

**Church of Scientology Religious Education College Inc  
Financial Report for the Year Ended 31 December 2022**

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**Church of Scientology Religious Education College Inc  
Financial Report for the Year Ended 31 December 2022**

**COMMITTEE'S REPORT**

The committee members submit the financial report of Church of Scientology Religious Education College Inc for the financial year ended 31 December 2022.

**Trustees**

The names of Trustees throughout the year and at the date of this report are:

James Rowell (appointed 24/08/2022)  
Emma Douglas (appointed 24/08/2022)  
Janet Laveau (appointed 21/07/2022)  
Luisa Basso (appointed 24/08/2022)  
Francoise Springall  
Anna Mertens  
Massimo Angius (resigned 03/08/2022)

**Principal Activities**

The principal activity of the entity during the financial year was the dissemination and practice of the religion of Scientology in the United Kingdom which includes the delivery of religious services as the primary purpose.

**Significant Changes**

No significant change in the nature of these activities occurred during the year.

**Operating Result**

The deficit after providing for income tax for the 2022 financial year amounted to \$2,738,628 (2021 \$7,042,238 deficit).

The Entity is registered with the Australian Charities and Not-for-profits Commission and is an incorporated association. If the Entity is wound up, the constitution states that members are not required to contribute anything towards meeting any outstanding obligations of the Entity.

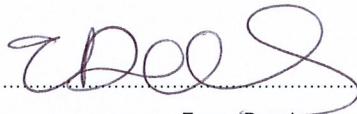
**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 31 December 2022 has been received and can be found on page 2 of the financial report.

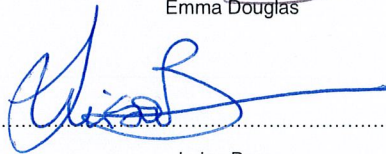
Signed in accordance with a resolution of the members of the committee.



Janet Laveau



Emma Douglas



Luisa Basso

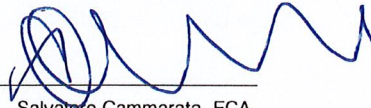
Dated this 30 day of June 2023

**Church of Scientology Religious Education College Inc  
Financial Report for the Year Ended 31 December 2022**

**AUDITOR'S INDEPENDENCE DECLARATION**

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the trustees of Church of Scientology Religious Education College Inc. As the lead audit partner for the audit of the financial report of Church of Scientology Religious Education College Inc for the year ended 31 December 2022, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2022 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



Name of auditor: Salvatore Cammarata, FCA

Auditor's Registration No: 13521

Name of firm: Prudential Partners  
Chartered Accountants

Address: Level 5, 67 Castlereagh Street, Sydney NSW 2000

Date: 30th / June / 2023

**Church of Scientology Religious Education College Inc**  
**Financial Report for the Year Ended 31 December 2022**  
**INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>INCOME</b>		
Parishioner donations for religious services	19,843,590	18,623,645
Sales of religious books and artefacts	1,307,734	878,867
Refectory proceeds	1,505,953	1,958,158
Contributions from affiliated organisations and individuals	3,455,675	2,191,544
Services to affiliated organisations	94,972	79,720
Other income	335,729	61,961
Interest received	18,361	425
<b>Total Income</b>	<b>26,562,014</b>	<b>23,794,320</b>
<b>EXPENDITURE</b>		
Rent, rates and insurance	(716,562)	1,722,732
Light and heat	1,714,044	1,748,425
Staff allowances	2,855,274	3,071,141
Administration	654,140	663,496
Telephone, telex, and postage	1,384,817	1,349,262
Audit and accounting fees	121,138	87,024
Depreciation	4,075,139	4,654,056
Bank charges and interest	6,200,867	5,990,414
Travel and subsistence	969,609	746,037
Repairs and maintenance	682,768	798,498
Profit/(loss) on sale of tangible assets	79,321	(916)
Missionary commission expenses	855,581	960,520
Dissemination expenses and materials	1,112,949	1,138,149
Cost of books and artefacts	1,079,120	842,595
Refectory costs	991,770	1,430,419
Technical licence fees	401,253	405,662
Instruction materials	57,273	104,373
Staff development and guidance	4,844,399	4,612,366
Legal and professional fees	556,969	614,821
Fines and penalties	178	-
Net currency conversion loss/(gain)	1,661,322	187,870
Grant released	(280,727)	(290,386)
<b>Total Expenses</b>	<b>29,300,642</b>	<b>30,836,558</b>
<b>Net current year surplus/deficit</b>	<b>(2,738,628)</b>	<b>(7,042,238)</b>
RETAINED SURPLUS AT THE BEGINNING OF THE FINANCIAL YEAR	11,623,395	17,856,600
Exchange rate difference on foreign translation	(502,615)	809,033
<b>RETAINED SURPLUS AT THE END OF THE FINANCIAL YEAR</b>	<b>8,382,152</b>	<b>11,623,395</b>

