

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Financial Statements

For the Year Ended 30 June 2019

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Contents

For the Year Ended 30 June 2019

	Page
Financial Statements	
Responsible Entities' Declaration	1
Auditors Independence Declaration under Division 60.40 of the Australian Charities and Not-for-profits Commission Act 2012	11
Statement of Profit or Loss and Other Comprehensive Income	12
Statement of Financial Position	13
Statement of Changes in Equity	14
Statement of Cash Flows	15
Notes to the Financial Statements	16
Directors' Declaration	36
Independent Audit Report	37

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Responsible Entities' Declaration

30 June 2019

Responsible Entities' Declaration 30 June 2019

Shanti Mission Harmony Centres Limited ABN: 76 116 997 392.

We are a centre for meditation, healing, community, connection, peace, positive psychology and self-awareness. We conduct training programs for therapists in specific modalities and techniques which assist people to manage pain, chronic fatigue, depression, anxiety and many other conditions affecting their daily lives. We teach techniques to people suffering from sickness, distress, disability and helplessness irrespective of whether such helplessness results from poverty, misfortune or other causes. We conduct regular healing clinics for people suffering from such conditions. We run many of our programs by donation and all our programs at rates significantly lower than those offered on a commercial basis elsewhere.

We have established a very large suite of teaching and spiritual/emotional tools and aides drawn from many diverse world spiritual traditions which we continue to update, add to and make available to hundreds of people who have trained with us as teachers and therapists over the past 15 years. These materials are a significant resource and have helped thousands of people, from all walks of life and across all socio-economic groups who have attended our courses and workshops, to find greater inner peace; in many cases, substantial relief from suffering and in most cases an increased sense of wellbeing.

In the 2019 financial year whilst "head office" remained at the Abode of Peace premises at 45 Kings Road, Cooranbong, regular Shanti Mission activities were also conducted at Canyonleigh and in Sydney. Our teachers, who operate independently, were again very active building, visiting and/or working with numerous communities in Australia, USA, Canada, China, India and UK. Some details of these activities appear later in this report.

A study undertaken by a researcher at Curtin University several years ago of numerous Australian entities identified Shanti Mission as a classic, and at that time its best, example of a "Cluster Organization". The reason for Shanti Mission being seen as a Cluster organization is the way in which it has so many programs, points of focus, geographic areas in which it operates and then the way in which the people it has trained run their own projects in Australia and other countries using what they have learnt to achieve the broadly aligned objectives of Shanti Mission; namely, to bring healing, relief from suffering as noted above and a sense of inner peace to the very large numbers of people with whom they and Shanti Mission interact.

During the 2019 financial year it became even more apparent than previously that many people now wish to access Shanti Mission programs via online and digital means. To meet this demand, it has been necessary to adapt content into a format suitable for online meditations, teachings and some workshops and to address Australian internet delivery challenges. This necessitated a great deal of work by our staff and volunteers, numerous recording sessions, photo shoots and additional training sessions for online presentation and digital marketing solutions. The combined result is Shanti Mission, Shakti Durga and many of our other independent teachers substantially increased their online programs, online healings, and meditations during FY 19 and by this means helped people in need.

The significance of the digital era on the way in which relief and teaching can be given to people cannot be under-estimated; our head teacher, Shakti Durga, has over 80,000 followers on Facebook and regularly has online audiences of hundreds, sometimes thousands, of people for meditations or skill based teachings for relief of suffering.

As the internet demand has grown, attendances at events have diminished. This has been good because the work is spreading to more people (in a different way) but it has not been so good because it seems people's preferences for course work has also changed. This in turn has led to a downward slide in the Shanti Mission revenue. The Board and management have spent considerable time trying to understand the various factors which are influencing the way in which Shanti Mission is fulfilling its role and undertaking our work; these include:

- Prevalence in the market of online content.
- Consumer preference has changed from weekend workshops to short grabs of information available at times that suit them.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

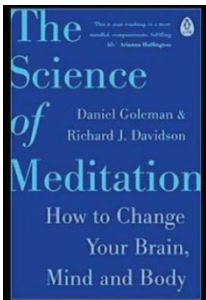
Responsible Entities' Declaration

30 June 2019

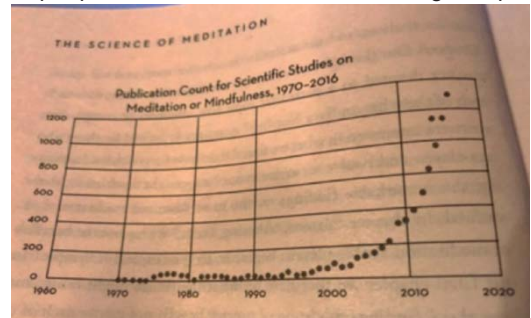
- Expansion of competitive products and services, both nationally and internationally. The latter is seen by us as a good thing; lives are changing and people are more able to find support in an area where we were trail blazers in the early 2000's. Many people providing that support were trained by Shanti Mission and are doing a great job.
- The need to put more emphasis on programs and activities which address the community need for help with relief of depression, stress, anxiety, pain and other medical symptoms, as well as help with emotional regulation, self-esteem and relationship skills. Also, a need to partner with medical practices to deliver such services in an affordable way, especially to those with a health services card.

