

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Financial Statements

For the Year Ended 30 June 2018

Shanti Mission Harmony Centres Limited

ABN: 76 116 987 382

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For the Year Ended 30 June 2018

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Responsible Entities' Declaration 30 June 2018

Shanti Mission Harmony Centres Limited ABN: 76 116 997 392

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, China, India 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.

The assistance rendered by Shanti Mission teams to the world extends further on account of the online, digital paradigm. We have over 80,000 followers on face book and regularly reach thousands with healings, meditations and uplifting spiritual teachings and ceremonies.

We are a center for community, connection, peace, meditation, positive psychology and healing. We also extract tools for growth and healing from the world's main spiritual traditions, offering insight into how to use them for wellbeing and personal strength. Research in the area of positive psychology and meditation is showing that work such as that which is undertaken in Shanti Mission has extremely important positive effects upon health and wellbeing.

"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 is now a vast range of scientific papers and studies undertaken throughout the world which verify the importance of meditation, community, compassion, spirituality and so on.

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.

Over the past year we have 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. We have re-signed the lease for a further 3 years and we are looking forward to attracting new audiences to our beautiful and sacred spaces for contemplation, meditation, healing and spirituality.

Here is a snap shot of our in-house activities with comparisons with previous years.

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

In FY 18 Shanti Mission had just over 3850 (up from 3,570 in FY 17 and 2,800 in FY 16) people registered to receive our regular email and event updates. There were just over 85 (up from 80 in FY 17 and 74 in FY 16) teachers registered to teach some or all the Path of Ease and Grace Seminars and 85 (down from 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 over 13,239 (up from 12,444 in FY 17 and up from 11,351 in FY 16) attendees at our programs which included 4,195 (up from 3,928 in FY 17 and up from 3,819 in FY 16) attending Satsang on Sunday mornings and 574 (up from 536 in FY 17 and up from 462 in FY 16) attending Path of Ease & Grace seminars. There were 30 attendees at Therapist Training (down from 40 in FY 17), 36 Self-Realisation Training (down from 40 in FY 17 and 12 Make a Difference course (down from 16 in FY 17). There were 513 (down from 1037 in FY 17 and 780 in FY 16) attendances by members of the public at the Healing Clinic. There were 1980 attendances at Fire Pujas (down from 2,266 in FY 17). In FY 18 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 1,172 (down from 1,536 in FY 17 and 1,316 in FY 16) attendees at our programs which included 627 (down from 691 in FY 17 and up from 529 in FY 16) attending Satsang on Sunday mornings, 3 (down from 33 in FY 17 and down from 34

in FY 16) attending Path of Ease & Grace seminars. There were 96 (down from 306 in FY 17 and down from 287 in FY 16) attendances by members of the public at the Healing Clinic (some of this decrease is trainee therapists having healings in 2017/16).

Sydney centre at Henley- there were over 2,836 (down from 3,720 in FY 17 and down from 3,006 in FY 16) attendees at our programs which included 2,109 (down from 2,853 in FY 17 and down from 2,695 in FY 16) attending Satsang on Sunday mornings and 35 attendances at Path of Ease & Grace seminars (Castle Hill) (down from 307 FY 17 and down from 229 in FY 16). There were 227 (up from 96 in FY 17 and 100 in FY 16) attendances by members of the public at the Healing Clinic. We have implemented a change in teacher with a more regular senior person anchoring the energy of that event, and anticipate that numbers will pick up during the next year.

Shanti Mission venues

We have continued to work through the three main venues at Cooranbong, Southern Highlands and Henley in Sydney. Shanti Mission Harmony Centres continue to work primarily through these centres, which become very important supports to the people seeking healing, community, wisdom and higher consciousness.

Harmony Farm

Over the past year our farm has been renovated and upgraded thanks to the enormous service of several of our local volunteers. A vision for the future of the farm and its role in our wellness portfolio of interests is currently being developed. During the past year we have received council permission for the building of a retreat centre at the farm which we believe will be a benefit to a growing section of the community who are seeking spiritual retreats, healing and connection with themselves and nature.

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. 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 18 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 Vaucluse.

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.

