

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Financial Statements

For the Year Ended 30 June 2016

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Contents

For the Year Ended 30 June 2016

	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	9
Statement of Profit or Loss and Other Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Notes to the Financial Statements	14
Directors' Declaration	35
Independent Audit Report	36

Responsible Entities' Declaration

30 June 2016

The directors present their report, together with the financial statements of the Group, being the Company and its controlled entities, for the financial year ended 30 June 2016.

1. Operations Summary

In this report, we have set out some information in relation to the programs and activities which took place between July 2015 and 30 June 2016.

FY 16 was a year of further consolidation and capacity building following on from the FY 15 substantial review and amendment of the curriculum and the development of the "rocket ship" training courses designed to provide greater depth and background to people aspiring to become teachers, for those seeking personal development and transformation and for those who are already or wish to become IYS therapists. These activities are essential if Shanti Mission is to bring fully to life the objects and charitable purposes for which it was established - these include promoting optimal health and well-being, helping members to the public to achieve optimal physical, emotional, social, spiritual and mental health and teaching techniques for personal transformation, life skills, meditation, energy based healing and exercises from diverse healing traditions.

Last FY 16 was the 2nd full financial year of operations and activities at the Abode of Peace premises in 45 Kings Road Cooranbong and the directors are again gratified to see the unfolding of their vision that the Abode would be a vibrant gathering place where people from all walks of life can learn, practice the skills that are sought, attend the healing clinics, meet with people at different points in their respective lives or just come for the experience of being part of a community..

There are many joyful, enthusiastic and productive hours spent by the large team of volunteers and the Shanti Mission staff in making sure that all Shanti Mission activities are undertaken professionally and as examples of "love on legs". The deep embodiment of these attributes has again ensured the Abode of Peace lived up to its name and from the feedback regularly gathered, it seems virtually everyone who came to or had contact with a Shanti Mission event enjoyed the use of the facilities, experienced a strong sense of community and felt nurtured and respected.

It is wonderful and heart- warming (opening) to see how our volunteers, staff and members of our community blend their efforts and talents to make things happen peacefully and in a unified manner. The directors extend their heartfelt thanks and appreciation to everyone who contributes to this and especially to those who perform the many daily tasks and duties which allow this to happen with such apparent grace. e.

During the latter part of FY 16 the directors embarked on a strategic review of the Shanti Mission operations which continued into the beginning of the FY 17 year. The review has clarified that there are 4 main pathways for members of the public to become involved in Shanti Mission activities. These are the paths of:

- **Wisdom** through seminars, courses and spiritual teaching
- **Healing** through group sessions, healing clinics or retreats
- **Community** through attendances at public events, such as Satsangs, retreats, ashrams and centres and even working bees
- **Devotion** through attendances at or learning about pujas and other practices

In the several months since year end, the greater clarity of purpose obtained during this review gathered momentum and allowed the directors in conjunction with the management team and other members of the Shanti Mission community to develop a comprehensive set of strategic initiatives which are being actioned and will be reported on in the FY 17 directors report.

Shanti Mission operational structure

Shanti During FY 16 the Shanti Mission board of directors met almost every 2nd month and the board's Compliance Committee met almost every month to deal with finance and regulatory requirements and to provide a regular forum in which the management team could seek feedback from directors.

The day to day operations of Shanti Mission are undertaken by a management team of around 14 paid employees, all of whom are part time employees. The management team meet fortnightly and there are regular meetings held with Shakti Durga. The Directors greatly appreciate the efforts of all these people and especially for the extra work they do as a volunteer which is over and above their paid work.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Responsible Entities' Declaration

30 June 2016

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.

As Shanti Mission is a School for the Soul, it has also established a leadership team comprising Shakti Durga and 11 of her senior disciples and teachers. This team is known as the Council of Light and in FY 16 it was tasked with going out in the world to help promote the 6 Intentions of Shakti Durga which underpin all the Shanti Mission activities, including teaching the Path of Ease and Grace Seminars and Ignite Your Spirit ("IYS") therapy.

The Shanti Mission community and our regular activities

In FY 16 Shanti Mission had just over 2,800 (slightly up from 2,757 in FY 15 and 2,738 in FY 14) people registered to receive our regular email and event updates. There were just over 80 (up from 74 in FY 15 and 68 in FY 14) teachers registered to teach some or all the Path of Ease and Grace Seminars and 110 (up from 107 in FY 15 and 85 in FY 14) 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 16.