Shanti Mission started the following initiatives in FY 19 to address these issues and these are continuing in FY 20:

- Reviewing in a methodical way the extensive suite of course materials and updating content.
- Including relevant content from academic and scientific research undertaken over the past 10 years about the benefits of meditation and positive psychology techniques.
- Reshaping how programs can best be presented for the needs of people in 2020. This includes tailoring and putting course content into smaller modules, changing the order of teaching, "modernizing" content and updating graphics and worked examples.
- Creating a clear separation between such programs and those relating to significant personal transformation and/or spiritual development.



This task will take a considerable amount of time as there has literally been an explosion of scientific studies in the area of meditation and positive psychology from relatively few in the 1990's to approximately 16,000 studies done in 2016. This statistic appears in "The Science of Meditation" by Goleman and Davidson. Those authors undertook a meta-analysis of 47 studies of meditation done at John Hopkins University and were able to reach a scientifically based conclusion that meditation lessens anxiety, depression and pain, equal to medication and without side effects.



We knew when we started in the early 2000's that the work we do in Shanti Mission has extremely important positive effects upon health and wellbeing and the relief of suffering from sickness, distress, disability and helplessness. It is gratifying that so much scientific research has been undertaken in the intervening years and that much of our work is now "mainstream" even to the extent that meditation is mandated in government departments and schools in England.

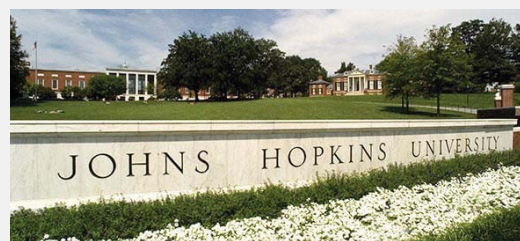
We have not previously included anecdotal evidence of the success of our work in this report, but it is now timely to do so as it is in alignment with those scientific studies. What follows is a small selection of content from letters and emails from clients and students (names changed to protect identity) telling us how their life turned around through their activities in Shanti Mission.

"...Life has its challenges of course, and I have moved on to the next round in the spiral of 'stuff', but it is so good to know that I will always know what to do if I ever get unwell with depression again. I no longer beat myself about having had to take anti-depressants in the first place. I'm sure it was attending the IYS1 seminar that made the difference, and that was not even specifically directed at depression. So, I am completely thrilled by the idea of a program at [location] specifically designed to address this problem. If I can do this with remote tools, imagine how very powerful a week will be in person!"

META ANALYSIS

47 studies of meditation showed it lessens anxiety, depression and pain, equal to medication

The degree of improvement was about as much as for medications, but without troubling side effects



Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Responsible Entities' Declaration

30 June 2019

Meditation, the constant support of your books and even remote IYS healings all mean it's all available to me (and lots of others) all the time. Thank you so much." Kate

"My GP diagnosed depression and prescribed medication – I tried two different drugs (each for one week only) before discontinuing them due to unbearable side effects. I also saw a psychologist which was helpful. Soon after I was referred to Ignite Your Spirit therapy. Though a little sceptical initially I was open to it as my depression was not improving. From the second session I began to notice lightness in my body and less anxiety. As the sessions continued my mood improved, my self-confidence increased and I moved into a much more fulfilling job. Domestic life was challenging but I found that I could move through this and make right decisions. Sessions were conducted over Skype and this did not affect treatment efficacy. I have come through this whole process feeling happier, lighter and my depression is completely gone.

Arthur, NSW

A domestic assault triggered PTSD; I felt 'broken' on so many levels. Over the next two years, I endured many losses and developed severe depression, anxiety and other emotional health issues. IYS therapy prevented me from acting out suicidal ideations and to shift out of 'victim consciousness'. I am now depression free and eternally grateful to this healing modality.

Lisa, NSW

All my life I have suffered anxiety. In recent years I would wake up every morning in fear. Following four treatments, I no longer wake up to the dread of fear. My life is now full of peace and gratitude. My life is a miracle. Forever grateful.

Chris, NSW

As well as meditation, we also use energy healing to help people flourish. Two Meta-Analyses of noncontact Healing Studies conducted by Chris A. Roe, Charmaine Sonnex and Elizabeth Roxburgh of the Centre for the Study of Anomalous Psychological Processes University of Northampton ([http://www.explorejournal.com/article/S1550-8307\(14\)00204-3/pdf](http://www.explorejournal.com/article/S1550-8307(14)00204-3/pdf)) have found benefits across multiple studies. They looked at studies on whole humans, as well as studies on cells, plants and animals, where the placebo effect would not be a factor. They excluded studies that did not meet benchmarks for scientific conditions. Their results suggest that subjects in the active condition (who had non-contact energy healing or prayer) exhibit a significant improvement in wellbeing relative to control subjects under circumstances that do not seem to be susceptible to placebo and expectancy effects. Findings with the whole human database gave a smaller mean effect size but this was still significant.

Our work in Shanti Mission also makes use of findings from positive psychology. There are now numerous studies as to the beneficial effects of forgiveness, gratitude, kindness, compassion and vulnerability. We utilize tools and techniques based upon these scientific studies to effect very positive outcomes for clients. We have set out some explanations about this field.

"Positive psychology draws on science to enhance the core components of well-being: positive emotion, engagement, relationships, meaning and achievement, known by the acronym, PERMA."

"...Some illuminating findings about the mind-body connection related to the complex ways in which psychosocial factors can impact on our physical health. For example, it is known that adverse circumstances such as social isolation, low socio-economic status, early life trauma, chronic stress or being diagnosed with cancer can impact on the expression (or switching on and off) of several hundred genes related to a chronic inflammation response. This response, especially when it persists over several years, is characteristically associated with greater physical health problems and reduced longevity. However, scientific evidence now shows that we can limit these negative effects at a physical, molecular level of gene activity when we enjoy a particular type of well-being."... "if we experience eudaimonic well-being, related to such things as having a strong sense of meaning and life purpose, we can help contain the inflammation response and its harmful impact. As far as our body responds, it is not the amount of happy pleasure we feel, but the more spiritual aspects of wellbeing that count the most."