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 a number of our volunteers and community members live in close proximity to the Abode of Peace, this has facilitated a routine of daily morning prayers, meditations, spiritual ceremonies and programs at the Abode of Peace. The directors believe this greatly assists 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 using Shakti Durga's philosophies and tools for peace and wellbeing.

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.

India



In March 2018, Shakti Durga was presented with an award from the Sri Narayani Hospital and Research Centre, Vellore India, for services to healing. Along with the Shanti Mission team, healings had regularly been offered in a voluntary capacity over the past 5 years helping both Indian and Western devotees and some of the staff at the hospital, with a wide range of issues.



China

In the past 12 months Shakti Durga and several other team members have been teaching our work in China. We have met tens of thousands of people online, and taught over 400 students at seminars in China during this first year. The programs taught in China are mainly to do with relationships and positive psychology, meditation mantra and spiritual music.

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 501c3 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, Myrtle Beach and San Diego. Several senior teachers registered in Australia traveled to USA to present seminars and events.

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Responsible Entities' Declaration

30 June 2018

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

Experience

Degree in Law and Economics

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

Experience

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

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 1,800 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 9 January 2019

Director

Del King

Special responsibilities

Appointed 10 September 2015

Resigned 8 December 2015

Director

Sioux Burns

Special responsibilities

Appointed 10 September 2015

Resigned 19 December 2018

Director

Jagatambe Narayani

Special responsibilities

Appointed 12 September 2015

Director

Bhedra Kali (Joanne McKay)

Special responsibilities

Appointed 10 September 2015

Director

Barbara Bell

Special responsibilities

Appointed 24 June 2018

Resigned 11 May 2018

Director

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

Principal activities

Shanti Mission Harmony Centres Limited

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Responsible Entities' Declaration

30 June 2018

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 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 2018 the collective liability of members was \$ 1,800 (2017: \$ 2,000).

Meetings of directors

During the financial year, 4 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 and dealt with all financial and compliance issues.

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	4	4	-	-
Shiva Kala Tjuba	4	4	5	5
Rachel Anderson	4	1	-	-
Jennifer Nurick	4	2	-	-
Dol King	4	2	-	-
Sioux Burns	4	2	-	-
Jagatambe Narayani	4	2	-	-
Bhadra Kali (Joanne McKay)	4	4	-	-
Patricia Lyon	4	2	-	-

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

Shanti Mission Harmony Centres Limited

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Responsible Entities' Declaration

30 June 2018

Indemnification and Insurance of officers and auditors

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 2018 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:


JOHN D. H. KELLER

Director:


Bhudra KALI

Dated 29 March 2019

Shanti Mission Harmony Centres Limited

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**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 March 2019

Charlestown, NSW

Shanti Mission Harmony Centres Limited

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**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2018**

	Note	Parent		Consolidated	
		2018 \$	2017 \$	2018 \$	2017 \$
Revenue	4	1,201,108	1,233,417	1,201,108	1,233,417
Raw materials and consumables used		(275,539)	(303,409)	(275,539)	(303,409)
Employee benefits expense		(396,953)	(473,398)	(396,953)	(473,398)
Depreciation and amortisation expense		(44,171)	(50,191)	(44,171)	(50,191)
Other expenses		(383,914)	(639,556)	(383,914)	(639,556)
Finance costs		(15,960)	(9,764)	(15,960)	(9,764)
Surplus / (deficit) before income tax		84,571	(248,923)	84,571	(248,923)
Income tax expense		-	-	-	-
Surplus / (deficit) for the year		84,571	(248,923)	84,571	(248,923)
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		84,571	(248,923)	84,571	(248,923)