Abode of Peace- there were over 11,351 (up slightly from 11,237 in FY 15 and significantly up from 6,273 in FY 14) attendees at our programs which included 3,819 (down slightly from 4,057 in FY 15 and up from 3,025 in FY 14) attending Satsang on Sunday mornings and 462 (down from 629 in FY 15 and significantly from 949 in FY 14) attending Path of Ease & Grace seminars. There were just over 6,000 attendances at Therapist Training and Teacher Training and Make a Difference courses in FY 16 (and 5,912 attendances at these courses in FY 15). There were 780 (up from 639 in FY 15 and 603 in FY 14) attendances by members of the public at the Healing Clinic. In FY 16 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 1,316 (down from 2,703 in FY 15 and 2,210 in FY 14) attendees at our programs which included 529 (down from 2,512 in FY 15 and 1,331 in FY 14) attending Satsang on Sunday mornings, 34 (down from 95 in FY 15 and down from 212 in FY 14) attending Path of Ease & Grace seminars and a small but dedicated group finished Therapist Training during the year. There were 287 (up significantly from 70 in FY 15 and down from 461 in FY 14) attendances by members of the public at the Healing Clinic (some of this increase is trainee therapists having healings). In FY 16 the head teacher, Savitur, re-located to Northern NSW to teach and establish a community there.

Sydney centre at Henley- there were over 3,006 (same as 3,022 in FY 15 and up from 2,637 in FY 14) attendees at our programs which included 2,695 (up from 1,029 in FY 15 and from 2,355 in FY 14) attending Satsang on Sunday mornings and 229 attendances at Path of Ease & Grace seminars and other events (down from over 1,600 the completion of the Therapist training course. There were 100 (significantly down from 361 in FY 15 and 56 in FY 14) although this is partly due to healing clinics reduced to once a month from 2 or 3 times in FY 15) attendances by members of the public at the Healing Clinic. In FY 16 there were less workshops run at Henley as Gayatri moved overseas and Anandanetti spent more time guiding the work of the Peace Angels.

Shanti Mission venues

As was set out in previous years directors reports, we have continued to work through the three main venues at Cooranbong, Southern Highlands and Henley in Sydney. Shanti Mission Harmony Centres continues to work primarily through these centres, which become very important supports to the people seeking healing, community, wisdom and higher consciousness.

The overall plan of Shanti Mission, extending beyond the entity of Shanti Mission Harmony Centres Ltd, could be seen as a cluster organisation, with many independent teachers and therapists all working on a large common project of bringing healing and peace to a wide and diverse audience. Our work is extensive in numerous communities both in Australia and in USA, Canada and UK. While they all operate independently, they rely upon the core work that is developed, taught and practiced in our core centers. Over the past few years, we have experienced greater growth outside of the Shanti Mission Harmony Centres Ltd structure than within it. This is not to say that growth is lacking, it is just not as visible in the attendances and financial data from SMHC Ltd as would reflect the reality of the overall project.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Responsible Entities' Declaration

30 June 2016

Shanti Mission communities in Australia

There are 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. Members of the Council of Light and other teachers continue to visit these communities to help present programs.

There were regular satsangs, meditations and courses run throughout FY 15 at and by these communities and by teachers based in Adelaide, Canberra, Goulburn, Gunnedah, Jannali, Melbourne, Northern Beaches Sydney, Nowra, Port Macquarie, Sydney East, Tamworth and Vacluse.

The higher learning and spiritual path

As a school, Shanti Mission operates at a number of levels. In our entry level activities we seek to ensure that all who attend feel welcome and able to participate without any pre-requisite other than a willingness to listen with an open mind and to measure the worth of any teachings by tuning into the heart.

We entirely respect that every person has free will and the right to pursue whatever journey of personal exploration which is right and appropriate for them. It is for this reason that our entry level courses are designed to take people onto a path of a better understanding of their feelings, their emotional and energy bodies and how every one of us has the capacity to influence and change the dynamics of all our relationships.

If people elect to pursue higher studies, as each course is undertaken, there is likely to be a change in the level of consciousness and an opening of the heart and Einstein's well known statement that "problems are mostly solved at a higher levels of consciousness than those present when the problem was created" takes on a greater meaning for most students. As the study continues, these changes speed up and inevitably lead to an ability on the part of the student to make significant differences in their world in grounded practical ways.

As Shakti Durga and more than 25 devotees live in close proximity to the Abode of Peace, this has facilitated a routine of daily morning prayers, abishekham and regular puja programs at the Abode of Peace. The directors believe this will greatly assist Shanti Mission to achieve its primary objective of Peace through the promulgation of the work of Shakti Durga.

At the higher level of study and devotion, there are almost 300 very committed students who are on a spiritual path with Guru Shakti Durga. There are just under 300 disciples, over 35 Golden Body Initiates and over 70 Paramahansa Initiates and many others who are progressing to the levels which attract these initiations.