(<https://www.chrismackey.com.au/advances-in-positive-psychology/>)

The wellbeing referred to is what the work of Shanti Mission has been about since its inception. Our Ignite Your Spirit energy healing, the Path of Ease and Grace training system and our spiritual events and practices are all designed to promote eudaimonic well-being, and we have hundreds of testimonials of the beneficial impacts that our programs have on people suffering from a diverse range of issues and problems. There are now a range of scientific papers based upon studies undertaken throughout the world which verify the importance of meditation, community, compassion, spirituality, specific breathing techniques to help the nervous system and so on.

In addition to the meditation and healing work, we have also researched and extracted tools for growth and healing from the world's main spiritual traditions, offering insight into how to use them for wellbeing and personal strength.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Responsible Entities' Declaration

30 June 2019

This work has been brought into focus as our teachers have been travelling in China where wellbeing is needed. We have also been bringing the work that was developed for China into the local area and it has had a positive reaction. Presentations of our evolved work to local doctors were well received and as of January 2020 they have begun to refer patients to the wellness part of the work.

In conclusion, to enable and allow this part of the charity to grow, we will need to re- imagine the way Shanti Mission presents to the world. This may necessitate a name change to bring us more into the 'pocket' of what the society is now looking for, so we can spread our work of healing and inner peace more effectively.

VOLUNTEERING

There are over 100 people who consistently offer volunteer service to Shanti Mission in many ways and places which enables Shanti Mission to deliver its charitable services and other activities to the broader community. The directors greatly appreciate all the services provided by these people as it would not be possible to function effectively without this help which is given with such generosity and joy.

In 2017 we renovated the building in Cooranbong, in which we have our main operations, to facilitate not just in-house programs but also outreaching to teachers, healers, yogis and spiritual masters who are aligned to our multi-faith inclusive philosophy for peace and wellbeing. While there was some uptake, it was not substantial. A further re-imagining of the space is currently being undertaken, to bring it into alignment with a more traditional wellness look and feel.

The lease was due to expire in March 2020 and the directors were considering not renewing it. However, in January 2020, a new agreement was reached which allowed us to rent enough space for our immediate purposes at a significantly reduced rental. This will carry us through to March 2021.

THE SHANTI MISSION COMMUNITY AND OUR REGULAR, IN-HOUSE ACTIVITIES

Here is a snapshot of our in-house activities for FY 19.

In FY 19 Shanti Mission had just over 3540 (down from 3850 in FY 18, 3,570 in FY 17 and 2,800 in FY 16) people registered to receive our regular email and event updates. There were 36 (down from 85 in FY 18, 80 in FY 17 and 74 in FY 16) teachers registered to teach some or all the Path of Ease and Grace Seminars and 63 (down from 85 in FY 18, 110 in FY 17 and 107 in FY 16) registered IYS therapists.

Our staff and volunteers undertake a head count of attendees at most of the regular events or activities undertaken and the following details are provided to give an appreciation of levels of activity during FY 18.

Abode of Peace- there were 9,691 attendees at our programs which included 2,646 attending Satsang on Sunday mornings and 127 attending Path of Ease & Grace seminars. There were 16 attendees at Therapist Training. Self-Realisation training and the Make A Difference course were not run in FY 19. There were 403 attendances by members of the public at the Healing Clinic and 1172 attendances at Fire Pujas. In FY 19 there were regular weekly evening meditations and several other evening programs such as Sound Bath, Abishekham and Fire Puja which were well supported and greatly appreciated by those who attended.

Southern Highlands- there were over 916 attendees at our programs which included 520 attending Satsang on Sunday mornings, 46 attending Path of Ease & Grace seminars. There were 45 attendances by members of the public at the Healing Clinic.

Sydney centre at Henley- there were over 2,122 attendees at our programs which included 1,735 attending Satsang on Sunday mornings and 104 attendances at Path of Ease & Grace seminars. There were 51 attendances by members of the public at the Healing Clinic.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Responsible Entities' Declaration

30 June 2019

Henley

We have continued to work through the hall at Henley in Sydney. The space is permanently rented for Sundays each week. Attendance remains satisfactory. Short programs are offered in addition to satsang each Sunday.

Harmony Farm

Over the past year despite upgrading the farmland and orchard, attendances have fallen at the Southern Highlands farm. Community feedback is that: there is no permanent teacher living in the region, the farm is too isolated and too far to come for programs, there is no accommodation. Further, the upkeep and maintenance expenses for the farm are a drain upon the resources of the charity.

After giving a lot of weight to the fact the farm had been a gift, the Board nevertheless decided it was prudent and necessary to sell it and resolved to place it on the market with a local agent. This decision was first communicated to the benefactor and then to our Southern Highlands community who will now be served with online programs from Cooranbong and with visits by teachers utilizing public spaces.

Shanti Mission communities in Australia

There are also a number of communities across Australia which ran regular programs and activities for members of their respective communities throughout the year. These communities deserve our congratulations for their efforts and for the way in which they enhance the general wellbeing of people in their regions and districts.

