



# 9 Periodic return

Particulars of the members of the committee of the association as at the date of this return  
(You must provide full name, residential address, occupation, position on committee of all committee members. Provide attachment if necessary.)

MASSIMO ANGIUS, BULLARDS, TURNERS HILL RD, EAST GRINSTEAD, ENGLAND, TRUSTEE  
& SECRETARY; RICHARD WILKINS, WALSH MANOR, WALSHES RD, CROWBOROUGH,  
ENGLAND, TRUSTEE & TREASURER; FRANCOISE SPRINGALL, WALSH MANOR,  
WALSHES RD, CROWBOROUGH, ENGLAND, TRUSTEE & PRESIDENT.

Particulars of the auditor acting under section 35(2) of the Act as at the date of this return

Full name of auditor **STEPHEN SELLERS**

Name of audit firm **GRANT SELLERS**

Business address **BANK COURT, MANOR RD, VERWOOD, ENGLAND**

Auditor qualification compulsory (please tick one):

- a registered company auditor  
 a firm of registered company auditors  
 a member of the ASCPA or the ICA  
 a person approved by the Office of Consumer and Business Affairs

Particulars of the public officer of the association as at the date of this return

Full name of public officer **ROSALIND JENNIFER ROBINS**

Residential address **82 WINDSOR AVENUE, WOODILLE PARK, SA 5011**

Occupation

Please note: if there has been a change of public officer or change of address of public officer, Form 10 must be lodged

## Certificate and statement by public officer

I certify that the particulars contained in this periodic return are true to the best of my knowledge and belief.

Full name of public officer **ROSALIND JENNIFER ROBINS**  
(BLOCK LETTERS)

Phone **08 82232851**

Signature

Date **28 / 02 / 2011**

Email **ROSJ ROBINS @ YAHOO. COM. AU**

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The rates for  
Wednesday, 31st December  
2008

13748680 GBP =  
28839231.168 AUD  
One AUD = 0.4772 GBP

Median bid	2.0954
Median ask	2.0976
Min. bid	na
Min. ask	na
Max. bid	na
Max. ask	na

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All Income + Interest = 14,022,654 per  
Accepted that gross receipts are in UK pounds as  
= use this value

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

**FOR**

**Church of Scientology**  
**Religious Education College Inc**

**CONTENTS OF THE FINANCIAL STATEMENTS  
For The Year Ended 31 December 2008**

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**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES  
OF CHURCH OF SCIENTOLOGY RELIGIOUS EDUCATION COLLEGE INC**

The trustees have confirmed to us that the financial activities of Church of Scientology Religious Education College Inc comprise solely the financial activities of the UK Branch and therefore on this basis this report which refers to "UK Branch" effectively covers the whole of the financial activities of Church of Scientology Religious Education College Inc.

We have audited the financial statements of the UK Branch of Church of Scientology Religious Education College Inc for the year ended 31 December 2008, which comprise of Income and Expenditure account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein. The financial statements as at 31 December 2007 were unaudited.

This report is made solely to the entity's trustees as a body. Our audit work has been undertaken so that we may state to the entity's trustees those matters we are required to state to them in an auditor's 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 company and the company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

The trustees are responsible for preparing the financial statements in accordance with applicable law and regulations 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 that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the branch and of the income and expenditure of the branch for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the entity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the branch and to enable them to ensure that the financial statements comply with the Companies Act 1985, as applicable to UK branches of overseas entities. They are also responsible for safeguarding the assets of the branch and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the entity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards in Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, as applicable to the UK Branch of Church of Scientology Religious Education College Inc under Statutory Instrument No 1990/440.

In addition we report to you if, in our opinion, the branch has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

## Bases of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

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 the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances, consistently applied and adequately disclosed.

We planned 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 assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, with respect to stock having a carrying amount of £2,226,585 the evidence available to us was limited because we did not observe the counting of the physical stock as at 31 December 2008, since that date was prior to our appointment as auditor of the branch. Owing to the records maintained, we were unable to obtain sufficient appropriate audit evidence regarding the stock quantities by using other audit procedures. Also as no audit was carried out in the previous year, we are unable to verify the completeness and valuation of the opening balances at 1 January 2008.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Qualified opinion arising from limitation in audit scope

Except for the financial effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to physical stock quantities and were able to have audited the opening balances, in our opinion the financial statements:

- Give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the UK branch's affairs as at 31 December 2008 and of its deficit for the year then ended; and
- Have been properly prepared in accordance with the Companies Act 1985 under the Statutory Instrument No 1990/440 applicable to UK branches of overseas entities.

