

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

Financial Statements

For the Year Ended 30 June 2015

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

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For the Year Ended 30 June 2015

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Shanti Mission Harmony Centres Limited

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Directors' Report

30 June 2015

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 2015.

1. Operations Summary

In this report we have set out some information in relation to the programs and activities which took place between July 2014 and 30 June 2015.

The major change implemented in FY 15 was the substantial review and amendment of the curriculum and the development of the "rocket ship" training courses which will 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. As a consequence no new therapist or teacher training courses were run in FY 15 although those started in FY 14 were completed.

Last year we reported on the activities which had been undertaken in setting up our School for the Soul at premises in 45 Kings Road which we named the Abode of Peace. After the first full financial year of operations at these premises, the directors are gratified to see the unfolding of their vision that the Abode would be a place in which the magnificence of the Divine will emanate in the form of wondrous events, miracles and people in and from whom the inner light shines brightly.

The many joyful, enthusiastic and productive hours spent by the large team of volunteers and trades people in FY 14 transforming the premises was well worth it and the Abode of Peace certainly lived up to its name as everyone who came to it in FY 15 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 everyone blends their efforts and talents to create such an amazing space in such a unified manner. The directors extend their heartfelt thanks and appreciation to everyone who contributes to this and especially to the staff and wonderful volunteers who perform the many daily tasks and duties which allow this to happen with such apparent grace.

FY 15 saw the full effect of the strategic decision made in FY 14 to consolidate the structure of Shanti Mission by requiring venues which had previously been called "centres" to operate as stand-alone venues managed and run by the local community or a registered teacher but fully supported by Shanti Mission and members of the Council of Light. This change had been encouraged by the auditors and was consistent with the guidance which the directors received that giving these venues independence, allowing them to use the Shanti Mission name, providing support for their programs and requiring them to take responsibility for their expansion and finances would in the long run be extremely empowering and would bring more people into Shanti Mission. In FY 15 a number of the teaching programs were directed to the development and enhancement of the virtues and skills which would accelerate these objectives and the directors are pleased with the way in which this has been embraced by the community.

Shanti Mission operational structure

Shanti Mission has a board of directors who aim to meet bi-monthly. There is also a board committee known as the Compliance Committee which meets monthly to deal with finance and regulatory requirements and to provide a regular forum in which the management team can seek feedback from several of the directors.

The day to day operations of Shanti Mission are undertaken by a management team of around 14 paid employees, most of whom are part time and several who are full 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.

FY 15 was a period of consolidation and implementation of the strategic initiatives which had been formulated during FY 14. There are now over 100 core volunteers who consistently offer service to Shanti Mission in a part time capacity to do many of the things that are necessary for Shanti Mission to deliver its charitable services to the broader community. In addition, there are many other volunteers who provide service on a regular basis. The directors greatly appreciate all of 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.

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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 known as the Council of Light meets weekly and provides support and helps Shakti Durga to hold the energy required for manifestation into the physical form of the 6 Intentions which underpin all the Shanti Mission activities, including teaching the Path of Ease and Grace Seminars and Ignite Your Spirit ("IYS") therapy.

As noted above there was a significant change at the commencement of FY 15 to the curriculum and in the form and content of the courses offered by the School. The feedback from participants in the new programs has been extremely favourable.

The Shanti Mission community and our regular activities

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

Abode of Peace- there were over 11,237 (up significantly from 6,273 in FY 14) attendees at our programs which included 4,057 (up from 3,025 in FY 14) attending Satsang on Sunday mornings and 629 (down from 949 in FY 14) attending Path of Ease & Grace seminars. As noted above the people who had commenced Therapist Training and Teacher Training courses in FY 14 completed those courses and the new Make a Difference course commenced – in all there were 5,912 attendances at these courses in FY 15. There were 639 (up from 603 in FY 14) attendances by members of the public at the Healing Clinic. In FY 15 there were regular weekly evening meditations and several other evening programs such as Body Beautiful which were well supported and greatly appreciated.

Southern Highlands- there were over 2,703 (up from 2,210 in FY 14) attendees at our programs which included 2,512 (up significantly from 1,331 in FY 14) attending Satsang on Sunday mornings, 95 (down from 212 in FY 14) attending Path of Ease & Grace seminars and 26 people attending Therapist Training throughout the year. There were 70 (down significantly from 461 in FY 14) attendances by members of the public at the Healing Clinic.