Shakti Durga Retreats and international activities

The teachings of Shakti Durga are disseminated at retreats which she arranges and runs and also in a number of countries where they are undertaken in the name and style of Shanti Mission but are undertaken by separate legal entities. For this reason what follows does not form part of the financial reporting of this company and the information which has been provided to the directors by those involved is repeated by us in good faith and for information purposes only.

Shakti Durga Retreats

Retreats run by Shakti Durga and some of the senior disciples are offered to the general public and to the Shanti Mission communities. In the year under review over 200 people attended the different retreats arranged by Shakti Durga. The retreats are powerful and mystical journeys into the world of the Divine and run anywhere from a weekend to a few weeks. These intensive spiritual escapes allow people to retreat and explore their true inner self and are in addition to the retreats held at the 4 main centres as set out earlier in this report.

Retreats are held throughout the year at key times in the calendar and when spiritual energy is at its most potent. They are held in Australia and around the world at selected venues in many sacred lands and places.

These retreats included the Heart of Lakshmi Intensive, the Blazing Dharma Path, Navaratri, More love than you have ever known, the Flowing Earth Intensive retreats all at Peedam in India and a Consciousness of Bliss retreat in Connecticut, USA.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Responsible Entities' Declaration

30 June 2016

Shanti Mission America

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

There are over 350 people in the SMA database and activities were undertaken in Connecticut, Colorado, New York, Washington DC and San Diego. Several senior teachers registered in Australia travelled to USA to present seminars and events and Gayatri and Arjuna were residing in Westport for the second half of FY 15.

Shanti Mission Canada

An Australian registered teacher who is a Canadian citizen has taken up residence in Kamloops and is teaching the Path of Ease and Grace seminars.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Responsible Entities' Declaration

30 June 2016

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 written three books on self development and created the Path of Ease and Grace series of seminars, which focus upon mental emotional and spiritual wellbeing. 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

Ananda Netti (Antoinette Sampson)

Appointed 10 September 2015

Resigned 22 February 2016

Qualifications

Former Academic of NSW University (Nida) where she taught for 16 years

Experience

She brings expertise in creative self expression, teaching and a depth of spiritual training and awareness to her role. She has studied various forms of energetic healing and meditation. Antoinette founded Peace Angels, managed the highly successful Australian Theatre for Young People (ATYP) and has experience directing large theatrical productions.

Special responsibilities

Director

Chad Humphreys

Appointed 10 September 2015

Resigned 1 March 2016

Special responsibilities

Director

Bhadra Shakti (Tanya Diesel)

Resigned 23 September 2015

Qualifications

Managing Director and CEO

Experience

Tanya was with Deloitte Consulting in the USA, South Africa and Australia for over 10 years: worked with large Australian Corporates: AMP, Bauldersone Hornibrook and Lendlease before joining Zaffyre International, a boutique management consultancy to various fortune 500 companies. As a Managing Director and CEO she led revenue growth of over 900% over 3 years. She has now founded her own strategy consultancy called Aspirall. Tanya consults with some of the leaders of Australian industry and government at high levels. Tanya Joined us in December 2010 and shares her considerable skill with us to provide 'lift' in all areas of the organisation.

Special responsibilities

Director

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Responsible Entities' Declaration

30 June 2016

Savitur Dhanvantre (Paul Wilde)	Resigned 20 February 2016
Qualifications	Senior Teacher and Healer
Experience	Paul has worked as a teacher and healer for Shanti Mission Harmony Centres; He has helped to develop the Sydney and Canyonleigh centres and has provided excellent leadership in both places.
Special responsibilities	Director
Somamrita (Natasha Curry)	Resigned 22 September 2015
Qualifications	Divisional Director and General Manager
Experience	Accomplished business leader and executive consultant. Natasha has over 20 years corporate experience and has excelled in management and leadership roles within the financial services industry, and also in the non-for-profit sector. She was a Divisional Director in Macquarie Bank and General Manager of Shanti Mission. She is also the Co-Founder of Conscious Consortium, a mindfulness organisation focused on working with individuals and teams to lift corporate consciousness, through training & development programs and services. Natasha also volunteers as a board director on A Sound Life charity.
Special responsibilities	Director
Rachel Anderson	Appointed 21 September 2015
Special responsibilities	Director
Nate Slayton	Appointed 21 October 2015
Special responsibilities	Director
Jennifer Nurick	Appointed 23 September 2015
Special responsibilities	Director
Del King	10 September 2015
Special responsibilities	Director
Sioux Burns	10 September 2015
Special responsibilities	Director
Jagatambe Narayani	Appointed 12 September 2015
Special responsibilities	Director
Bhadra Kali (Joanne McKay)	Appointed 10 September 2015
Special responsibilities	Director
Barbara Bell	24 June 2016
Special responsibilities	Director

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

Principal activities

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

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Responsible Entities' Declaration

30 June 2016

Principal activities

- Training teachers, therapists and members of the public in techniques for personal transformation, meditation, energy based healing, diverse oral traditions and spiritual practices;
- Assisting members of the public to achieve optimal physical, emotional, social, spiritual and mental health, manage and reduce stress and anxiety; and
- Raising community awareness of the importance of leading a well balanced and healthy life.