SHAKTI DURGA RETREATS AND INTERNATIONAL ACTIVITIES

The teachings of Shakti Durga are disseminated at retreats which she arranges and runs in Australia and other countries; they are undertaken by Higher Guidance Pty Ltd and other entities separate to Shanti Mission. For this reason, what follows does not form part of the financial reporting of Shanti Mission and is included by us in good faith and for general information purposes only.

India

Retreats in India held in September 2018 and March 2019 were uplifting and fulfilling for participants and staff.

China

In the past 12 months Shakti Durga and several other team members have been teaching her work in China. They have met tens of thousands of people online and taught several hundred students at seminars in China during the past 2 years. The programs taught in China focus upon wellness and include relationships, positive psychology, meditation and inspirational music content.

Shanti Mission America

Shanti Mission America ("SMA") is a U.S. corporation, incorporated in the State of Connecticut. It is recognized as a charity by the IRS with s501c3 status, which means it is tax-exempt and donations are tax deductible. SMA is also registered as a charity by the Secretary of State in Connecticut.

There are over 350 people in the SMA database and regular activities were undertaken in Connecticut, Colorado, New York, Myrtle Beach and San Diego.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Responsible Entities' Declaration

30 June 2019

2. General information

The names of each person who has been a director during the year and to the date of this report are:

Shakti Durga

Qualifications

Degree in Law and Economics

Experience

Has practiced as a barrister in NSW for 17 years. She has also studied a range of alternative and complementary healing modalities and learned meditation with various spiritual teachers in Australia, India, Bali, and the Philippines. She is an expert on meditation, the human energy field, personal development, motivation and alternative health. She has created numerous meditation and relaxation CD's and has written 5 books.

Special responsibilities

Director

Shiva Kata Tjuta (Hugh Keller)

Qualifications

Degree in law and practising as a Solicitor with a leading law firm for 40 years until July 2010

Experience

He has served as a director of an ASX listed company, several large proprietary companies and numerous other smaller companies. He also served for 10 years as chairman of a superannuation fund which grew from 1,200 to 1,600 members during this time.

Special responsibilities

Chair, member of the Compliance Committee

Rachel Anderson

Special responsibilities

Appointed 21 September 2015

Director

Jennifer Nurick

Special responsibilities

Appointed 23 September 2015

Resigned 11 January 2019

Director

Del King

Special responsibilities

Appointed 10 September 2015

Resigned 8 December 2018

Director

Sioux Burns

Special responsibilities

Appointed 10 September 2015

Resigned 19 December 2018

Director

Jagatambe Narayani

Special responsibilities

Appointed 12 September 2015

Resigned 14 December 2018

Director

Bhadra Kali (Joanne McKay)

Special responsibilities

Appointed 10 September 2015

Director

Sheila Fawns

Special responsibilities

Appointed 23 May 2019

Director

Patricia Lyon

Special responsibilities

Appointed 15 September 2016

Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Responsible Entities' Declaration

30 June 2019

Principal activities

The principal activities of the Group during the financial year were running a school for:

- Training teachers, therapists and members of the public in techniques for personal transformation, meditation, energy based healing, diverse oral traditions and spiritual practices;
- Assisting people to manage pain, chronic fatigue, depression, anxiety, disability, helplessness and other conditions affecting their daily lives by using meditation and positive psychology techniques and running regular healing clinics and courses.

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

Members' guarantee

Shanti Mission Harmony Centres Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 200.

At 30 June 2019 the collective liability of members was \$ 1,200 (2018: \$ 1,800).

Meetings of directors

During the financial year, 5 meetings of directors were held.

Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Shakti Durga	5	5
Shiva Kata Tjuta	5	4
Rachel Anderson	5	4
Jennifer Nurick	1	-
Del King	1	-
Sioux Burns	1	1
Jagatambe Narayani	1	-
Bhadra Kali (Joanne McKay)	5	3
Sheila Fawns	1	1
Patricia Lyon	5	3

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Responsible Entities' Declaration

30 June 2019

Indemnification and insurance of officers and auditors

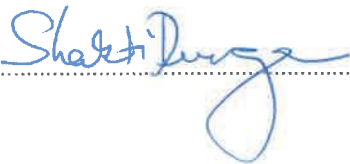
The Company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company.


The amount of the premium is not disclosed due to the terms of the insurance contracts to protect commercially sensitive information of the Company.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with Division 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012*, for the year ended 30 June 2019 has been received and can be found on page 11 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 

Director: 

 Dated ~~30~~ 30 January 2020

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Auditors Independence Declaration under Division 60.40 of the Australian Charities and Not-for-profits Commission Act 2012 To the Directors of Shanti Mission Harmony Centres Limited and Controlled Entities

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

- (i) no contraventions of 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) no contraventions of any applicable code of professional conduct in relation to the audit.



Neil Watson
Partner
KLM Accountants

29 January 2020

Charlestown, NSW

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2019

	Note	Parent		Consolidated	
		2019	2018	2019	2018
		\$	\$	\$	\$
Revenue	4	948,410	1,200,787	948,410	1,200,787
Finance income		314	321	314	321
Raw materials and consumables used		(184,089)	(275,539)	(184,089)	(275,539)
Employee benefits expense		(309,321)	(396,953)	(309,321)	(396,953)
Depreciation and amortisation expense		(53,777)	(44,171)	(53,777)	(44,171)
Other expenses		(394,209)	(383,914)	(394,209)	(383,914)
Finance expenses		(14,807)	(15,960)	(14,807)	(15,960)
Profit before income tax		(7,479)	84,571	(7,479)	84,571
Income tax expense		-	-	-	-
Profit from continuing operations		(7,479)	84,571	(7,479)	84,571
Profit for the year		(7,479)	84,571	(7,479)	84,571
Other comprehensive income, net of income tax					
Total comprehensive income for the year		(7,479)	84,571	(7,479)	84,571