The accompanying notes form part of these financial statements.

**Church of Scientology Religious Education College Inc**  
**Financial Report for the Year Ended 31 December 2022**

**ASSETS AND LIABILITIES STATEMENT AS AT 31 DECEMBER 2022**

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash on hand	2	26,030,587	25,117,324
Inventories	3	2,132,411	2,225,981
Accounts receivable and other debtors	4	4,966,857	1,214,171
Prepayments		472,180	328,069
<b>TOTAL CURRENT ASSETS</b>		<b>33,602,035</b>	<b>28,885,545</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	5	801,778	837,978
Property, plant and equipment	6	117,757,548	122,020,334
<b>TOTAL NON-CURRENT ASSETS</b>		<b>118,559,326</b>	<b>122,858,312</b>
<b>TOTAL ASSETS</b>		<b>152,161,361</b>	<b>151,743,857</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other payables	7	55,395,380	50,929,890
Deferred receipts arising on capital grant		485,420	293,454
Staff provisions		35,303	38,976
<b>TOTAL CURRENT LIABILITIES</b>		<b>55,916,103</b>	<b>51,262,320</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred receipts arising on capital grant		2,349,627	2,963,051
Loans from related organisations	8	85,513,479	85,895,091
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>87,863,106</b>	<b>88,858,142</b>
<b>TOTAL LIABILITIES</b>		<b>143,779,209</b>	<b>140,120,462</b>
<b>NET ASSETS</b>		<b>8,382,152</b>	<b>11,623,395</b>
<b>MEMBERS' FUNDS</b>			
Capital reserve		13,226,017	13,226,017
Retained surplus		(4,843,865)	(1,602,622)
<b>TOTAL MEMBERS' FUNDS</b>		<b>8,382,152</b>	<b>11,623,395</b>

The accompanying notes form part of these financial statements.

**Church of Scientology Religious Education College Inc**  
**Financial Report for the Year Ended 31 December 2022**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022**

	RETAINED SURPLUS	CAPITAL RESERVES	TOTAL
	\$	\$	\$
Balance at 1 January 2021	4,630,583	13,226,017	17,856,600
COMPREHENSIVE INCOME			
Net surplus for the year	(7,042,238)	-	(7,042,238)
Exchange difference on foreign translation	809,033	-	809,033
Total comprehensive income attributable to members of the entity	(1,602,622)	13,226,017	11,623,395
Balance at 31 December 2021	<u>(1,602,622)</u>	<u>13,226,017</u>	<u>11,623,395</u>
Balance at 1 January 2022	(1,602,622)	13,226,017	11,623,395
COMPREHENSIVE INCOME			
Net surplus/deficit for the year	(2,738,628)	-	(2,738,628)
Exchange difference on foreign translation	(502,615)	-	(502,615)
Total comprehensive income attributable to members of the entity	(4,843,865)	13,226,017	8,382,152
Balance at 31 December 2022	<u>(4,843,865)</u>	<u>13,226,017</u>	<u>8,382,152</u>

The accompanying notes form part of these financial statements.