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As at 30 June 2018

Note	Parent		Consolidated		
	2018	2017	2018	2017	
	\$	\$	\$	\$	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	91,714	141,010	91,714	141,010
Trade and other receivables	7	6,127	5,553	6,127	5,553
Inventories	8	37,397	53,971	37,397	53,971
Other assets	9	3,170	3,740	3,170	3,740
TOTAL CURRENT ASSETS		138,408	204,274	138,408	204,274
NON-CURRENT ASSETS					
Property, plant and equipment	10	1,573,652	1,465,172	1,573,652	1,465,172
Intangible assets	11	5,687	3,833	5,687	3,833
TOTAL NON-CURRENT ASSETS		1,579,339	1,469,005	1,579,339	1,469,005
TOTAL ASSETS		1,717,747	1,673,279	1,717,747	1,673,279
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	12	130,984	181,103	130,984	181,103
Borrowings	13	218,484	231,221	218,484	231,221
Employee Benefits	14	23,700	24,079	23,700	24,079
Other financial liabilities	15	7,091	(61)	7,091	(61)
TOTAL CURRENT LIABILITIES		380,259	436,342	380,259	436,342
NON-CURRENT LIABILITIES					
TOTAL LIABILITIES		380,259	436,342	380,259	436,342
NET ASSETS		1,337,488	1,236,937	1,337,488	1,236,937
EQUITY					
Reserves		473,140	467,649	473,140	467,649
Retained earnings		864,348	769,288	864,348	769,288
TOTAL EQUITY		1,337,488	1,236,937	1,337,488	1,236,937

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Statement of Changes in Equity
For the Year Ended 30 June 2018

2018

	Parent			
	Ordinary Shares	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$	\$
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

2017

	Parent			
	Ordinary Shares	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$	\$
Balance at 1 July 2016	-	1,018,211	-	1,018,211
Surplus / (deficit) for the year	-	(248,923)	-	(248,923)
Revaluation increment (decrement)	-	-	467,649	467,649
Balance at 30 June 2017	-	769,288	467,649	1,236,937

2018

	Consolidated			
	Ordinary Shares	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$	\$
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

2017

	Consolidated			
	Ordinary Shares	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$	\$
Balance at 1 July 2016	179,800	588,811	-	768,611
Shares cancelled during the year	(179,800)	179,800	-	-
Surplus / (deficit) for the year	-	(248,923)	-	(248,923)
Revaluation increment (decrement)	-	-	467,649	467,649
Subsidiary loan transfer	-	249,800	-	249,800
Balance at 30 June 2017	-	769,288	467,649	1,236,937

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Year Ended 30 June 2018

	Parent		Consolidated	
	2018	2017	2018	2017
Note	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	1,207,365	1,237,290	1,207,365	1,237,290
Payments to suppliers and employees	(1,087,085)	(1,434,427)	(1,087,085)	(1,434,421)
Interest received	321	390	321	390
Net cash provided by operating activities	110,601	(196,741)	110,601	(156,741)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of property, plant and equipment	(147,160)	(32,610)	(147,160)	(32,610)
Net cash used in investing activities	(147,160)	(32,610)	(147,160)	(32,610)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from borrowings	-	231,221	-	231,221
Repayment of borrowings	(12,737)	-	(12,737)	-
Net cash used in financing activities	(12,737)	231,221	(12,737)	231,221
Net increase/(decrease) in cash and cash equivalents held	(49,296)	1,870	(49,296)	1,870
Cash and cash equivalents at beginning of year	141,010	139,140	141,010	139,140
Cash and cash equivalents at end of financial year	91,714	41,010	91,714	41,010
23(a)				

The accompanying notes form part of these financial statements.

Shanti Mission Harmony Centres Limited

ABN: 78 114 997 892

Notes to the Financial Statements

For the Year Ended 30 June 2018

The financial report includes 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 prepares 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 in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

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Notes to the Financial Statements

For the Year Ended 30 June 2018

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

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Notes to the Financial Statements

For the Year Ended 30 June 2018

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.

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Notes to the Financial Statements

For the Year Ended 30 June 2018

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

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Notes to the Financial Statements

For the Year Ended 30 June 2018

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

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Notes to the Financial Statements

For the Year Ended 30 June 2018

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 asset's 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.

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Notes to the Financial Statements For the Year Ended 30 June 2018

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 2018, the Group's current liabilities (\$380,259) exceed its current assets (\$136,406) by \$241,851. 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 2018 was \$218,484 (2017: \$231,221) 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 FY19 and expects an increasing number of people to attend the programs during this time.
- Shanti Mission Harmony Centre's budget for the 2019 financial year is forecasting a small surplus.