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 2016 the collective liability of members was \$ 2,000 (2015: \$ 1,200).

Meetings of directors

During the financial year, 6 meetings of directors were held.

A committee of the Board called the Compliance Committee was created by the Board and has a Board approved charter. This committee included 2 members of the Board meetings and dealt with all financial and compliance issues. It met in August, October (twice), December, February, March, April, May and June and circulated to the remaining members of the Board minutes of these meetings. The Board met in September (2), October, November, May and June and kept minutes of these meetings

Attendances by each director during the year were as follows:

	Directors' Meetings		Compliance Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Shakti Durga	6	6	-	-
Shiva Kata Tjuta	6	4	9	9
Antoinette Sampson	3	2	-	-
Chad Humphreys	3	-	-	-
Bhadra Shakti	1	-	-	-
Savitur Dhanvantre	5	3	-	-
Natasha Curry	2	2	8	6
Rachel Anderson	4	2	-	-
Nate Slayton	4	2	-	-
Jennifer Nurick	4	3	-	-
Del King	4	4	-	-
Sioux Burns	4	3	-	-
Jagatambe Narayani	4	4	-	-
Bhadra Kali (Joanne McKay)	4	4	-	-
Barbara Bell	-	-	-	-

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Responsible Entities' Declaration

30 June 2016

Meetings of directors

	Directors' Meetings		Compliance Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended

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.

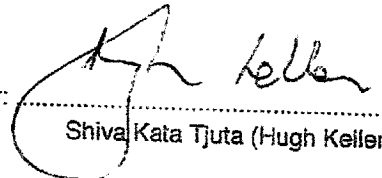
The amount of the premium is not disclosed due to the terms of the insurance contracts to protect commercially sensitive information of the Company.

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 2016 has been received and can be found on page 9 of the financial report.

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

Director: 
Del King

Director: 
Shiva Kata Tjuta (Hugh Keller)

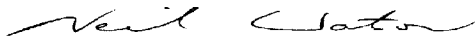
Dated 31 January 2017

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 2016, 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

31 January 2017

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 2016

	Note	Parent		Consolidated	
		2016	2015	2016	2015
		\$	\$	\$	\$
Revenue	4	1,273,800	1,176,197	1,352,920	1,289,429
Raw materials and consumables used		(340,669)	(307,380)	(340,669)	(317,493)
Employee benefits expense		(555,041)	(524,657)	(555,041)	(524,657)
Depreciation and amortisation expense		(56,604)	(54,427)	(56,604)	(54,427)
Other expenses		(411,224)	(348,109)	(417,219)	(310,987)
Finance costs		(427)	(895)	(17,773)	(22,346)
Surplus / (deficit) before income tax		(90,165)	(59,271)	(34,386)	59,519
Income tax expense		-	-	-	-
Surplus / (deficit) for the year		(90,165)	(59,271)	(34,386)	59,519
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		(90,165)	(59,271)	(34,386)	59,519

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 2016

Note	Parent		Consolidated		
	2016	2015	2016	2015	
	\$	\$	\$	\$	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	7	139,140	152,826	139,240	156,721
Trade and other receivables	8	9,819	10,334	9,819	10,928
Inventories	9	57,774	55,831	57,774	55,831
Other assets	10	3,737	3,011	3,737	3,011
TOTAL CURRENT ASSETS		210,470	222,002	210,570	226,491
NON-CURRENT ASSETS					
Trade and other receivables	8	22,499	3,202	22,499	-
Property, plant and equipment	11	909,425	927,172	909,425	927,172
Intangible assets	12	5,169	4,210	5,169	4,210
TOTAL NON-CURRENT ASSETS		937,093	934,584	937,093	931,382
TOTAL ASSETS		1,147,563	1,156,586	1,147,663	1,157,873
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	13	190,671	91,853	213,170	101,853
Borrowings	14	-	-	227,501	296,966
Employee Benefits	15	23,069	31,065	23,069	31,065
Other financial liabilities	16	-	9,680	-	9,680
TOTAL CURRENT LIABILITIES		213,740	132,598	463,740	439,564
NON-CURRENT LIABILITIES					
TOTAL LIABILITIES		213,740	132,598	463,740	439,564
NET ASSETS		933,823	1,023,988	683,923	718,309
EQUITY					
Issued capital	17	-	-	179,600	179,600
Retained earnings		933,823	1,023,988	504,323	538,709
TOTAL EQUITY		933,823	1,023,988	683,923	718,309