The accompanying notes form part of these financial statements.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Statement of Financial Position

As at 30 June 2019

Note	Parent		Consolidated		
	2019	2018	2019	2018	
	\$	\$	\$	\$	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	39,351	91,714	39,351	91,714
Trade and other receivables	7	13,399	6,127	13,399	6,127
Inventories	8	35,481	37,397	35,481	37,397
Other assets	9	1,699	3,170	1,699	3,170
TOTAL CURRENT ASSETS		89,930	138,408	89,930	138,408
NON-CURRENT ASSETS					
Property, plant and equipment	10	1,515,223	1,573,652	1,515,223	1,573,652
Intangible assets	11	6,763	5,687	6,763	5,687
TOTAL NON-CURRENT ASSETS		1,521,986	1,579,339	1,521,986	1,579,339
TOTAL ASSETS		1,611,916	1,717,747	1,611,916	1,717,747
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	12	70,731	130,984	70,731	130,984
Borrowings	13	209,434	218,484	209,434	218,484
Employee benefits	14	23,931	23,700	23,931	23,700
Other financial liabilities	15	4,468	7,091	4,468	7,091
TOTAL CURRENT LIABILITIES		308,564	380,259	308,564	380,259
NON-CURRENT LIABILITIES					
TOTAL LIABILITIES		308,564	380,259	308,564	380,259
NET ASSETS		1,303,352	1,337,488	1,303,352	1,337,488
EQUITY					
Reserves		453,514	473,140	453,514	473,140
Retained earnings		849,838	864,348	849,838	864,348
TOTAL EQUITY		1,303,352	1,337,488	1,303,352	1,337,488

The accompanying notes form part of these financial statements.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Statement of Changes in Equity For the Year Ended 30 June 2019

2019	Parent		
	Retained Earnings	Asset Revaluation Surplus	Total
Note	\$	\$	\$
Balance at 1 July 2018	864,348	473,140	1,337,488
Prior year processing	(7,031)	-	(7,031)
Surplus / (deficit) for the year	(7,479)	-	(7,479)
Revaluation increment (decrement)	-	(19,626)	(19,626)
Balance at 30 June 2019	849,838	453,514	1,303,352

2018	Parent		
	Retained Earnings	Asset Revaluation Surplus	Total
Note	\$	\$	\$
Balance at 1 July 2017	769,288	467,649	1,236,937
Surplus / (deficit) for the year	84,571	-	84,571
Revaluation increment (decrement)	10,489	5,491	15,980
Balance at 30 June 2018	864,348	473,140	1,337,488

2019	Consolidated		
	Retained Earnings	Asset Revaluation Surplus	Total
Note	\$	\$	\$
Balance at 1 July 2018	864,348	473,140	1,337,488
Prior year processing	(7,031)	-	(7,031)
Surplus / (deficit) for the year	(7,479)	-	(7,479)
Revaluation increment (decrement)	-	(19,626)	(19,626)
Balance at 30 June 2019	849,838	453,514	1,303,352

2018	Consolidated		
	Retained Earnings	Asset Revaluation Surplus	Total
Note	\$	\$	\$
Balance at 1 July 2017	769,288	467,649	1,236,937
Surplus / (deficit) for the year	84,571	-	84,571
Revaluation increment (decrement)	10,489	5,491	15,980
Balance at 30 June 2018	864,348	473,140	1,337,488

The accompanying notes form part of these financial statements.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Statement of Cash Flows
For the Year Ended 30 June 2019

	Parent		Consolidated	
Note	2019	2018	2019	2018
	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	938,515	1,207,365	938,515	1,207,365
Payments to suppliers and employees	(962,537)	(1,097,085)	(962,537)	(1,097,085)
Interest received	314	321	314	321
Net cash provided by/(used in) operating activities	(23,708)	110,601	(23,708)	110,601
23				
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of property, plant and equipment	(19,605)	(147,160)	(19,605)	(147,160)
Net cash provided by/(used in) investing activities	(19,605)	(147,160)	(19,605)	(147,160)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayment of borrowings	(9,050)	(12,737)	(9,050)	(12,737)
Net cash provided by/(used in) financing activities	(9,050)	(12,737)	(9,050)	(12,737)
Net increase/(decrease) in cash and cash equivalents held	(52,363)	(49,296)	(52,363)	(49,296)
Cash and cash equivalents at beginning of year	91,714	141,010	91,714	141,010
Cash and cash equivalents at end of financial year	39,351	91,714	39,351	91,714
6				

The accompanying notes form part of these financial statements.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2019

The financial report include the consolidated financial statements and notes of Shanti Mission Harmony Centres Limited and controlled entities (the Group) and the separate financial statements and notes of Shanti Mission Harmony Centres Limited as an individual parent entity (Parent), incorporated and domiciled in Australia. Shanti Mission Harmony Centres Limited is a not-for-profit Company limited by guarantee.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

(b) Income Tax

Shanti Mission Harmony Centres Limited is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

The controlled entities, Shanti Organisation Pty Ltd and Shanti Vision Pty Ltd are not exempt from income tax and therefore the following accounting policy is relevant.

The tax expense recognised (if any) in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(b) Income Tax

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Group and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Donations

Donations, festival income and bequests are recognised as revenue when received. If conditions are attached to the donation, the recognition of the donation as revenue will be deferred until the conditions are met.