**Church of Scientology Religious Education College Inc**  
**Financial Report for the Year Ended 31 December 2022**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 \$	2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts for the sale of religious books and artefacts		1,307,734	878,867
Receipts from parishioners and affiliated organisations		25,235,919	22,915,028
Payments to suppliers and staff allowances		(16,528,860)	(16,934,857)
Interest received		18,361	425
Interest paid		(6,200,867)	(5,990,414)
Net cash generated from operating activities	10	3,832,287	869,049
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		4,713	-
Payment for property, plant and equipment		(5,167,488)	(476,583)
Net cash used in investing activities		(5,162,775)	(476,583)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Loans advanced		3,328,464	3,743,232
Net cash used in financing activities		3,328,464	3,743,232
Net increase/(decrease) in cash held		1,997,976	4,135,698
Effect of exchange rate changes on cash		(1,084,713)	1,077,719
Cash on hand at beginning of the financial year		25,117,324	19,903,907
Cash on hand at end of the financial year	2	26,030,587	25,117,324

The accompanying notes form part of these financial statements.

**Church of Scientology Religious Education College Inc**  
**Financial Report for the Year Ended 31 December 2022**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

All the activities of the entity are based in the United Kingdom (UK) and there are no financial transactions between the Association's branches in the UK and in Australia.

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act). The committee has determined that the entity is not a reporting entity.

The financial statements have been prepared on the historical cost basis. They do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

**a. Income Tax**

No provision for income tax has been raised in Australia as the entity is exempt from income tax under of the Income Tax Assessment Act 1997 as its income is foreign source income derived entirely in the UK.

The entity is however subject to UK corporation tax which arises from the entity being resident for tax purposes in the UK.

The UK tax expense for the year comprises current UK tax expense (income) and deferred tax expense (income).

Current UK tax and deferred tax are recognised in income and expenditure except to the extent that they are recognised directly in equity or in other comprehensive income. Current UK tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the UK tax authorities.

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current UK tax and deferred tax expense (income) is charged or credited directly to equity instead of income and expenditure when the tax relates to items that are charged or credited directly to equity.

No deferred tax will be recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the UK tax rates that are expected to apply to the period when the asset is realised, or the liability is settled, and their measurement also reflects the manner in which the committee expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

**b. Property, Plant and Equipment (PPE)**

Each class of property, plant and equipment is carried at cost, less, where applicable, accumulated depreciation and any impairment losses.

**Plant and equipment**

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by the committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected new cash flows have not been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount.



# Church of Scientology Religious Education College Inc

## Financial Report for the Year Ended 31 December 2022

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

##### Depreciation

The depreciable amounts of all fixed assets including buildings and capitalised leased assets, but excluding freehold land and long leasehold, is depreciated at the following annual rates over the assets useful life to the entity commencing from the time the asset is held ready for use:

Class of Fixed Asset	Depreciation Rate
Buildings	5%
Building improvements	5%
Leasehold property	Equal instalments over the period of the lease
Fixtures and fittings	10% and 20%
Computer equipment	33.33%
Motor Vehicles	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are recognised immediately in income and expenditure.

#### c. Impairment of Assets

At the end of each reporting period, the committee reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

#### d. Cash on Hand

Cash on hand includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

#### e. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

#### f. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

#### g. Revenue and Other Income

Donations and income grants are recognised when the entity obtains control over the funds, which is generally at the time of receipt.

As reported in note 12, the Church does not account for deferred income on donations from parishioners in the UK because such donations are made unconditionally.

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

Grants received for fixed assets are deferred and recognised over the life of the asset.

## Church of Scientology Religious Education College Inc

### Financial Report for the Year Ended 31 December 2022

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

##### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Other income is recognised when the entity has earned the right to consideration.