Sydney centre at Henley- there were over 3,022 (up from 2,637 in FY 14) attendees at our programs which included 1,029 (down from 2,355 in FY 14) attending Satsang on Sunday mornings and over 1,600 attendances at Path of Ease & Grace seminars and the completion of the Therapist training course. There were 361 (up from 56 in FY 14) attendances by members of the public at the Healing Clinic .

Shanti Mission venues

What follows is a description of some of the facilities used during FY 15. This does not include the facilities arranged by teachers for programs which they arranged and ran.

Abode of Peace- this is located at 45 Kings Road, Cooranbong, one hour and a half by car from Sydney, and is nestled in nature on a 9 acre block of land which is at the foot of the Watagan state forest. The Ashram consists of a large multi-purpose room which is used for teaching and spiritual practices, a smaller room used as a classroom and Shakti Temple by Shakti Durga and teachers, 4 healing rooms, another large multi-purpose classroom, office space, meeting room, reception, spiritual gift shop and tuck shop. There is also a large internal break out space which connects the various teaching spaces.

We first took occupation of the Abode of Peace premises in August 2013 and thereafter many volunteers and tradesmen worked to renovate and refurbish the Ashram to make it a comfortable, peaceful and beautiful environment for our community and members of the public. The official opening took place on Mission Day in October 2013 although the landlord's agreed scope of works was not completed until late December. The lease term expires in late 2018 unless we exercise our option to extend.

The Abode of Peace is now used as our head office where our dedicated staff and volunteers work from Tuesday to Sunday each week. There are many programs run throughout the day as well as special events, celebrations and spiritual practices. We offer healing clinic to the public on Wednesdays and our gift shop is open 6 days per week, and our vegetarian food canteen is open when programs are on.

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Avalon House- this is located in a building adjacent to the Abode of Peace building and forms part of our lease. The 4 bedroom Avalon House offers budget accommodation to students who come to the Ashram and can accommodate up to 7 guests in 2 twin share bedrooms and a 3 share bedroom. There are new bathroom facilities, a kitchenette and a large lounge dining area with caretaker room.

Cooranbong retreat centre- this is the former Cooranbong Harmony Centre which is in walking distance to the Abode of Peace or a short drive around the block into the next road. It is a 1970's country style house which has been renovated as a retreat centre. The retreat centre now features a general use temple / teaching space, accommodation with 5 bedrooms, lounge and new carpet, kitchen, 4 toilets, 2 showers and fresh paint throughout.

The Cooranbong Retreat Centre is located on 65 acres of land and can accommodate up to 12 guests in 1 room with 5 bunks, a triple and 2 twin rooms in addition to the room for the live-in caretaker. The centre has walking trails into the Watagan state forest, gracious gardens around the centre and ample parking for large events in 3 separate inter-connecting parking areas layered up the hill from Martinsville Road.

During FY 15 the Cooranbong Retreat centre was used for Shanti Mission and several other organisations for retreats. It is our intention to build the business of in-house and alternative retreats. The centre is also regularly used by people attending Abode of Peace weekend events.

Southern Highlands Centre- this is located at Canyonleigh, a 2 hour drive south of Sydney. The centre is located on a farm of 57 acres and is about 2,300 feet above sea level. There are 5000 fruit and nut trees, 2000 apple trees and 110 different varieties of apples. There are farm buildings, a weatherboard cottage, a training centre with kitchen, shower and toilet facilities as well as a large shed which has been refurbished to provide a reception/office area, a retail shop area and a large multi-purpose room in which our main activities are conducted.

We have 5 alpacas and several sheep to keep some of the grass down and the orchard is maintained by our centre manager and volunteers. We offer the fruit to the public as "pick-your-own" by donation, and take the apples to the Ashram when there is an event on and they are in season. During FY 14 the Southern Highlands community undertook a number of beautification projects around the buildings and created a wonderful sacred space in which there is a large Ganesh statue which is used every week for pujas and abishekhams practices. The directors are delighted that these activities continued in FY 15 and the areas are looking ever more beautiful.

Melbourne centre- this was located in leased premises at 7 Studley Street, Abbotsford and was open for just over a year. The centre was closed on 31 August 2014 and for the foreseeable future Melbourne will be run as a community.