In respect solely of the limitation on our work relating to stocks and opening balances;

- We have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- We were unable to determine whether proper accounting records had been maintained.

### Other information

Since the financial statements for the year ended 31 December 2008 were filed at Companies House, the trustees have re-examined the relationship between the UK Branch and other organisations and accept that certain entities could fall within the wide definition of related party as defined by FRS 8. They consider that the following paragraph should have been included. As the trustees have agreed to the inclusion of this statement as an addendum to our audit report, our audit opinion is not qualified in this respect.

Church of Scientology International and its subsidiaries and the UK Branch and other churches in the UK/world share similar aims and from time to time provide mutual assistance to each other and therefore arguably qualify as related parties as defined by FRS 8. The UK Branch receives support by way of loans and donations and purchased goods and services from Church of Scientology International and its subsidiaries. During the year, the UK Branch received loans of £309,804, received donations of £74,474, purchased books and other literature to a value of £3,515,432, and was charged £2,179,201 for ecclesiastical management services and courses. At the year end, £19,769,877 was due to Church of Scientology International and its subsidiaries and of this amount £12,899,237 is included in Note 12 under "Accruals and other creditors" and £484,913 and £6,385,727 are included in Note 13 under "Loans from other churches" and "Other creditors" respectively. One of the two loans included was charged £505,960 interest on a commercial basis and is repayable on terms yet to be agreed with the UK Branch. The other loan of £484,913 included was interest free and no advances have been received or repayments made in the period.

Flag Service Organisation charged £576,942 for courses provided to the UK Branch. At the year end, £6,730,319 was due to Flag Service Organisation and this amount is included in Note 12 under "Accruals and other creditors". The amount had increased in the period by exchange differences of £262,645 and interest charged of £798,692. The balance due was reduced in the period by repayments of £139,581.

At the year end, £27,070,130 was due to and £Nil was due from other churches.

In addition, the UK Branch received donations from other churches amounting to £938,629.

At the year end there was a loan outstanding from Church of Scientology Celebrity Centre International of £540,482 and this amount is shown in Note 12 under "Accruals and other creditors". The loan was increased by £145,920 in the period. The interest accrued was £106,462. No terms of repayment have been agreed.

At the year end there was a loan outstanding from Scientology International Reserves Trust of £6,539,883 and of this amount £265,000 is shown in Note 12 under "Accruals and other creditors" and £6,274,883 in Note 13 under "Other creditors". The loan was increased by £1,357,432 in the period and repayments of £195,000 were made. No interest was charged. The loan is to be repaid over a period of three years, unless the term is extend by agreement

The amount of £393,012 shown as due to group undertakings disclosed in note 12 to the financial statements relates to the balance due to the subsidiary company, Nesta Investments Limited.

There was no requirement under the Companies Action 1985 for a UK Branch of an overseas branch to be audited and thus unaudited financial statements for the year end 31 December 2008 were filed at Companies House in March 2009 and it was appropriate that no details of auditors' remuneration were included in the financial statements. Subsequently, the trustees requested an audit of these financial statements. The remuneration paid to the auditors was as follows:

Fees payable to the UK Branch's auditor for the audit of the financial statements £20,750.

Fees payable to the UK Branch's auditor for other services £21,350.