##### h. Leases

At inception of a contract, the Entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Entity where the Entity is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Entity anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

##### j. Critical Accounting Estimates and Judgments

The committee members evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

The committee members evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

##### Key estimates

- a. Estimated life of fixed assets
- b. Residual value of fixed assets
- c. Market rate of loans from related entities

##### k. Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the entity during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

##### l. Amounts payable to Affiliated Organisations

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the entity during the reporting period that remain unpaid.

**Church of Scientology Religious Education College Inc**  
**Financial Report for the Year Ended 31 December 2022**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

m. **Foreign Currency translation**

**Functional currency and presentation currency**

The financial statements are presented in Australian dollars, being the presentation currency. The primary economic environment of the entity is the UK, with the functional currency being in Sterling Pounds.

**Transactions and balances**

In preparing the financial statement of the entity, transactions in currencies other than the functional currency are recognised at the spot rate at the dates of the transactions or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical costs in a foreign currency are not retranslated.

Exchange differences are recognised in the income and expenditure statement in the period in which they arise.

**Translation of the accounts into presentation currency.**

For the purpose of presenting the financial statements, the assets and liabilities are translated from their functional currency to Australian dollars using the closing exchange rate. Income and expenses are translated using the average rate for the period. Exchange differences arising on the translation of the accounts are recognised in the statement of changes in equity and are not reclassified to the income and expenditure statement.

**NOTE 2: CASH ON HAND**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Cash at bank – unrestricted	26,030,587	25,117,324
Total cash on hand	<u>26,030,587</u>	<u>25,117,324</u>

**NOTE 3: INVENTORIES ON HAND**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
At cost:		
Stock		
At historic cost on a first in, first out basis	2,132,411	2,225,981
	<u>2,132,411</u>	<u>2,225,981</u>

**NOTE 4: ACCOUNTS RECEIVABLE AND OTHER DEBTORS**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Corporation tax (UK)	3,287	3,435
Other debtors	4,963,570	1,210,736
	<u>4,966,857</u>	<u>1,214,171</u>

**Church of Scientology Religious Education College Inc**  
**Financial Report for the Year Ended 31 December 2022**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

**NOTE 5: FINANCIAL ASSETS**

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>NON-CURRENT</b>		
Investments in unlisted corporations - at cost	801,778	837,978

**NOTE 6: PROPERTY, PLANT AND EQUIPMENT**

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>LAND AND BUILDINGS</b>		
Land – at cost	9,207,669	9,207,669
Building and building improvements – at cost	119,659,265	114,803,768
Less accumulated depreciation	(20,096,702)	(17,933,427)
Total land and building improvements	108,770,232	106,078,010
<b>LEASEHOLD PROPERTY</b>		
Leasehold property and improvements – at cost	8,230,259	8,230,259
Less accumulated depreciation	(1,443,118)	(1,246,830)
Total leasehold property improvements	6,787,141	6,983,429
<b>PLANT AND EQUIPMENT</b>		
Fixtures and fittings – at cost	26,052,638	25,862,848
Less accumulated depreciation	(19,591,939)	(17,915,424)
Total plant and equipment	6,460,699	7,947,424
<b>MOTOR VEHICLES</b>		
Motor vehicles – at cost	2,278,420	2,278,420
Less accumulated depreciation	(2,278,420)	(2,278,420)
Total motor vehicles	-	-
Exchange difference on foreign translation	(4,260,524)	1,011,471
Total property, plant and equipment	117,757,548	122,020,334

**NOTE 7: ACCOUNTS PAYABLE AND OTHER PAYABLES**

	<b>2022</b>	<b>2021</b>
	\$	\$
Amounts owed to group undertakings	671,737	705,782
Deferred receipts on capital grant	225,280	258,099
UK VAT payable	111,872	154,978
Accruals and other creditors	3,842,018	7,567,436
Amounts payable to affiliated organisations:		
Church of Scientology International	34,338,201	28,978,187
Church of Scientology Flag Service Organisation	16,206,272	13,265,408
	55,395,380	50,929,890

