Long term loans	12		600,684		1,514,366
Accumulated funds	13		<u>3,640,475</u>		<u>3,390,703</u>
			<u>16,173,974</u>		<u>16,041,067</u>

The financial statements were approved by the Trustees on 4 December 2003

Trustees

  
TREASURER

  
Secretary

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 3 January 2002

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### 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 ON ORDINARY ACTIVITIES BEFORE TAXATION

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

The surplus on ordinary activities before taxation is stated after:

	53 weeks ended 3 January 2002 £	52 weeks ended 28 December 2000 £
Exceptional receipt - refund of VAT previously paid in prior years, following granting of exemption by Customs & Excise	-	1,606,362
Depreciation	253,119	567,885
Net currency conversion losses	507,910	1,020,736
Loss on disposal of fixed assets	1,450	7,891

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

### 3 TRUSTEES

	53 weeks ended 3 January 2002 £	52 weeks ended 28 December 2000 £
Management remuneration in respect of trustees	4,868	3,183

**CHURCH OF SCIENTOLOGY RELIGIOUS EDUCATION COLLEGE INC**

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 3 January 2002

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	53 weeks ended 3 January 2002 £	52 weeks ended 28 December 2000 £
On bank overdrafts and other loans		
- repayable within 5 years, otherwise than by instalments	107,682	99,504
- repayable within 5 years by instalments	<u>32,874</u>	<u>30,841</u>
	<u>140,556</u>	<u>130,345</u>

**5 TAX ON SURPLUS 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 53 weeks ended 3 January 2002 would have been approximately £45,500 (2000: £38,000).

**6 TANGIBLE FIXED ASSETS**

	Freehold property £	Short leasehold property £	Furniture, fixtures and equipment £	Motor vehicles £	Total £
Cost					
At 29 December 2000	8,929,774	83,827	3,835,014	194,173	13,042,788
Additions	30,326	2,145	137,022	4,800	174,293
Disposals	-	-	(769)	(3,572)	(4,341)
At 3 January 2002	<u>8,960,100</u>	<u>85,972</u>	<u>3,971,267</u>	<u>195,401</u>	<u>13,212,740</u>
Depreciation					
At 29 December 2000	178,595	9,843	3,306,385	68,559	3,563,382
Provided in the period	179,202	6,339	23,790	43,788	253,119
Disposals	-	-	(769)	(2,122)	(2,891)
At 3 January 2002	<u>357,797</u>	<u>16,182</u>	<u>3,329,406</u>	<u>110,225</u>	<u>3,813,610</u>
Net book amount at 3 January 2002	<u>8,602,303</u>	<u>69,790</u>	<u>641,861</u>	<u>85,176</u>	<u>9,399,130</u>
Net book amount at 28 December 2000	<u>8,751,179</u>	<u>73,984</u>	<u>528,629</u>	<u>125,614</u>	<u>9,479,406</u>

**CHURCH OF SCIENTOLOGY RELIGIOUS EDUCATION COLLEGE INC**

**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 3 January 2002

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**7 SUBSIDIARY UNDERTAKINGS**

<b>Shares at cost</b>	<b>£</b>
At 29 December 2000 and 3 January 2002	<u><b>451,000</b></u>

At 3 January 2002 the subsidiary undertakings, which were wholly owned and incorporated in England and Wales, comprised:

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

The results of the subsidiary undertakings for the period ended 3 January 2002, not dealt with in the Church financial statements were as follows:

	<b>Profit after tax</b>	<b>Aggregate capital</b>
	<b>£</b>	<b>and reserves</b>
		<b>£</b>
Nesta Investments Limited	<u>407</u>	<u>835,741</u>
SOR Services (UK) Limited	<u>2,254</u>	<u>18,026</u>

**8 STOCKS**

	<b>3 January 2002</b>	<b>28 December 2000</b>
	<b>£</b>	<b>£</b>
Religious books and artefacts	<u><b>1,906,634</b></u>	<u><b>1,997,089</b></u>

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



# CHURCH OF SCIENTOLOGY RELIGIOUS EDUCATION COLLEGE INC

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 3 January 2002

### 9 DEBTORS

	3 January 2002 £	28 December 2000 £
Prepayments and accrued income	1,741,498	1,229,394
Tax recoverable	36,057	30,666
Loan receivable	1,526	-
Due from associated organisation	109,994	74,879
	<u>1,889,075</u>	<u>1,334,939</u>

Prepayments and accrued income at 3 January 2002 includes £1,725,899 (2000: £1,217,650) in respect of prepaid staff development costs.

### 10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	3 January 2002 £	28 December 2000 £
Bank overdraft	17,328	34,636
Due to subsidiary undertaking	393,565	393,708
Social security and other taxes	20,945	27,554
Finance leases and hire purchase instalments	28,981	30,207
Accruals and other creditors	366,259	485,539
	<u>827,078</u>	<u>971,644</u>

### 11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	3 January 2002 £	28 December 2000 £
Finance leases and hire purchase instalments		
- due in 1 to 2 years	27,082	30,207
- due in 2 to 5 years	33,685	59,945
	<u>60,767</u>	<u>90,152</u>
Deferred income and other creditors	28,000	32,000
	<u>88,767</u>	<u>122,152</u>

# CHURCH OF SCIENTOLOGY RELIGIOUS EDUCATION COLLEGE INC

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 3 January 2002

### 12 LONG TERM LOANS

	3 January 2002	28 December 2000
	£	£
Loans from associated churches		
Repayable by 19 December 2008 (secured)	-	955,099
Other loans	600,684	559,267
	<u>600,684</u>	<u>1,514,366</u>

### 13 ACCUMULATED FUNDS

	Capital funds	General funds	Total funds
	£	£	£
At 29 December 2000	6,773,043	(3,382,340)	3,390,703
Surplus retained for the period	-	249,772	249,772
At 3 January 2002	<u>6,773,043</u>	<u>(3,132,568)</u>	<u>3,640,475</u>