Donated assets are recognised in the statement of profit or loss and other comprehensive income for the fair value of the consideration of the donated assets received.

Building fund donations are initially recognised as a liability. The liability is reduced and donations are recognised as revenue to match expenditure.

Interest revenue

Interest is recognised using the effective interest method.

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(d) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(f) Property, Plant and Equipment

Classes of property, plant and equipment are carried at cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Land and buildings are measured using the revaluation model.

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(f) Property, Plant and Equipment

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	10%
Plant and Equipment	20 - 50%
Motor Vehicles	10 - 12.5%
Computer Equipment	20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be sold within 12 months after the end of the reporting period.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Impairment of financial assets

At the end of the reporting period the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(h) **Impairment of non-financial assets**

At the end of each reporting period the Group determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(h) Impairment of non-financial assets

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(j) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(k) Excess of current liabilities over current assets

At 30 June 2019, the Group's current liabilities (\$308,564) exceed its current assets (\$89,930) by \$218,634. Notwithstanding this deficiency, the financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the extinguishment of liabilities in the ordinary course of business.

The bank overdraft balance at 30 June 2019 was \$209,434 (2018: \$218,484) and is classified as a current liability as it is repayable on demand.

The directors have considered the going concern basis appropriate with consideration to the following:

- Shanti Mission has planned an extensive calendar of events for FY20 and expects an increasing number of people to attend the programs during this time.
- Shanti Mission Harmony Centre's budget for the 2020 financial year is forecasting a small surplus.
- Rationalisation of assets will result in a reduction in borrowings and interest expense.

It is with full consideration of the factors noted above that the financial statements have been prepared on a going concern basis.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(l) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 30 June 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

(m) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2019

4 Revenue and Other Income

	Parent		Consolidated	
	2019	2018	2019	2018
	\$	\$	\$	\$
Shop sales	44,597	82,708	44,597	82,708
HC courses and events	404,026	543,826	404,026	543,826
Other donations	361,875	482,358	361,875	482,358
Other courses and retreats	41,235	25,672	41,235	25,672
Rent received	56,280	48,366	56,280	48,366
Events and festivals	913	1,920	913	1,920
Other income	18,211	(1,164)	18,211	(1,164)
Teacher / Therapist fees	12,548	17,101	12,548	17,101
	939,685	1,200,787	939,685	1,200,787
Finance income				
- Interest received	314	321	314	321
- other trading revenue	8,725	-	8,725	-
	948,724	1,201,108	948,724	1,201,108

5 Result for the Year

Cost of sales	184,089	275,539	184,089	275,539
Finance costs	14,807	15,960	14,807	15,960
Write off of financial assets	-	(6,784)	-	(6,784)

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2019

6 Cash and cash equivalents

	Parent		Consolidated	
	2019	2018	2019	2018
	\$	\$	\$	\$
Cash at bank and in hand	22,784	75,147	22,784	75,147
Short-term deposits	16,567	16,567	16,567	16,567
	39,351	91,714	39,351	91,714

Security deposit guarantee

A security deposit guarantee is held over cash at bank and short-term deposits to the value of the following:

- \$15,937 in favour of James Cook Seafood Pty Ltd.

7 Trade and other receivables

CURRENT				
Trade receivables	2,158	3,202	2,158	3,202
GST receivable	8,897	2,545	8,897	2,545
Other receivables	2,344	380	2,344	380
	13,399	6,127	13,399	6,127

8 Inventories

CURRENT				
At cost:				
Stock on hand	35,481	37,397	35,481	37,397
	35,481	37,397	35,481	37,397

9 Other non-financial assets

CURRENT				
Prepayments	1,699	3,170	1,699	3,170

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2019

10 Property, plant and equipment

	Parent		Consolidated	
	2019	2018	2019	2018
	\$	\$	\$	\$
Buildings				
At fair value	1,347,443	1,340,667	1,347,443	1,340,667
Accumulated depreciation	(97,443)	(90,667)	(97,443)	(90,667)
Total buildings	1,250,000	1,250,000	1,250,000	1,250,000
Total land and buildings	1,250,000	1,250,000	1,250,000	1,250,000
PLANT AND EQUIPMENT				
Capital works in progress				
At cost	147,852	138,492	147,852	138,492
Plant and equipment				
At cost	154,963	151,097	154,963	151,097
Accumulated depreciation	(103,498)	(84,609)	(103,498)	(84,609)
Total plant and equipment	51,465	66,488	51,465	66,488
Furniture, fixtures and fittings				
At cost	24,905	24,145	24,905	24,145
Accumulated depreciation	(17,697)	(15,506)	(17,697)	(15,506)
Total furniture, fixtures and fittings	7,208	8,639	7,208	8,639
Computer equipment				
At cost	8,135	5,199	8,135	5,199
Accumulated depreciation	(5,823)	(5,199)	(5,823)	(5,199)
Total computer equipment	2,312	-	2,312	-
Leasehold improvements				
At cost	177,707	175,820	177,707	175,820
Accumulated depreciation	(121,321)	(65,787)	(121,321)	(65,787)
Total leasehold improvements	56,386	110,033	56,386	110,033
Total plant and equipment	265,223	323,652	265,223	323,652
Total property, plant and equipment	1,515,223	1,573,652	1,515,223	1,573,652