Sydney centre- during FY 15 we used a council owned community facility located in Henley overlooking the inner harbour of Sydney. The premises are well maintained and are ideal for our weekly events and for other teaching programs. In addition, we were also fortunate to have access to a city based teaching facility for our after-hours programs due to the generosity of a member of our community . .

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.

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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 now over 200 disciples, over 30 Golden Body Initiates and over 45 Paramahansa Initiates and a number of 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 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 as well as IYS therapy.

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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)

Qualifications

Resigned 27 August 2014

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

Sandalphon (David Cole)

Qualifications

Resigned 26 June 2015

Chartered Accountant and has over 12 years experience as a management consultant

Experience

He is a facilitator for the successful Free To Be Me seminar series. His business and leadership counselling and mentor programs are highly effective bringing desired changes in individual and organisational performance.

Special responsibilities

Director, Chairman of the Compliance Committee

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Bhadra Shakti (Tanya Diesel)

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

Savitur Dhanvantre (Paul Wilde)

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)

Qualifications

Appointed 28 August 2014

Experience

Divisional Director and General Manager

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

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:

- 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.

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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 2015 the collective liability of members was \$ 1,200 (2014: \$ 1,200).

Meetings of directors

During the financial year, 3 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 July, September, November, December, February, March and June and circulated to the remaining members of the Board minutes of these meetings. The Board met in August, November and May 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	3	3	-	-
Shiva Kata Tjuta	3	2	7	6
Ananda Netti	2	2	-	-
Sandalphon	3	3	7	3
Bhadra Shakti	3	-	-	-
Savitur Dhanvantre	3	2	-	-
Natasha Curry	1	1	-	-

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.

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Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2015 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: 
Shakti Durga

Director: 
Shiva Kata Tjuta (Hugh Keller)

Dated 27 October 2015

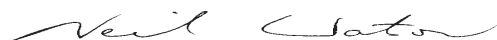
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**Auditors Independence Declaration under Section 307C of the
Corporations Act 2001 To the Directors of Shanti Mission Harmony
Centres Limited and Controlled Entities**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* 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

27 October 2015

Charlestown, NSW

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Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2015

	Note	Parent		Consolidated	
		2015	2014	2015	2014
		\$	\$	\$	\$
Revenue	3	1,176,197	1,383,623	1,339,429	1,410,910
Raw materials and consumables used		(307,380)	(394,552)	(317,493)	(395,123)
Employee benefits expense		(524,657)	(514,418)	(524,657)	(514,418)
Depreciation and amortisation expense		(54,427)	(53,094)	(54,427)	(53,094)
Other expenses		(348,109)	(518,378)	(310,987)	(470,902)
Finance costs		(895)	(9,054)	(22,346)	(23,721)
Surplus / (deficit) before income tax		(59,271)	(105,873)	109,519	(46,348)
Income tax expense		-	-	-	-
Surplus / (deficit) for the year		(59,271)	(105,873)	109,519	(46,348)
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		(59,271)	(105,873)	109,519	(46,348)
Non-controlling interest		-	-	-	-
Total comprehensive income attributable to:					
Members of the Shanti Vision		-	-	37,986	(30,126)
Non-controlling interest		-	-	71,533	(16,222)
		-	-	109,519	(46,348)

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As at 30 June 2015

Note	Parent		Consolidated		
	2015	2014	2015	2014	
	\$	\$	\$	\$	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	152,826	142,202	156,721	145,778
Trade and other receivables	7	10,334	35,570	10,928	35,846
Inventories	8	55,831	73,428	55,831	89,044
Other assets	9	3,011	7,043	3,011	7,043
TOTAL CURRENT ASSETS		222,002	258,243	226,491	277,711
NON-CURRENT ASSETS					
Trade and other receivables	7	3,202	2,959	-	-
Property, plant and equipment	10	927,172	970,989	927,172	970,989
Intangible assets	11	4,210	2,719	4,210	2,719
TOTAL NON-CURRENT ASSETS		934,584	976,667	931,382	973,708
TOTAL ASSETS		1,156,586	1,234,910	1,157,873	1,251,419
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	12	91,853	134,251	101,853	327,320
Borrowings	13	-	3,089	296,966	300,998
Employee benefits	14	31,065	14,311	31,065	14,311
Other financial liabilities	15	9,680	-	9,680	-
TOTAL CURRENT LIABILITIES		132,598	151,651	439,564	642,629
NON-CURRENT LIABILITIES					
TOTAL LIABILITIES		132,598	151,651	439,564	642,629
NET ASSETS		1,023,988	1,083,259	718,309	608,790
EQUITY					
Issued capital	16	-	-	129,600	129,600
Retained surplus		1,023,988	1,083,259	795,993	758,007
Non-controlling interest		-	-	(207,284)	(278,817)
TOTAL EQUITY		1,023,988	1,083,259	718,309	608,790