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 2016

2016

	Parent			
	Ordinary Shares	Retained Earnings	Non- controlling Interests	Total
	\$	\$	\$	\$
Note				
Balance at 1 July 2015	-	1,023,988	-	1,023,988
Deficit for the year	-	(90,165)	-	(90,165)
Balance at 30 June 2016	-	933,823	-	933,823

2015

	Parent			
	Ordinary Shares	Retained Earnings	Non- controlling Interests	Total
	\$	\$	\$	\$
Note				
Balance at 1 July 2014	-	1,083,259	-	1,083,259
Deficit for the year	-	(59,271)	-	(59,271)
Balance at 30 June 2015	-	1,023,988	-	1,023,988

2016

	Consolidated			
	Ordinary Shares	Retained Earnings	Non- controlling Interests	Total
	\$	\$	\$	\$
Note				
Balance at 1 July 2015	179,600	538,809	-	718,409
Deficit for the year	-	(34,386)	-	(34,386)
Balance at 30 June 2016	179,600	504,423	-	684,023

2015

	Consolidated			
	Ordinary Shares	Retained Earnings	Non- controlling Interests	Total
	\$	\$	\$	\$
Note				
Balance at 1 July 2014	179,600	758,007	(278,817)	658,790
Surplus for the year	-	59,519	-	59,519
Consolidation of subsidiary	-	(278,817)	278,817	-
Balance at 30 June 2015	179,600	538,709	-	718,309

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 2016

Note	Parent		Consolidated	
	2016	2015	2016	2015
	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	1,261,977	1,221,617	1,338,489	1,384,774
Payments to suppliers and employees	(1,228,063)	(1,193,940)	(1,221,559)	(1,334,384)
Interest received	1,254	1,542	1,254	1,542
Finance costs	(427)	(895)	(17,773)	(22,346)
Net cash provided by/(used in) operating activities	25(b) 34,741	28,324	100,411	29,586
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sale of plant and equipment	3,128	-	3,128	-
Purchase of property, plant and equipment	(51,555)	(14,611)	(51,555)	(14,611)
Net cash used by investing activities	(48,427)	(14,611)	(48,427)	(14,611)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayment of borrowings	-	(3,089)	(69,465)	(3,089)
Net cash used by financing activities	-	(3,089)	(69,465)	(3,089)
Net increase/(decrease) in cash and cash equivalents held	(13,686)	10,624	(17,481)	11,886
Cash and cash equivalents at beginning of year	152,826	142,202	156,721	144,835
Cash and cash equivalents at end of financial year	25(a) 139,140	152,826	139,240	156,721

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 2016

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) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not-for-profit's Commission Act 2012.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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.

(b) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

(c) 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 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 2016

2 Summary of Significant Accounting Policies

(c) 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.

(d) 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 2016

2 Summary of Significant Accounting Policies

(e) 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.

(f) 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.

(g) 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.

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 2016

2 Summary of Significant Accounting Policies

(g) 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.

(h) 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 2016

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 2016

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.

(i) 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 2016

2 Summary of Significant Accounting Policies

(i) 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.

(j) 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.

(k) 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.

(l) Excess of current liabilities over current assets

At 30 June 2016, the Group's current liabilities (\$463,740) exceed its current assets (\$210,570) by \$253,170. 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 main contributor to the negative working capital position is the deficit from the running of the Bodhi Festival in Newcastle in FY13 which led to the borrowings in the Group's wholly owned subsidiary, Shanti Vision Pty Ltd. The bank overdraft balance at 30 June 2016 was \$227,501 (2015: \$296,966) 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:

- The Group will retain Shanti Vision Pty Ltd as a fully owned non-trading subsidiary, will consolidate the debt into the parent company, will progressively pay down the Shanti Vision Pty Ltd bank debt and will review the position prior to 30 June 2017.
- The Group continues to generate cash from operating activities of \$100,411 (2015: \$29,586). Shanti Mission has planned an extensive calendar of events for FY17 and expects an increasing number of people to attend the programs during this time.
- Shanti Mission Harmony Centre's budget for 2016-17 is forecasting a small surplus.

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

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies

(l) **Excess of current liabilities over current assets**
going concern basis.