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

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Notes to the Financial Statements

For the Year Ended 30 June 2018

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 2018, 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 judgments during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgments 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 judgments 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

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Notes to the Financial Statements

For the Year Ended 30 June 2018

4 Revenue and Other Income

	Parent		Consolidated	
	2018	2017	2018	2017
	\$	\$	\$	\$
Shop sales	82,708	125,072	82,708	125,072
HC courses and events	543,826	590,633	543,826	590,633
Other donations	482,358	351,633	482,358	351,633
Other courses and retreats	25,672	49,665	25,672	49,665
Rent received	48,366	73,745	48,366	73,745
Events and festivals	1,920	690	1,920	690
Other income	(1,164)	39,279	(1,164)	39,279
Teacher / Therapist fees	17,101	20,184	17,101	20,184
	1,200,787	1,220,921	1,200,787	1,220,921
Finance income				
- Interest received	321	390	321	390
- other trading revenue	-	12,107	-	12,107
	1,201,108	1,233,415	1,201,108	1,233,416

5 Result for the Year

Cost of sales	275,539	303,409	275,539	303,409
Finance costs	15,960	9,784	15,960	9,784
Write off of financial assets	(8,784)	270,972	(8,784)	270,972

Shanti Mission Harmony Centres Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2018

6 Cash and cash equivalents

	Parent		Consolidated	
	2018	2017	2018	2017
	\$	\$	\$	\$
Cash at bank and in hand	75,147	124,444	75,147	124,444
Short-term deposits	16,567	16,567	16,567	16,567
	<u>91,714</u>	<u>141,011</u>	<u>91,714</u>	<u>141,011</u>

Security deposit guarantee

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

- \$16,937 in favour of James Cook Seafood Pty Ltd.

7 Trade and other receivables

CURRENT

Trade receivables	3,202	5,264	3,202	5,264
GST receivable	2,545	-	2,545	-
Other receivables	380	289	380	269
	<u>6,127</u>	<u>5,553</u>	<u>6,127</u>	<u>5,553</u>

8 Inventories

CURRENT

At cost:

Stock on hand	37,397	53,971	37,397	53,971
	<u>37,397</u>	<u>53,971</u>	<u>37,397</u>	<u>53,971</u>

9 Other non-financial assets

	Parent		Consolidated	
	2018	2017	2018	2017
	\$	\$	\$	\$
CURRENT				
Prepayments	3,170	3,740	3,170	3,740

Shanti Mission Harmony Centres Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2018

10 Property, plant and equipment

	Parent		Consolidated	
	2018	2017	2018	2017
	\$	\$	\$	\$
Buildings				
At fair value	1,340,667	1,335,175	1,340,667	1,335,175
Accumulated depreciation	(90,667)	(85,175)	(90,667)	(85,175)
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	138,492	42,707	138,492	42,707
Plant and equipment				
At cost	151,097	123,533	151,097	123,533
Accumulated depreciation	(84,609)	(86,455)	(84,609)	(88,468)
Total plant and equipment	66,488	35,085	66,488	35,065
Furniture, fixtures and fittings				
At cost	24,145	22,963	24,145	22,963
Accumulated depreciation	(15,506)	(10,797)	(15,506)	(16,797)
Total furniture, fixtures and fittings	8,639	6,166	8,639	6,166
Computer equipment				
At cost	5,199	32,428	5,199	32,428
Accumulated depreciation	(5,199)	(32,428)	(5,199)	(32,428)
Total computer equipment	-	-	-	-
Leasehold Improvements				
At cost	175,820	175,820	175,820	175,820
Accumulated depreciation	(65,787)	(44,586)	(65,787)	(44,586)
Total leasehold improvements	110,033	131,234	110,033	131,234
Total plant and equipment	323,652	215,172	323,652	215,172
Total property, plant and equipment	1,573,652	1,465,172	1,573,652	1,465,172

The directors had an independent valuation of the land and buildings performed in November 2017 from valuer Jacksonwall which resulted in the entity adopting the \$1,250,000 valuation. As at 30 June 2018, the directors assessed that the fair value of the land and buildings is reflective of the independent valuation of \$1,250,000.