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2019

10 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

Parent and Consolidated	Capital Works in Progress	Land & Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Computer Equipment
	\$	\$	\$	\$	\$
Year ended 30 June 2019					
Balance at the beginning of year	138,492	1,250,000	66,488	8,639	-
Additions	9,360	-	5,738	760	2,936
Depreciation expense	-	(6,776)	(20,761)	(2,191)	(624)
Revaluation increase recognised in equity	-	6,776	-	-	-
Balance at the end of the year	147,852	1,250,000	51,465	7,208	2,312
				Improvements	Total
				\$	\$
Year ended 30 June 2019					
Balance at the beginning of year				110,033	1,573,652
Additions				1,887	20,681
Depreciation expense				(23,425)	(53,777)
Revaluation increase recognised in equity				(32,109)	(25,333)
Balance at the end of the year				56,386	1,515,223

Parent and Consolidated	Capital Works in Progress	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Computer Equipment
	\$	\$	\$	\$	\$
Year ended 30 June 2018					
Balance at the beginning of year	42,707	1,250,000	35,065	6,166	-
Additions	95,785	-	47,077	4,298	-
Depreciation expense	-	(5,491)	(15,654)	(1,825)	-
Revaluation increase recognised in equity	-	5,491	-	-	-
Balance at the end of the year	138,492	1,250,000	66,488	8,639	-
				Improvements	Total
				\$	\$
Year ended 30 June 2018					
Balance at the beginning of year				131,234	1,465,172
Additions				-	147,160
Depreciation expense				(21,201)	(44,171)
Revaluation increase recognised in equity				-	5,491
Balance at the end of the year				110,033	1,573,652

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2019

11 Intangible Assets

	Parent		Consolidated	
	2019	2018	2019	2018
	\$	\$	\$	\$
Website development				
Cost	24,370	21,422	24,370	21,422
Accumulated amortisation and impairment	(17,607)	(15,735)	(17,607)	(15,735)
	6,763	5,687	6,763	5,687

12 Trade and other payables

CURRENT				
Trade payables	24,313	33,889	24,313	33,889
GST payable	-	5,854	-	5,854
Employee benefits	17,304	13,822	17,304	13,822
Sundry payables and accrued expenses	14,268	14,757	14,268	14,757
Other payables	2,984	5,061	2,984	5,061
Building fund liability	11,862	57,601	11,862	57,601
	70,731	130,984	70,731	130,984

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

13 Borrowings

CURRENT				
Secured liabilities:				
Bank overdraft	209,434	218,484	209,434	218,484
Total current borrowings	209,434	218,484	209,434	218,484

14 Employee Benefits

CURRENT				
Annual leave	18,656	19,145	18,656	19,145
Long service leave	5,275	4,555	5,275	4,555
	23,931	23,700	23,931	23,700

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2019

15 Other Financial Liabilities

	Parent		Consolidated	
	2019	2018	2019	2018
	\$	\$	\$	\$
CURRENT				
Deferred income	4,468	7,091	4,468	7,091
	4,468	7,091	4,468	7,091

16 Capital and Leasing Commitments

(a) Operating Leases

Minimum lease payments under non-cancellable operating leases:

- not later than one year	2,200	4,320	2,200	4,320
- between one year and five years	2,795	4,995	2,795	4,995
	4,995	9,315	4,995	9,315

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2019

17 Financial Risk Management

The Group is exposed to a variety of financial risks through its use of financial instruments.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Group does not speculate in financial assets.

The most significant financial risks to which the Group is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk

Financial instruments used

The principal categories of financial instrument used by the Group are:

- Trade receivables
- Cash at bank
- Bank overdraft
- Trade and other payables

Objectives, policies and processes

Risk management is carried out by the Group's Board of Directors. The Finance Manager has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the Group, these policies and procedures are then approved by the Board of Directors.

Reports are presented at each Board meeting regarding the implementation of these policies.

Specific information regarding the mitigation of each financial risk to which the Group is exposed is provided below.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2019

17 Financial Risk Management

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Interest rate risk

The Group is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At the reporting date, the Group is exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates.

18 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 200 each towards meeting any outstandings and obligations of the Company. At 30 June 2019 the number of members was 9 (2018: 9).

19 Key Management Personnel Disclosures

Key management personnel remuneration included within employee expenses for the year is shown below:

	2019	2018
	\$	\$
Short-term employee benefits	-	26,097

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2019

20 Remuneration of Auditors

	Parent		Consolidated	
	2019	2018	2019	2018
	\$	\$	\$	\$
Remuneration of the auditor for:				
- auditing or reviewing the financial statements	11,231	14,253	11,231	14,253

21 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2019 (30 June 2018: None).

22 Related Parties

The Group's related party transactions are as follows:

(a) Shakti Durga and Hugh Keller

The premises occupied by the Group at Cooranbong are owned by Shakti Durga and Hugh Keller. The rent paid was based on the market rent in 2005 when the entity commences trading at its Martinsville Road premises. As part of the arrangement the Group also covers all outgoings such as council rates and electricity. During the year Shakti Durga and Hugh Keller were paid \$23,400 (2018: \$23,400 for rent of the Cooranbong centre).

(b) Higher Guidance Pty Ltd

Shakti Durga is the sole director of Higher Guidance Pty Ltd. Fees for provision of healing, teaching, meditation and other services provided by Shakti Durga were paid to Higher Guidance Pty Ltd. Higher Guidance pays the Group an administration and management fee in relation to some services provided to it by Group staff and for room rental. The entity runs courses and seminars from programs created by Shakti Durga for which a royalty of 5% of gross proceeds is payable. The group also purchased stock from Higher Guidance at wholesale prices.

The value of the transactions have been noted and was based on normal terms and conditions including the agreed schedule of rates for teachers.