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 30 June 2015

2015	Parent			
	Ordinary Shares	Retained Earnings	Non-controlling Interests	Total
	\$	\$	\$	\$
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

2014	Parent			
	Ordinary Shares	Retained Earnings	Non-controlling Interests	Total
	\$	\$	\$	\$
Balance at 1 July 2013	-	1,189,132	-	1,189,132
Deficit for the year	-	(105,873)	-	(105,873)
Balance at 30 June 2014	-	1,083,259	-	1,083,259

2015	Consolidated			
	Ordinary Shares	Retained Earnings	Non-controlling Interests	Total
	\$	\$	\$	\$
Balance at 1 July 2014	129,600	758,007	(278,817)	608,790
Surplus / (deficit) for the year	-	37,986	71,533	109,519
Balance at 30 June 2015	129,600	795,993	(207,284)	718,309

2014	Consolidated			
	Ordinary Shares	Retained Earnings	Non-controlling Interests	Total
	\$	\$	\$	\$
Balance at 1 July 2013	129,600	788,133	(262,595)	655,138
Surplus / (deficit) for the year	-	(30,126)	(16,222)	(46,348)
Balance at 30 June 2014	129,600	758,007	(278,817)	608,790

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2015

	Note	Parent		Consolidated	
		2015	2014	2015	2014
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers		1,221,617	1,470,718	1,384,774	1,424,936
Payments to suppliers and employees		(1,193,940)	(1,396,462)	(1,334,384)	(1,336,835)
Interest received		1,542	1,522	1,542	1,522
Finance costs		(895)	(9,054)	(22,346)	(23,721)
Net cash provided by/(used in) operating activities	24(b)	<u>28,324</u>	<u>66,724</u>	<u>29,586</u>	<u>65,902</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of property, plant and equipment		<u>(14,611)</u>	<u>(110,161)</u>	<u>(14,611)</u>	<u>(110,161)</u>
Net cash used by investing activities		<u>(14,611)</u>	<u>(110,161)</u>	<u>(14,611)</u>	<u>(110,161)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:					
Repayment of borrowings		<u>(3,089)</u>	<u>(3,370)</u>	<u>(3,089)</u>	<u>(3,370)</u>
Net cash used by financing activities		<u>(3,089)</u>	<u>(3,370)</u>	<u>(3,089)</u>	<u>(3,370)</u>
Net increase/(decrease) in cash and cash equivalents held		10,624	(46,807)	11,886	(47,629)
Cash and cash equivalents at beginning of year		<u>142,202</u>	<u>189,009</u>	<u>(152,131)</u>	<u>(104,502)</u>
Cash and cash equivalents at end of financial year	24(a)	<u>152,826</u>	<u>142,202</u>	<u>(140,245)</u>	<u>(152,131)</u>

The accompanying notes form part of these financial statements.

Shanti Mission Harmony Centres Limited

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Notes to the Financial Statements For the Year Ended 30 June 2015

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, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board 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 *Corporations Act 2001*.

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 relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

Shanti Mission Harmony Centres Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies (cont'd)

(c) Income Tax (cont'd)

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax 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 tax laws) that have been enacted or substantively enacted by the end of the reporting period.

(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

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Notes to the Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies (cont'd)

(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 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 of losses.

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

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Notes to the Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies (cont'd)

(g) Property, Plant and Equipment (cont'd)

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 fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

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 2015

2 Summary of Significant Accounting Policies (cont'd)

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.

(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.

Shanti Mission Harmony Centres Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies (cont'd)

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.