Shanti Mission Harmony Centres Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2018

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	Improvements
	\$	\$	\$	\$	\$
Year ended 30 June 2018					
Balance at the beginning of year	42,707	1,250,000	36,066	6,166	131,234
Additions	96,785	-	47,077	4,298	-
Depreciation expense	-	(4,491)	(16,664)	(1,826)	(21,201)
Revaluation increase recognised in equity	-	5,491	-	-	-
Balance at the end of the year	138,492	1,250,000	66,489	8,638	110,033

Parent and Consolidated	Total
	\$
Year ended 30 June 2018	
Balance at the beginning of year	1,466,172
Additions	147,150
Depreciation expense	(44,171)
Revaluation increase recognised in equity	6,491
Balance at the end of the year	1,573,652

Parent and Consolidated	Capital Works in Progress	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Computer Equipment
	\$	\$	\$	\$	\$
Year ended 30 June 2017					
Balance at the beginning of year	28,008	711,802	46,008	9,015	1,018
Additions	18,011	70,440	16,571	-	-
Depreciation expense	-	-	(10,814)	(2,840)	(1,915)
Revaluation increase recognised in equity	-	487,849	-	-	-
Balance at the end of the year	42,707	1,250,000	46,066	6,166	-

Parent and Consolidated	Improvements	Total
	\$	\$
Year ended 30 June 2017		
Balance at the beginning of year	102,268	951,105
Additions	578	102,609
Depreciation expense	(21,612)	(46,101)
Revaluation increase recognised in equity	-	407,549
Balance at the end of the year	131,234	1,475,172

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Notes to the Financial Statements

For the Year Ended 30 June 2018

11 Intangible Assets

	Parent		Consolidated	
	2018	2017	2018	2017
	\$	\$	\$	\$
Website development				
Cost	21,422	18,711	21,422	18,711
Accumulated amortisation and impairment	(15,735)	(14,878)	(15,735)	(14,878)
	<u>5,687</u>	<u>3,833</u>	<u>5,687</u>	<u>3,833</u>

12 Trade and other payables

Current				
Trade payables	33,889	22,928	33,889	22,928
GST payable	5,854	2,244	5,854	2,244
Employee benefits	13,822	20,603	13,822	20,603
Sundry payables and accrued expenses	14,757	12,999	14,757	12,999
Other payables	5,081	3,689	5,081	3,689
Building fund liability	57,601	118,642	57,601	118,642
	<u>130,984</u>	<u>181,103</u>	<u>130,984</u>	<u>181,103</u>

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.

13 Borrowings

CURRENT				
Secured liabilities				
Bank overdraft	218,484	231,221	218,484	231,221
	<u>218,484</u>	<u>231,221</u>	<u>218,484</u>	<u>231,221</u>

14 Employee Benefits

CURRENT				
Annual leave	19,145	19,815	19,145	19,815
Long service leave	4,555	4,264	4,555	4,264
	<u>23,700</u>	<u>24,079</u>	<u>23,700</u>	<u>24,079</u>

Shanti Mission Harmony Centres Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2018

15 Other Financial Liabilities

	Parent		Consolidated	
	2018	2017	2018	2017
	\$	\$	\$	\$
CURRENT				
Deferred income	7,091	(51)	7,091	(51)
	<u>7,091</u>	<u>(51)</u>	<u>7,091</u>	<u>(51)</u>

16 Capital and Leasing Commitments

(a) Operating Leases

Minimum lease payments under non-cancellable operating leases:

- not later than one year

- between one year and five years

4,320	88,675	4,320	88,675
4,995	15,742	4,995	15,742
<u>9,315</u>	<u>104,417</u>	<u>9,315</u>	<u>104,417</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2018

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.

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Notes to the Financial Statements

For the Year Ended 30 June 2018

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 2018 the number of members was 9 (2017: 10).

19 Key Management Personnel Disclosures

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

	2018	2017
	\$	\$
Short-term employee benefits	26,097	68,755
Long-term benefits	-	6,484
	<u>26,097</u>	<u>75,239</u>

Shanti Mission Harmony Centres Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2018

20 Remuneration of Auditors

	Parent		Consolidated	
	2018	2017	2018	2017
	\$	\$	\$	\$
Remuneration of the auditor for: - auditing or reviewing the financial statements	14,253	11,750	14,253	11,750

21 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2018 (30 June 2017: 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 2006 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 (2017: \$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	
	2018	2017	2018	2017
	\$	\$	\$	\$
Services rendered	105,764	69,158	-	69,158
Purchase of stock	34,659	20,948	-	20,948
Administration, rental and management fees	(29,410)	(30,753)	-	(30,753)
Royalties	(2,330)	(7,893)	-	(7,893)
	108,583	51,460	-	51,460