(m) **Adoption of new and revised accounting standards**

The Group has adopted all standards which became effective for the first time at 30 June 2016, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

(n) **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 2016

4 Revenue and Other Income

	Parent		Consolidated	
	2016	2015	2016	2015
	\$	\$	\$	\$
Shop sales	143,991	103,462	143,991	103,462
HC courses and events	659,297	626,511	659,297	626,511
Other donations	345,964	359,432	345,964	359,432
Other courses and retreats	34,941	19,427	34,941	19,427
Rent received	57,891	57,049	57,891	57,049
Events and festivals	1,119	98	1,119	265
Other income	11,339	891	11,917	891
Teacher / Therapist fees	18,004	7,785	18,004	7,785
Loan forgiveness	-	-	78,542	113,065
	1,272,546	1,174,655	1,351,666	1,287,887
Finance income				
- Interest received	1,254	1,542	1,254	1,542
	1,273,800	1,176,197	1,352,920	1,289,429

5 Result for the Year

Cost of sales	340,669	307,380	340,669	317,493
Finance costs	427	895	17,773	22,346
Write off of financial assets	74,407	43,763	74,407	43,763

6 Income Tax Expense

The prima facie tax on profits from ordinary activities before income tax is reconciled to the income tax expense as follows:

Prima facie tax payable at 30 June				
Shanti Vision Pty Ltd	-	-	(16,894)	(43,796)
Add tax effect of:				
Unrealised deferred tax asset Shanti Vision Pty Ltd	-	-	16,894	43,796
	-	-	-	-

Notes to the Financial Statements

For the Year Ended 30 June 2016

7 Cash and cash equivalents

	Parent		Consolidated	
	2016	2015	2016	2015
	\$	\$	\$	\$
Cash at bank and in hand	101,936	136,889	102,036	140,784
Short-term deposits	37,204	15,937	37,204	15,937
	139,140	152,826	139,240	156,721

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.

8 Trade and other receivables

CURRENT

Trade receivables	6,803	4,370	6,803	4,370
Deposits	-	300	-	300
GST receivable	-	1,817	-	2,271
Other receivables	3,016	3,847	3,016	3,987
	9,819	10,334	9,819	10,928

NON-CURRENT

Related party receivables	22,499	3,202	22,499	-
	22,499	3,202	22,499	-

9 Inventories

CURRENT

At cost:

Stock on hand	57,774	55,831	57,774	55,831
	57,774	55,831	57,774	55,831

10 Other non-financial assets

CURRENT

Prepayments	3,737	3,011	3,737	3,011
-------------	-------	-------	-------	-------

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

**Notes to the Financial Statements
For the Year Ended 30 June 2016**

11 Property, plant and equipment

	Parent		Consolidated	
	2016	2015	2016	2015
	\$	\$	\$	\$
Buildings				
At cost	796,486	796,486	796,486	796,486
Accumulated depreciation	(84,584)	(79,020)	(84,584)	(79,020)
	711,902	717,466	711,902	717,466
Capital works in progress				
At cost	26,696	-	26,696	-
Plant and equipment				
At cost	116,554	105,900	116,554	105,900
Accumulated depreciation	(67,246)	(49,964)	(67,246)	(49,964)
	49,308	55,936	49,308	55,936
Furniture, fixtures and fittings				
At cost	22,963	21,378	22,963	21,378
Accumulated depreciation	(13,948)	(11,373)	(13,948)	(11,373)
	9,015	10,005	9,015	10,005
Motor vehicles				
At cost	-	10,000	-	10,000
Accumulated depreciation	-	(6,223)	-	(6,223)
	-	3,777	-	3,777
Computer equipment				
At cost	32,428	41,375	32,428	41,375
Accumulated depreciation	(30,512)	(33,440)	(30,512)	(33,440)
	1,916	7,935	1,916	7,935
Improvements				
At cost	175,242	175,242	175,242	175,242
Accumulated depreciation	(64,654)	(43,189)	(64,654)	(43,189)
	110,588	132,053	110,588	132,053
	909,425	927,172	909,425	927,172

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

**Notes to the Financial Statements
For the Year Ended 30 June 2016**

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

	Capital Works in Progress	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Computer Equipment	Improvements	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Parent and Consolidated								
Year ended 30 June 2016								
Balance at the beginning of year	-	717,466	55,936	10,005	3,777	7,935	132,053	927,172
Additions	26,696	-	10,654	1,585	-	8,947	-	47,882
Disposals - written down value	-	-	-	-	(2,777)	(6,248)	-	(9,025)
Depreciation expense	-	(5,564)	(17,282)	(2,575)	(1,000)	(8,718)	(21,465)	(56,604)
Balance at the end of the year	26,696	711,902	49,308	9,015	-	1,916	110,588	909,425
Parent and Consolidated								
Year ended 30 June 2015								
Balance at the beginning of year	-	727,506	59,551	10,333	4,777	16,954	151,868	970,989
Additions	-	(10,040)	5,766	2,946	-	-	1,898	10,610
Depreciation expense	-	(9,381)	(9,381)	(3,274)	(1,000)	(9,019)	(21,713)	(54,427)
Balance at the end of the year	717,466	711,902	55,936	10,005	3,777	7,935	132,053	927,172