**Church of Scientology Religious Education College Inc**  
**Financial Report for the Year Ended 31 December 2022**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

**NOTE 8: LOANS FROM RELATED ORGANISATIONS**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Loans from related organisations	85,513,479	85,895,091
	<u>85,513,479</u>	<u>85,895,091</u>

An analysis of the maturity of the loans is given below:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Amounts falling due in more than five years		
Repayable otherwise than by instalments:		
Other loans more than 5 years non-instalments	19,551,061	19,765,089
	<u>19,551,061</u>	<u>19,765,089</u>

**NOTE 9: LEASING COMMITMENTS**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Operating Lease Commitments</b>		
Being for rent of premises		
Payable – minimum lease payments:		
– not later than 12 months	53,333	55,741
– between 12 months and five years	53,333	111,483
– later than five years	-	-
	<u>106,666</u>	<u>167,224</u>

**NOTE 10: CASH FLOW INFORMATION**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Reconciliation of Cash Flows from Operating Activities with Net Current Year Surplus/deficit</b>		
Net current year surplus	(2,738,628)	(7,042,238)
Non-cash flows:		
Depreciation and amortisation expense	4,075,139	4,654,056
Loss on disposal of property, plant and equipment	79,321	(916)
Grant released	(280,729)	(290,386)
Changes in assets and liabilities:		
(Increase)/decrease in accounts receivable and other debtors	(3,804,461)	306,561
Increase/(decrease) in accounts payable and other payables	6,664,479	3,441,320
Increase/(decrease) in staff provisions	(1,989)	38,413
(Increase)/decrease in inventories on hand	(2,592)	85,563
(Increase)/decrease in prepayments	(158,253)	(323,324)
	<u>3,832,287</u>	<u>869,049</u>

**Church of Scientology Religious Education College Inc**  
**Financial Report for the Year Ended 31 December 2022**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

**NOTE 11: ENTITY DETAILS**

The registered office of the Entity is:

Church of Scientology Religious Education College Inc  
225 Pulteney St  
Adelaide, South Australia

The principal place of business is:

Church of Scientology Religious Education College Inc  
Saint Hill, East Grinstead  
West Sussex, England

**NOTE 12: RELATED PARTY TRANSACTIONS**

Church of Scientology Religious Education College Inc (COSRECI) and other churches in the UK and around the 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 AASB124 and FRS102. COSRECI received support by way of donations and purchases of goods and services from Church of Scientology International and its subsidiaries.

During the year, COSRECI received donations of \$9,771 (2021: \$1,693), purchased books and other literature to a value of \$1,079,312 (2021: \$854,963), and was charged \$2,488,425 (2021: \$2,445,498) for ecclesiastical management services and courses. Church of Scientology International also paid \$14,466 (2021: \$854,963) in respect of building and leasehold improvements and \$38,414 (2021: \$52,367) in respect of furniture and equipment additions, in addition payments of \$nil (2021: \$nil) were held on account for future building improvements. At the year end, \$107,835,636 (2021: \$105,767,096) was due to Church of Scientology International and its subsidiaries and of this amount \$36,616,327 (2021: \$34,451,964) is included in Note 7 under "Accruals and other creditors" and \$71,219,145 (2021: \$71,315,132) is included in Note 8 under "Loans from related organisations". Interest at the rate of 5% was charged on the loans.

At the year-end there were loans outstanding from Church of Scientology International of \$50,500,738 (2021: \$50,723,467) and is included in note 8 under "Loans from related organisations". The loan is to be repaid over a period of five years unless the term is extended by agreement. Interest of \$1,929,532 (2021: \$2,014,275) was charged in the year.