	Parent		Consolidated	
	2019	2018	2019	2018
	\$	\$	\$	\$
Services rendered	89,990	105,764	89,990	105,764
Purchase of stock	6,883	34,559	6,883	34,559
Administration, rental and management fees	(42,153)	(29,410)	(42,153)	(29,410)
Royalties	1,982	(2,330)	1,982	(2,330)
	56,702	108,583	56,702	108,583

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2019

(c) Rachel Anderson

Rachel Anderson receives payments from Shanti Mission Harmony Centres Limited for teaching classes. In 2019 these payments amounted to \$7,257 (2018: Nil).

(d) Sheila Fawns Anandamaya

Sheila Fawns Anandamaya receives payments from Shanti Mission Harmony Centres Limited for teaching classes. In 2019 these payments amounted to \$178 (2018: Nil). The payments were made in accordance with an agreed schedule of rates for teachers.

(e) Bhadri Kali

Bhadri Kali receives payments from Shanti Mission Harmony Centres Limited for teaching classes. In 2019 these payments amounted to \$1,622 (2018: \$2,308). The payments were made in accordance with an agreed schedule of rates for teachers.

(f) Patricia Lyon

Patricia Lyon receives payments from Shanti Mission Harmony Centres Limited for teaching classes. In 2019 these payments amounted to \$409 (2018: Nil). The payments were made in accordance with an agreed schedule of rates for teachers.

(g) Controlled entities

Shanti Organisation Pty Ltd and Shanti Vision Pty Ltd was deregistered on 29 July 2018. The company did not trade during the period prior to deregistration.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2019

23 Cash Flow Information

(a) Reconciliation of cash

	Parent		Consolidated	
	2019	2018	2019	2018
	\$	\$	\$	\$
Cash and cash equivalents	39,351	91,714	39,351	91,714

(b) Reconciliation of result for the year to cashflows from operating activities

	Parent	
	2019	2018
	\$	\$
Profit for the year	(7,479)	84,571
Non-cash flows in profit:		
- depreciation	53,777	44,171
- (gain) / loss on revaluation of investment property	(2,400)	10,489
Changes in assets and liabilities:		
- (increase) / decrease in trade and other receivables	(7,272)	(574)
- decrease / (increase) in other assets	395	(1,284)
- decrease / (increase) in inventories	1,916	16,574
- (decrease) / increase in trade and other payables	(60,253)	(50,119)
- (decrease) / increase in other liabilities	(2,623)	7,152
- increase / (decrease) in employee benefits	231	(379)
Cashflows from operations	(23,708)	110,601
	Consolidated	
	2019	2018
	\$	\$
Profit for the year	(7,479)	84,571
Non-cash flows in profit:		
- depreciation	53,777	44,171
- (gain) / loss on revaluation of investment property	(2,400)	10,489
Changes in assets and liabilities:		
- (increase) / decrease in trade and other receivables	(7,272)	(574)
- decrease / (increase) in other assets	395	(1,284)
- decrease / (increase) in inventories	1,916	16,574
- (decrease) / increase in trade and other payables	(60,253)	(50,119)
- (decrease) / increase in other liabilities	(2,623)	7,152
- increase / (decrease) in employee benefits	231	(379)
Cashflows from operations	(23,708)	110,601

(c) Borrowing facilities

Unrestricted access was available at reporting date to the following lines of credit:

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2019

23 Cash Flow Information

(c) Borrowing facilities

(c) Borrowing facilities

	Parent		Consolidated	
	2019	2018	2019	2018
	\$	\$	\$	\$
Credit facility	300,000	300,000	300,000	300,000
Amount utilised	(209,434)	(218,484)	(209,434)	(218,484)
	90,566	81,516	90,566	81,516

24 Events Occurring After the Reporting Date

The financial report was authorised for issue on 29 January 2020 by the Board of Directors.

In November 2019 the directors retained an agent to manage the listing and sale of the Canyonleigh property. No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

25 Company Details

The registered office of and principal place of business of the company is:

Shanti Mission Harmony Centres Limited
45 Kings Road
COORANBONG NSW 2265

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 12 to 35, are in accordance with the *Australian Charities and Not-for-profit's Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director 

Director 

l Dated 30 January 2020

Shanti Mission Harmony Centres Limited

Independent Audit Report to the members of Shanti Mission Harmony Centres Limited

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Shanti Mission Harmony Centres Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the Group is in accordance with the *Australian Charities and Not-for-profit's Commission Act 2012*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profit's Commission Regulation 2013*.

Basis for Qualified Opinion

It is not always practicable for the Group to establish accounting control over all sources of donation income prior to receipt of these funds by contractors of the Group and accordingly it is not possible for our examination to include procedures which extend beyond the amounts of income recorded in the accounting records of the Group.

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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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 confirm that the independence declaration required by Section 60.40 of the *Australian Charities and Not-for-profit's Commission Act 2012*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter

We draw attention to Note 2(k) to the financial statements which describe the uncertainty related to the Group's ability to operate as a going concern. The entity has a deficiency in working capital such that the current liabilities exceed the current assets by \$218,634. This indicates the existence of material uncertainty as to whether the Group will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. We confirm that as disclosed at Note 24 the directors have retained an agent to manage the sale of the Canyonleigh property. The application of the proceeds from the sale of this property to borrowings will improve the financial position of the company.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profit's Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the 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 directors are responsible for assessing the the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have 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 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 the financial report.



Neil Watson
Partner
KLM Accountants

Charlestown

29 January 2020