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2016

12 Intangible Assets

	Parent		Consolidated	
	2016	2015	2016	2015
	\$	\$	\$	\$
Website development				
Cost	17,023	13,350	17,023	13,350
Accumulated amortisation and impairment	(11,854)	(9,140)	(11,854)	(9,140)
	5,169	4,210	5,169	4,210
	5,169	4,210	5,169	4,210

13 Trade and other payables

Current				
Trade payables	63,993	34,641	63,993	34,641
GST payable	2,884	-	2,884	-
Employee benefits	15,747	25,781	15,747	25,781
Sundry payables and accrued expenses	17,780	18,097	17,780	18,097
Related party payables	-	-	22,499	10,000
Other payables	403	1,334	403	1,334
Building fund liability	89,864	12,000	89,864	12,000
	190,671	91,853	213,170	101,853
	190,671	91,853	213,170	101,853

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

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

14 Borrowings

CURRENT				
Secured liabilities:				
Bank overdraft	-	-	227,501	296,966
	-	-	227,501	296,966
	-	-	227,501	296,966

15 Employee Benefits

CURRENT				
Annual leave	19,815	24,991	19,815	24,991
Long service leave	3,254	6,074	3,254	6,074
	23,069	31,065	23,069	31,065
	23,069	31,065	23,069	31,065

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2016

16 Other Financial Liabilities

	Parent		Consolidated	
	2016	2015	2016	2015
	\$	\$	\$	\$
CURRENT				
Deferred income	-	9,680	-	9,680
	-	9,680	-	9,680

17 Issued Capital

Ordinary shares- Shanti Vision Pty Ltd	-	-	179,500	179,500
Ordinary shares- Shanti Organisation Pty Ltd	-	-	100	100
Total	-	-	179,600	179,600

18 Capital and Leasing Commitments

(a) Operating Leases

Minimum lease payments under non-cancellable operating leases:

- not later than one year	88,675	120,958	88,675	120,958
- between one year and five years	104,417	193,092	104,417	193,092
	193,092	314,050	193,092	314,050

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2016

19 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 2016

19 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.

20 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 2016 the number of members was 10 (2015: 6).

21 Key Management Personnel Disclosures

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

	2016	2015
	\$	\$
Short-term employee benefits	59,693	42,795
Long-term benefits	5,605	4,002
	<u>65,298</u>	<u>46,797</u>

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

**Notes to the Financial Statements
For the Year Ended 30 June 2016**

22 Remuneration of Auditors

	Parent		Consolidated	
	2016	2015	2016	2015
	\$	\$	\$	\$
Remuneration of the auditor for:				
- auditing or reviewing the financial statements	14,000	14,863	14,000	14,863

23 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2016 (30 June 2015: None).

24 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 \$23,550 (2015: \$23,319 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	
	2016	2015	2016	2015
	\$	\$	\$	\$
Services rendered	84,797	69,939	84,797	69,939
Purchase of stock	35,461	21,712	35,461	21,712
Administration and management fees	(29,687)	(23,411)	(29,687)	(23,411)
Royalties	5,360	11,090	5,360	11,090
Room rental	(6,273)	(1,780)	(6,273)	(1,780)
	89,658	77,550	89,658	77,550

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2016

(c) Shanti Organisation Pty Ltd

Shanti Organisation Pty Ltd is a wholly owned subsidiary of Shanti Mission Harmony Centres Limited. Historically, professional fees were paid to Shanti Organisation. No professional fees were paid during the 2016 or 2015 financial period.

(d) Shanti Vision

Shanti Vision Pty Ltd is a wholly owned subsidiary of Shanti Mission Harmony Centres Limited. During the year loans were provided to Shanti Vision Pty Ltd by various related parties of Shanti Mission Harmony Centres.

Loans provided by related parties of Shanti Mission Harmony Centres were formally forgiven at 30 June 2015.

(e) Paul Wilde

Paul Wilde receives payments from Shanti Mission Harmony Centres Limited for teaching classes. In 2016 these payments amounted to \$17,670 (2015: \$35,982). The payments were made in accordance with an agreed schedule of rates for teachers.

(f) Antoinette Sampson

Antoinette Sampson receives payments from Shanti Mission Harmony Centres Limited for teaching classes. In 2016 these payments amounted to \$19,107. The payments were made in accordance with an agreed schedule of rates for teachers. During the year Antoinette Sampson represented Shanti Mission at the Universal Peace Celebration World Summit and received a grant of \$7,000 to assist with travel and accommodation costs.