*Grant Sellers Limited*

Grant Sellers Limited.  
Registered Auditor  
Chartered Accountants  
Bank Court, Manor Road  
Dorset

Date 27 February 2011

**INCOME AND EXPENDITURE ACCOUNT**  
For The Year Ended 31 December 2008

	Notes	Year to 31/12/08 £	Year to 31/12/07 £ (As restated)
<b>INCOME</b>			
From ordinary activities		12,958,196	12,971,494
From compensation claim		-	8,016,100
<b>Expenditure</b>			
On ordinary activities		<u>17,514,645</u>	<u>14,909,054</u>
<b>OPERATING (DEFICIT)/SURPLUS</b>	3	(4,556,449)	6,078,540
<b>Interest receivable and similar income</b>			
From ordinary activities		1,064,458	316,476
From compensation claim		-	<u>9,043,066</u>
		(3,491,991)	15,438,082
<b>Interest payable and similar charges</b>	6	<u>1,486,314</u>	<u>896,331</u>
<b>(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(4,978,305)	14,541,751
Tax on (deficit)/surplus on ordinary activities	7	<u>2,684,863</u>	<u>(4,216,863)</u>
<b>(DEFICIT)/SURPLUS FOR THE YEAR AFTER TAXATION</b>		<u>(2,293,442)</u>	<u>10,324,888</u>
<b>RETAINED (DEFICIT)/SURPLUS FOR THE YEAR</b>		<u>(2,293,442)</u>	<u>10,324,888</u>

There are no other recognised surpluses or losses not recognised through the Income and Expenditure account.

**Statement of total recognised surpluses and losses**

Total recognised surpluses and losses relating to the year	(2,293,442)	10,324,888
Prior year adjustment (as explained in Note 4)	<u>(2,611,531)</u>	
Total gains and losses recognised since the last annual report	<u>(4,904,973)</u>	

The notes form part of these financial statements



**BALANCE SHEET**  
31 December 2008

	Notes	31 December 2008		31 December 2007	
		£	£	£	£
<b>FIXED ASSETS</b>					(As restated)
Tangible assets	8		24,365,577		24,171,836
Subsidiary undertakings	9		<u>451,000</u>		<u>451,000</u>
			24,816,577		24,622,836
<b>CURRENT ASSETS</b>					
Stocks	10	2,226,585		1,656,165	
Debtors	11	62,626		8,491,714	
Cash at bank and in hand		<u>23,835,414</u>		<u>18,039,601</u>	
		26,124,625		28,187,480	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>24,554,012</u>		<u>26,185,115</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>1,570,613</u>		<u>2,002,365</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			26,387,190		26,625,201
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		13,153,177		11,220,746
<b>PROVISION FOR LIABILITIES</b>			<u>462,000</u>		<u>339,000</u>
			<u>12,772,013</u>		<u>15,065,455</u>
<b>RESERVES</b>					
Accumulated funds	15		<u>12,772,013</u>		<u>15,065,455</u>
			<u>12,772,013</u>		<u>15,065,455</u>

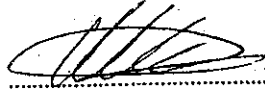
The notes form part of these financial statements

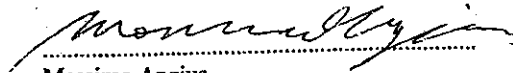
**BALANCE SHEET - continued**  
**31 December 2008**

We acknowledge our responsibilities for ensuring that the Church keeps accounting records which comply with the Companies Act 1985, and preparing financial statements which give a true and fair view of the state of affairs of the Church as at the end of each financial year and of its surplus or deficit for the financial year and which comply with the Companies Act 1985 relating to accounts, so far as applicable to the Church.

These financial statements have been prepared in accordance with the special provisions of Statutory Instrument 1990 No 440 relating to overseas companies.

**ON BEHALF OF THE TRUSTEES:**

  
.....  
Richard Wilkins

  
.....  
Massimo Angius

Approved by the Trustees on 31 March 08 .....