Shanti Mission Harmony Centres Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2018

23 Cash Flow Information

(a) Reconciliation of cash

	Parent		Consolidated	
	2018	2017	2018	2017
	\$	\$	\$	\$
Cash and cash equivalents	91,714	141,010	91,714	141,010

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

	Parent	
	2018	2017
	\$	\$
Profit for the year	84,571	(248,923)
Non-cash flows in profit:		
- depreciation	44,171	50,191
- (gain)/loss on revaluation of investment property	10,489	(33,310)
Changes in assets and liabilities:		
- (increase) / decrease in trade and other receivables	(574)	26,765
- (increase) / decrease in other assets	(1,284)	(3)
- (increase)/decrease in financial assets	-	1,338
- decrease / (increase) in inventories	16,574	3,803
- (decrease) / increase in trade and other payables	(50,119)	(3,549)
- increase / (decrease) in other liabilities	7,152	(61)
- (decrease) / increase in employee benefits	(379)	1,010
Cashflows from operations	110,601	(156,739)
	110,601	(156,739)
	Consolidated	
	2018	2017
	\$	\$
Profit for the year	84,571	(248,923)
Non-cash flows in profit:		
- depreciation	44,171	50,191
- (gain)/loss on revaluation of investment property	10,489	(33,310)
Changes in assets and liabilities:		
- (increase) / decrease in trade and other receivables	(574)	26,765
- (increase) / decrease in other assets	(1,284)	(3)
- (increase)/decrease in financial assets	-	1,338
- decrease / (increase) in inventories	16,574	3,803
- (decrease) / increase in trade and other payables	(50,119)	(3,549)
- increase / (decrease) in other liabilities	7,152	(61)
- (decrease) / increase in employee benefits	(379)	1,010
Cashflows from operations	110,601	(198,739)
	110,601	(198,739)

Shanti Mission Harmony Centres Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2018

(c) Jennifer Nurick

Jennifer Nurick receives payments from Shanti Mission Harmony Centres Limited for teaching classes. In 2018 these payments amounted to \$13,841.18 (2017: \$2,715).

(d) Jagatambe Narayani

Jagatambe Narayan receives payments from Shanti Mission Harmony Centres Limited for teaching classes. In 2018 these payments amounted to \$4,818.25 (2017: \$7,121). 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 2018 these payments amounted to \$2,307.73 (2017: \$1,806). The payments were made in accordance with an agreed schedule of rates for teachers.

(f) Sioux Burns

Sioux Burns receives payments from Shanti Mission Harmony Centres Limited for teaching classes. In 2018 these payments amounted to \$12,188.89 (2017: \$20,167). The payments were made in accordance with an agreed schedule of rates for teachers. Sioux's partner also received teaching payments (\$2,515) and employee benefits (\$33,055) as Shanti Mission's Registrar.

(g) Del King

Del King receives payments from Shanti Mission Harmony Centres Limited for teaching classes. In 2018 these payments amounted to \$4,354.67 (2017: \$8,264). The payments were made in accordance with an agreed schedule of rates for teachers.

(h) Controlled entities

Shanti Organisation Pty Ltd and Shanti Vision Pty Ltd were deregistered on 29 July 2018 and 3 June 2018 respectively. Neither company traded during the period prior to deregistration.

Shanti Mission Harmony Centres Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2018

23 Cash Flow Information

(c) Borrowing facilities

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

	Parent		Consolidated	
	2018	2017	2018	2017
	\$	\$	\$	\$
Credit facility	300,000	300,000	300,000	300,000
Amount utilised	(218,484)	(231,221)	(218,484)	(231,221)
	<u>81,516</u>	<u>68,779</u>	<u>81,516</u>	<u>68,779</u>

24 Events Occurring After the Reporting Date

The financial report was authorised for issue on 29 March 2019 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.

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: 75 118 997 892

Directors' Declaration

The directors of the entity declare that

1. The financial statements and notes, as set out on pages 10 to 33, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2015 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

HUSH D.H. KELLER

Director

Bhadrakali Bhadra KALI

Dated 29 March 2015

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 2018, 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 2018 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.

Shanti Mission Harmony Centres Limited

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

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 \$241,851. 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.

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-profits 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 March 2019