(g) Rachel Anderson

Rachel Anderson receives payments from Shanti Mission Harmony Centres Limited for teaching classes. In 2016 these payments amounted to \$3,418. The payments were made in accordance with an agreed schedule of rates for teachers. During the year Shanti Mission purchased stock from Rachel Anderson and / or entities controlled by her totalling \$2,659.

(h) Jennifer Nurick

Jennifer Nurick receives payments from Shanti Mission Harmony Centres Limited for teaching classes. In 2016 these payments amounted to \$11,665.

(i) Jagatambe Narayani

Jagatambe Narayani receives payments from Shanti Mission Harmony Centres Limited for teaching classes. In 2016 these payments amounted to \$10,751. The payments were made in accordance with an agreed schedule of rates for teachers.

(j) Bhadri Kali

Bhadri Kali receives payments from Shanti Mission Harmony Centres Limited for teaching classes. In 2016 these payments amounted to \$2,497. The payments were made in accordance with an agreed schedule of rates for teachers.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2016

(k) Sioux Burns

Sioux Burns receives payments from Shanti Mission Harmony Centres Limited for teaching classes. In 2016 these payments amounted to \$21,577. The payments were made in accordance with an agreed schedule of rates for teachers. Sioux's partner also received teaching payments (\$8,726) and employee benefits (\$29,447) as Shanti Mission's Registrar.

(l) Del King

Del King receives payments from Shanti Mission Harmony Centres Limited for teaching classes. In 2016 these payments amounted to \$6,537. The payments were made in accordance with an agreed schedule of rates for teachers.

(m) Chad Humphreys

Chad Humphreys receives payments from Shanti Mission Harmony Centres Limited for teaching classes. In 2016 these payments amounted to \$2,896. The payments were made in accordance with an agreed schedule of rates for teachers. Chad also received employee benefits of \$32,684 during the 2016 year as Shanti's musician.

25 Cash Flow Information

(a) Reconciliation of cash

	Parent		Consolidated	
	2016	2015	2016	2015
	\$	\$	\$	\$
Cash and cash equivalents	139,140	152,826	139,240	156,721
Bank overdrafts	-	-	(227,501)	(296,966)
	<u>139,140</u>	<u>152,826</u>	<u>(88,261)</u>	<u>(140,245)</u>

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2016

25 Cash Flow Information

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

	Parent		Consolidated	
	2016	2015	2016	2015
	\$	\$	\$	\$
Profit for the year	(90,165)	(59,271)	(34,386)	59,519
Non-cash flows in profit:				
- amortisation	2,714	2,510	2,714	2,510
- depreciation	56,604	54,427	56,604	54,427
- net loss on disposal of property, plant and equipment	5,897	-	5,897	-
- consolidation of subsidiary	-	-	-	50,000
Changes in assets and liabilities:				
- (increase) / decrease in trade and other receivables	(18,782)	24,993	(21,390)	24,918
- (increase) / decrease in other assets	(726)	4,032	(726)	4,032
- (increase) / decrease in inventories	(1,943)	17,597	(1,943)	33,213
- increase / (decrease) in trade and other payables	89,138	(32,718)	101,637	(215,787)
- (decrease) / increase in employee benefits	(7,996)	16,754	(7,996)	16,754
Cashflows from operations	<u>34,741</u>	<u>28,324</u>	<u>100,411</u>	<u>29,586</u>

(c) Borrowing facilities

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

	Parent		Consolidated	
	2016	2015	2016	2015
	\$	\$	\$	\$
Credit facility	-	-	300,000	300,000
Amount utilised	-	-	(227,501)	(296,966)
	<u>-</u>	<u>-</u>	<u>72,499</u>	<u>3,034</u>

26 Events Occurring After the Reporting Date

The financial report was authorised for issue on 31 January 2017 by the Board of Directors.

No 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.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2016

27 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

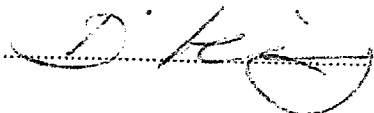
ABN: 76 116 997 392

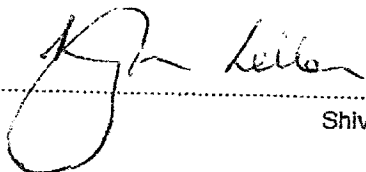
Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 10 to 34, 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 2016 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 
Del King

Director 
Shiva Kata Tjuta (Hugh Keller)

Dated 31 January 2017

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 2016, 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 2016 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(l) 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 \$253,170. 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. In our opinion, knowledge of the significant uncertainty affecting the Group's ability to continue as a going concern is necessary for the proper understanding of the financial report.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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