The notes form part of these financial statements

**CASH FLOW STATEMENT**  
**31 December 2008**

	31 December 2008		31 December 2007	
	£	£	£	£
				(As restated)
<b>Cash generated from operations</b>			6,078,540	
Operating (deficit)/surplus	(4,556,449)			
Reconciliation to cash generated from operations:			757,127	
Depreciation	855,788		506	
Loss on disposal of fixed assets	2,661		(57,712)	
Grant released	(70,087)		(397,985)	
(Increase)/Decrease in stocks	(570,420)		(8,451,570)	
(Increase)/Decrease in debtors	8,429,088		6,623,947	
Increase/(Decrease) in creditors	<u>1,210,364</u>			
		5,300,945		4,552,853
<b>Cash from other sources</b>			9,359,542	
Interest received	1,064,458		150,431	
Capital grants for fixed assets	33,744		11,484	
Sale of fixed assets			<u>7,378,291</u>	
Loans	<u>1,935,170</u>			
		3,033,372		16,899,748
<b>Application of cash</b>			896,331	
Interest paid	1,486,314		<u>10,930,998</u>	
Purchase of tangible fixed assets	<u>1,052,190</u>			
		(2,538,504)		(11,827,329)
<b>Net increase/(decrease) in cash</b>		5,795,813		9,625,272
Cash at bank and in hand at the beginning of the year		<u>18,039,601</u>		<u>8,414,329</u>
<b>Cash at bank and in hand at the end of the year</b>		<u><u>23,835,414</u></u>		<u><u>18,039,601</u></u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
For The Year Ended 31 December 2008

**1. STATUS**

The Church of Scientology Religious Education College Inc was incorporated in Australia as a religious charity on 19 October 1976 and commenced activities in the United Kingdom on 1 May 1977.

**2. ACCOUNTING POLICIES**

**Basis of accounting**

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

The principal accounting policies of the Church are set out below.

**Income**

Income represents the combined income from all the individual organisations of the Church in respect of religious services together with materials supplied, donations, and income from related activities provided to other churches and organisations. Income is recognised when received.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold land	- No depreciation
Freehold property	- 2% on cost
Leasehold property	- Equal instalments over the period of the lease
Fixtures and fittings	- 10% & 20% on cost
Computer equipment	- 33.33% on cost
Motor vehicles	- 25% on cost

**Stocks**

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

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. 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 have applied the exemption afforded to medium sized groups not to prepare a set of such statements.

**Grants received**

As last year grants were received towards property improvements from a grant-making association. Grants are recognised in the income and expenditure account in future periods over the expected useful life of the asset.

**Change of accounting treatment**

The treatment of training costs has this year been changed to write off the expense in the year in which it arose rather than carrying forward any element of such costs in the balance sheet. The comparatives have been restated in line with the new accounting treatment. The change in policy has resulted in the accounting surplus for the previous year being restated along with the opening reserves for that year.

NOTES TO THE FINANCIAL STATEMENTS - continued.  
For The Year Ended 31 December 2008

**Taxation**

The Church is a South Australian charity, and is established in England for charitable purposes only. The trustees consider that corporation tax should not therefore be applicable, however corporation tax and deferred tax have been provided for in these financial statements.

Deferred tax is recognised on all timing differences where the transactions or events that give a taxpayer an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

**3. OPERATING DEFICIT**

The operating deficit (2007 - operating surplus) is stated after charging/(crediting):

	Year to 31/12/08 £	Year to 31/12/07 £
Depreciation - owned assets	756,976	678,215
Depreciation - leased assets	98,812	78,912
Loss on disposal of fixed assets	2,661	506
Grants released	(70,087)	(57,712)
Foreign exchange differences	1,377,105	(285,757)
Compensation claim	<u>-</u>	<u>8,016,100</u>

During the year there were the following transactions with other Scientology organisations:

	Year to 31/12/08 £	Year to 31/12/07 £
Income	1,013,101	1,206,458
Expenditure	<u>9,906,351</u>	<u>5,922,949</u>

**4. PRIOR YEAR ADJUSTMENT**

Due to change of accounting policy regarding training costs a prior year adjustment has been made totalling £2,611,531. The deficit this year is estimated to have been increased by £228,469 due to the change of accounting policy regarding training costs adopted this year. The surplus for the previous year has been reduced by £211,326 due to the change of accounting policy regarding training costs.