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.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies (cont'd)

(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 twelve months 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 national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(l) Excess of current liabilities over current assets

At 30 June 2015, the Group's current liabilities (\$442,041) exceed its current assets (\$226,491) by \$215,550. 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 are the borrowings in the Group's subsidiary, Shanti Vision Pty Ltd. The bank overdraft balance at 30 June 2015 was \$296,966 (2014: \$297,909) 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 Vision Pty Ltd had a surplus of \$145,985 in the 2015 financial period (2014: \$61,232).
- The Board and shareholders of Shanti Vision Pty Ltd worked through a number of iterations of possible business plans the primary object of which is to generate sufficient cash to meet all outstanding liabilities of Shanti Vision within a reasonable time frame. The final view reached is that the injection of fresh capital is not feasible and that a continuation of trading in the present structure cannot be justified. Accordingly, the minority shareholders have each agreed to transfer to the Company their shares in, and any loan made to, Shanti Vision Pty Ltd for a nominal consideration of \$1 to be paid to each shareholder or lender by the Company.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies (cont'd)

(l) Excess of current liabilities over current assets (cont'd)

- The Group will retain Shanti Vision Pty Ltd as a fully owned non-trading subsidiary, will progressively pay down the Shanti Vision Pty Ltd bank debt and will review the position prior to 30 June 2016.
- The Group continues to generate cash from operating activities of \$29,586 (2014: \$65,902).
- Shanti Mission Harmony Centre's budget for 2015-16 has estimated a surplus of \$55,000.

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

(m) Adoption of new and revised accounting standards

During the current year, the following standards became mandatory and have been adopted retrospectively by the Group:

- AASB 10 *Consolidated Financial Statements*
- AASB 12 *Disclosure of Interests in Other Entities*
- AASB 13 *Fair Value Measurement*
- AASB 119 *Employee Benefits*
- AASB 127 *Separate Financial Statements*
- AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]*
- AASB 2012-9 *Amendments to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039*
- AASB 2012-2 *Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities*

The accounting policies have been updated to reflect changes in the recognition and measurement of assets, liabilities, income and expenses and the impact of adoption of these standards is discussed below.

AASB 10 *Consolidated Financial Statements* is effective for annual reporting periods beginning on or after 1 January 2013 and therefore the Group has applied it for the first time in these financial statements. AASB 10 includes a new definition of control, including additional guidance for specific situations such as control in a principal / agent situation and when holding less than majority voting rights may give control. AASB 10 supersedes the previous requirements of AASB 127 *Consolidated and Separate Financial Statements* and Interpretation 112 *Consolidation - Special Purpose Entities* and resulted in consequential amendments to a number of other standards.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

2 Summary of Significant Accounting Policies (cont'd)

(m) Adoption of new and revised accounting standards (cont'd)

The Group has reviewed its investment in other entities to determine whether any changes were required to the consolidated entity under AASB 10. The composition of the consolidated entity is the same under AASB 10 and therefore there is no change to the reported financial position and performance.

AASB 12 *Disclosure of Interests in Other Entities* includes all disclosures relating to an entity's interest in associates, joint arrangements, subsidiaries and structured entities. On adoption of AASB 12, additional disclosures have been included in the financial statements in relation to investments held.

AASB 13 *Fair Value Measurement* does not change what and when assets or liabilities are recorded at fair value. It provides guidance on how to measure assets and liabilities at fair value, including the concept of highest and best use for non-financial assets. AASB 13 has not changed the fair value measurement basis for any assets or liabilities held at fair value, however additional disclosures on the methodology and fair value hierarchy have been included in the financial statements.

AASB 119 *Employee benefits* changes the basis for determining the income or expense relating to defined benefit plans and introduces revised definitions for short-term employee benefits and termination benefits.

The Group reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period. Whilst this has been considered to be a long-term employee benefits for the purpose of measuring the leave under AASB 119, the effect of discounting was not considered to be material and therefore has not been performed.

In accordance with the transition provisions in the standard, the comparative figures have been restated.