At the year-end there was a loan outstanding from Scientology International Reserves Trust of \$11,715,442 (2021: \$11,773,512) and this is shown in Note 8 under "Loans from related organisations". The loan is to be repaid over a period of five years unless the term is extended by agreement. Interest is chargeable at 5% p.a.

Church of Scientology Flag Service Organisation charged \$1,522,949 (2021: \$60,158) for courses provided to COSRECI. At the year end, \$16,206,270 (2021: \$13,948,606) was due to Church of Scientology Flag Service Organisation and this amount is included in Note 7. The amount had increased (2021: increased) in the period by interest charged of \$536,448 (2021: \$550,013) and was reduced in the period by repayments of \$nil (2021: \$11,271) and exchange differences of \$800,846 (2021: \$84,298).

In addition, COSRECI received donations from other churches amounting to \$724,759 (2021: \$534,558).

At the year-end there was a loan outstanding from Church of Scientology Celebrity Centre International of \$2,521,838 (2021: \$2,409,142) and this amount is shown in Note 7 under "Accruals and other creditors". The amount had increased (2021: increased) in the period by exchange differences of \$147,605 (2021: \$64,578) and interest charged of \$69,168 (2021: \$64,578). The loan is to be repaid over a period of ten years unless the term is extended by agreement.

At the year-end an amount of \$929,232 (2021: \$717,510) was due from Church of Scientology and Community Centre of Dublin and is included within "Other Debtors" in note 4.

At the year-end an amount of \$142,094 (2021: \$135,504) was due from Church of Scientology of Munich and is included within "Other Debtors" in note 4.

At the year-end an amount of \$351,844 (2021: \$473,125) was due from NEPI and is included within "Other Debtors" in note 4.

The amount of \$671,737 (2021: \$705,782) shown as due to group undertakings disclosed in note 7 to the financial statements relates to the balance due to the subsidiary company, Nesta Investments Limited. COSRECI rents a property from Nesta Investments Limited, on a 50-year lease at a peppercorn rent.

**Church of Scientology Religious Education College Inc**  
**Financial Report for the Year Ended 31 December 2022**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

During the year contributions towards office costs of \$nil (2021: \$3,285) were received from SOR Services (UK) Limited. UK Buildings and Land Limited, a company limited by guarantee which has a member who is a trustee of COSRECI, acquired properties in 2011 which have been let to COSRECI on 50-year lease at a peppercorn rent.

**NOTE 13: CONTINGENT LIABILITY**

The entity does not account for deferred income in the United Kingdom because donations are made unconditionally. While the entity has a policy of providing spiritual assistance and training in exchange for donations, this is based on internal religious practice and policy only and deferring income would be misleading to the users of this report. The amount to which there may be a contingent liability for undelivered religious services in the UK is \$66.7m (2021: \$69.1m).

**NOTE 14: CONTINGENT ASSET**

Following appeals against prior year rates demands on various Church buildings in the UK, two of the claims have been settled in the period since the 31 December 2022 and the refunds included in the accounts as adjusting post-balance sheet events. There are still outstanding claims to be settled, which due to the previous rulings by the courts in favour of the Church, will mean that further rates refunds will be made relating to prior years, but at the current time the amounts are unascertainable.

**NOTE 15: CAPITAL COMMITMENTS**

There were no capital commitments at the year end.

**NOTE 16: GOING CONCERN**

The trustees consider the going concern basis to be appropriate for the preparation of these financial statements. The vast majority of current liabilities are amounts owed to other Scientology organisations, with whom there has always been mutual cooperation and who are unlikely to seek repayment to the detriment of other creditors. Church of Scientology Religious Education College Inc maintain healthy balances with the bank and the trustees are confident that Church of Scientology Religious Education College Inc are in a position to be able to pay debts when they fall due.