**5. TRUSTEES**

	Year to 31/12/08 £	Year to 31/12/07 £
Management remuneration in respect of trustees	<u>4,873</u>	<u>4,842</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 December 2008

6. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges includes the following:

	Year to 31/12/08 £	Year to 31/12/07 £
On bank loans repayable within 5 years		
- otherwise than by instalments	869,482	409,200
- by instalments	<u>616,832</u>	<u>487,131</u>
	<u>1,486,314</u>	<u>896,331</u>

7. TAXATION

(a) Analysis of the tax (credit)/charge

The tax charge/credit on the surplus on ordinary activities for the year was as follows:

	Year to 31/12/08 £	Year to 31/12/07 £
UK corporation tax:		
- Current year	(2,807,863)	2,807,863
- Prior year	—	—
Total current tax	<u>(2,807,863)</u>	<u>2,807,863</u>
Deferred tax	<u>123,000</u>	<u>1,409,000</u>
	<u>(2,684,863)</u>	<u>4,216,863</u>

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	Year to 31/12/08 £	Year to 31/12/07 £
(Deficit)/Surplus on ordinary activities before tax	<u>(7,459,077)</u>	<u>14,753,077</u>
(Deficit)/Surplus on ordinary activities multiplied by standard rate of Corporation tax in the UK of 30%	<u>(2,237,723)</u>	4,425,923
Effects of:		(As restated)
Expenses not deductible for tax purposes	854	24,012
Capital allowances for year in excess of depreciation	(246,774)	12,967
Utilisation of tax losses	34,617	(1,374,794)
Non taxable capital items	<u>(358,837)</u>	<u>(280,245)</u>
	—	—
Current tax (credit)/charge for the year	<u>(2,807,863)</u>	<u>2,807,863</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 December 2008

8. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 January 2008	20,357,873	3,527,732	6,854,998	164,731	30,905,334
Additions	101,540	552,918	388,570	9,162	1,052,190
Disposals	-	-	(1,581)	(51,226)	(52,807)
At 31 December 2008	<u>20,459,413</u>	<u>4,080,650</u>	<u>7,241,987</u>	<u>122,667</u>	<u>31,904,717</u>
<b>DEPRECIATION</b>					
At 1 January 2008	1,476,563	282,630	4,835,155	139,150	6,733,498
Charge for year	277,860	98,812	466,645	12,471	855,788
Eliminated on disposal	-	-	-	(50,146)	(50,146)
At 31 December 2008	<u>1,754,423</u>	<u>381,442</u>	<u>5,301,800</u>	<u>101,475</u>	<u>7,539,140</u>
<b>NET BOOK VALUE</b>					
At 31 December 2008	<u>18,704,990</u>	<u>3,699,208</u>	<u>1,940,187</u>	<u>21,192</u>	<u>24,365,577</u>
At 31 December 2007	<u>18,881,310</u>	<u>3,245,102</u>	<u>2,019,843</u>	<u>25,581</u>	<u>24,171,836</u>

Included in the total net book value of tangible fixed assets held at 31 December 2008 was £19,102 in respect of assets held under hire purchase contracts.

The cost of depreciable assets included in freehold property at 31 December 2008 was £9,866,974.

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 December 2008

9. SUBSIDIARY UNDERTAKINGS

Shares in  
group  
undertakings  
£

**COST**

At 1 January 2008  
and 31 December 2008

451,000

**NET BOOK VALUE**  
At 31 December 2008

451,000

At 31 December 2007

451,000

The Church's investments at the balance sheet date in the share capital of companies which were wholly owned and incorporated in England and Wales include the following:

**Nesta Investments Limited**

Nature of business: Holding of investment properties

Class of shares:

180,000 £1 ordinary

3 £1 non cumulative preference

%  
holding  
100.00  
100.00

31/12/07  
£

1,053,783  
(24)

31/12/06  
£

998,063  
(66)

Aggregate capital and reserves  
Profit/(Loss) for the year

**SOR Services (UK) Limited**

Nature of business: Providing bookkeeping services

Class of shares:

1000 £1 ordinary

%  
holding  
100.00

31/12/07  
£

30,225  
638

31/12/06  
£

29,587  
4,531

Aggregate capital and reserves  
Profit/(Loss) for the year

As the 2008 accounts for both companies have not yet been prepared the above information relates to 2007 and 2006.

10. STOCKS

Year  
to  
31/12/08  
£

2,226,585

Year  
to  
31/12/07  
£

1,656,165

Religious books and artefacts

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

continued...



NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year to 31 December 2008

11. DEBTORS

	31/12/2008	31/12/2007
	£	£
		(As restated)
Corporation Tax	4,403	4,096
Loan receivable from other organisations	-	208,070
Sundry debtors	648	16,061
Compensation claim	-	8,142,385
Prepayments and accrued income	<u>57,575</u>	<u>121,102</u>
	<u>62,626</u>	<u>8,491,714</u>

Prepayments and accrued income at 31 December 2008 includes £Nil (31 December 2007: £Nil (As restated))  
in respect of prepaid staff development costs.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/2008	31/12/2007
	£	£
Hire purchase contracts	2,739	3,652
Amounts owed to group undertakings	393,012	393,073
Tax	-	2,807,863
Social security and other taxes	3,760	12,443
Deferred receipts arising on capital grants	1,423,574	1,459,917
Bank loan (secured by a mortgage)	-	4,000,000
VAT	113,137	133,977
Accruals and other creditors	<u>22,617,790</u>	<u>17,374,190</u>
	<u>24,554,012</u>	<u>26,185,115</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/12/2008	31/12/2007
	£	£
Hire purchase contracts	3,653	6,392
Loans from other churches	484,913	484,913
Other creditors	<u>12,664,611</u>	<u>10,729,441</u>
	<u>13,153,177</u>	<u>11,220,746</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year to 31 December 2008

14. PROVISIONS FOR LIABILITIES

	£
Balance at 1 January 2008	(339,000)
Movement in the year	<u>(123,000)</u>
Balance at 31 December 2008	<u>(462,000)</u>

The balance at the end of the year comprises:	31/12/2008	31/12/2007
	£	£
Tax losses	-	299,000
Accelerated capital allowances	<u>(462,000)</u>	<u>(638,000)</u>
	<u>(462,000)</u>	<u>(339,000)</u>

15. ACCUMULATED FUNDS

	Capital funds £	General funds £	Total funds £
At 1 January 2008 (As previously reported)	6,773,043	10,903,943	17,676,986
Prior Year Adjustment	-	<u>2,611,531</u>	<u>2,611,531</u>
At 1 January 2008 (As restated)	<u>6,773,043</u>	8,292,412	15,065,455
Retained deficit for the year	-	<u>2,293,442</u>	<u>2,293,442</u>
At 31 December 2008	<u>6,773,043</u>	<u>5,998,970</u>	<u>12,772,013</u>

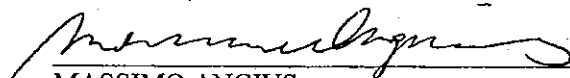
Due to the prior year adjustment the opening reserves at 1 January 2008 shown under General funds reflect a reduction of £2,611,531. The effect of the prior year adjustment on opening reserves at 1 January 2007 is a reduction of £2,400,205.

## COMMITTEE REPORT

The Committee of the Association consists of three members namely Richard Wilkins, Massimo Angius and Francoise Springall. All three members of the Committee are members of the Scientology religious order, and serve out of religious commitment rather than financial reward. None of the members of the Committee receive or became entitled to receive a benefit as a result of a contract between them and the Association. As members of the religious order they received accommodation within the religious community and other necessities of life. They also received allowances in the following amounts during the year: Massimo Angius £1,663.22, Richard Wilkins £1,491.50 and Francoise Springall £1,718.73.

ON BEHALF OF THE COMMITTEE :

  
RICHARD WILKINS

  
MASSIMO ANGIUS


Statement made in accordance with the resolution of the Committee of the Association on 27 February 2011.

## COMMITTEE STATEMENT

We confirm that the accounts present fairly the results of the operations of the Association for the financial year and the state of affairs of the Association as at the end of the financial year; and that we have reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due. The Association has four subsidiaries within the meaning of section 46 of the Corporations Act 2001 of the Commonwealth of Australia namely SOR Services (UK) Limited a company registered in England and Wales under company number 02681177 which provides bookkeeping services, NESTA Investments Limited a company registered in England and Wales under company number 00714194 which owned a real property, Woodview Properties Limited a company registered in the Isle of Man under company number 120630C which owned a real property and Bridestowe Properties Limited a company registered in the Isle of Man under company number 120631C which owned a real property.

ON BEHALF OF THE COMMITTEE :

  
\_\_\_\_\_  
RICHARD WILKINS

  
\_\_\_\_\_  
MASSIMO ANGIUS

Statement made in accordance with the resolution of the Committee of the Association on 27 February 2011.