Church of Scientology Religious Education College Inc  
Financial Report for the Year Ended 31 December 2022

COMMITTEE'S DECLARATION

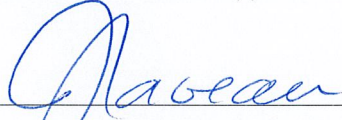
The committee of the registered entity declares that in the committee's' opinion:

The financial statements and notes, as set out on pages 1 to 14 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:

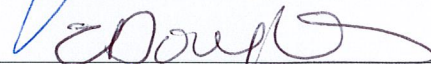
- a. comply with Australian Accounting Standards; and
- b. give a true and fair view of the financial position of the registered entity as at 31 December 2022 and of its performance for the year ended on that date.

There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

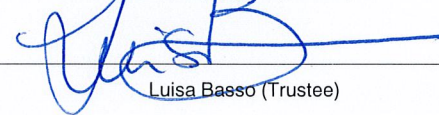
This declaration is signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



Janet Laveau (Trustee)



Emma Douglas (Trustee)



Luisa Basso (Trustee)

Dated this 30 day of July 2023



**Church of Scientology Religious Education College Inc**  
**Financial Report for the Year Ended 31 December 2022**  
**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CHURCH OF SCIENTOLOGY**  
**RELIGIOUS EDUCATION COLLEGE INC**

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of Church of Scientology Religious Education College Inc Not For Profit (ACNC Non-reporting) (the registered entity), which comprises financial position as at 31 December 2022, the statement for profit and loss and other comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the committees' declaration.

In our opinion, the accompanying financial report of Church of Scientology Religious Education College Inc Not For Profit (ACNC Non-reporting) has been prepared in accordance with Div. 60 of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act), including:

- (i) giving a true and fair view of the registered entity's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and Div. 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the ACNC Act, the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter – Basis of Accounting**

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

**Responsibilities of the Committee for the Financial Report**

The committee of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the committee determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee are responsible for assessing the registered entity ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

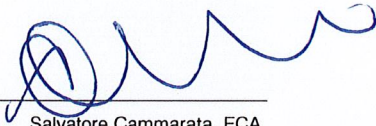
As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

**Church of Scientology Religious Education College Inc**  
**Financial Report for the Year Ended 31 December 2022**

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the registered entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Name of auditor: Salvatore Cammarata, FCA

Auditor's Registration No: 13521

Name of firm: Prudential Partners  
Chartered Accountants

Address: Level 5, 67 Castlereagh Street, Sydney NSW 2000

Date: 30th June 2023

Church of Scientology Religious Education College Inc  
Financial Report for the Year Ended 31 December 2022

DECLARATION FOR RESPONSIBLE PERSONS CONFIRMING THEY ARE NOT DISQUALIFIED UNDER  
GOVERNANCE STANDARD 4

I, Janet Laveau

of Fonthill Lodge, East Grinstead, West Sussex, RH19 4LY

declare that:

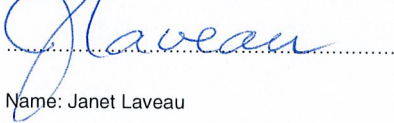
- I am not disqualified from managing a registered entity, under the *Associations Incorporation Act 1985* (South Australia) and
- I have not been disqualified by the Australian Charities and Not-for-profits Commissioner at any time during the previous year from being a responsible person (what the ACNC Act calls a 'responsible entity') of a registered charity.

While I am a Responsible Person for Church of Scientology Religious Education College Inc, I agree to notify this charity as soon as possible if I do become disqualified from managing the registered entity under the *Associations Incorporation Act 1985* (South Australia) or am disqualified by the Australian Charities and Not-for-profits Commissioner. Responsible persons are the members of a charity's governing body who share responsibility for the governance of the charity (called 'responsible entities' under the ACNC Act).

Declared at: Fonthill Lodge, East Grinstead, West Sussex, RH19 4LY.

On: 30 June / 2023

Signature:



Name: Janet Laveau

Position: Trustee