(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 against early adoption of these standards. The following table summarises those future requirements, and their impact on the Group:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	30 June 2016	Changes to the classification and measurement requirements for financial assets and financial liabilities. New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been released.
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	30 June 2015	This standard adds application guidance to AASB 132 to assist with applying some of the offset criteria of the standard.	There will be no impact to the entity as there are no offsetting arrangements currently in place.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

3 Revenue and Other Income

	Parent		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
Shop sales	103,462	158,301	103,462	158,301
HC courses and events	626,511	583,584	626,511	583,584
Other donations	359,432	418,211	359,432	418,229
Other courses and retreats	19,427	126,351	19,427	126,351
Rent received	57,049	68,730	57,049	68,730
Events and festivals	98	19,916	265	44,390
Other income	891	7,008	891	9,803
Teacher / Therapist fees	7,785	-	7,785	-
Loan forgiveness	-	-	163,065	-
	1,174,655	1,382,101	1,337,887	1,409,388
Finance income				
- Interest received	1,542	1,522	1,542	1,522
	1,176,197	1,383,623	1,339,429	1,410,910

4 Result for the Year

Cost of sales	307,380	394,552	317,493	395,123
Finance costs	895	9,054	22,346	23,721
Write off of financial assets	43,763	74,175	43,763	(1,604)

5 Income Tax Expense

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

	Parent		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
Prima facie tax payable at 30 June				
Shanti Vision Pty Ltd	-	-	(43,796)	(18,370)
Add tax effect of:				
Unrealised deferred tax asset Shanti Vision Pty Ltd	-	-	43,796	18,370
	-	-	-	-

Shanti Mission Harmony Centres Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2015

6 Cash and cash equivalents

	Parent		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
Cash on hand	1,904	1,083	2,004	1,183
Cash at bank	134,985	114,852	138,780	118,328
Short-term bank deposits	15,937	26,267	15,937	26,267
	152,826	142,202	156,721	145,778

Security deposit guarantee

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

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

7 Trade and other receivables

	Parent		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
CURRENT				
Trade receivables	4,370	11,351	4,370	11,351
Deposits	300	3,508	300	3,508
GST receivable	1,817	11,259	2,271	11,404
Other receivables	3,847	9,452	3,987	9,583
	10,334	35,570	10,928	35,846
NON-CURRENT				
Related party receivables	3,202	2,959	-	-

8 Inventories

CURRENT				
At cost:				
Stock on hand	55,831	73,428	55,831	89,044

9 Other non-financial assets

CURRENT				
Prepayments	3,011	7,043	3,011	7,043

Shanti Mission Harmony Centres Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2015

10 Property, plant and equipment

	Parent		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
Land and buildings				
At cost	796,486	796,486	796,486	796,486
Accumulated depreciation	(79,020)	(68,980)	(79,020)	(68,980)
Total land and buildings	717,466	727,506	717,466	727,506
Plant and equipment				
At cost	105,900	100,134	105,900	100,134
Accumulated depreciation	(49,964)	(40,583)	(49,964)	(40,583)
Total plant and equipment	55,936	59,551	55,936	59,551
Furniture, fixtures and fittings				
At cost	21,378	18,432	21,378	18,432
Accumulated depreciation	(11,373)	(8,099)	(11,373)	(8,099)
Total furniture, fixtures and fittings	10,005	10,333	10,005	10,333
Motor vehicles				
At cost	10,000	10,000	10,000	10,000
Accumulated depreciation	(6,223)	(5,223)	(6,223)	(5,223)
Total motor vehicles	3,777	4,777	3,777	4,777
Computer equipment				
At cost	41,375	41,375	41,375	41,375
Accumulated depreciation	(33,440)	(24,421)	(33,440)	(24,421)
Total computer equipment	7,935	16,954	7,935	16,954
Improvements				
At cost	175,242	173,344	175,242	173,344
Accumulated depreciation	(43,189)	(21,476)	(43,189)	(21,476)
Total improvements	132,053	151,868	132,053	151,868
Total plant and equipment	209,706	243,483	209,706	243,483
	927,172	970,989	927,172	970,989

Shanti Mission Harmony Centres Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2015

10 Property, plant and equipment (cont'd)

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

	Capital Works in Progress	Land and Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Computer Equipment	Improvements	Total
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	-	-	5,766	2,946	-	-	1,898	10,610
Depreciation expense	-	(10,040)	(9,381)	(3,274)	(1,000)	(9,019)	(21,713)	(54,427)
Balance at the end of the year	-	717,466	55,936	10,005	3,777	7,935	132,053	927,172
Parent and Consolidated	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2014								
Balance at the beginning of year	71,263	766,125	49,268	10,801	6,777	25,268	20,449	949,951
Additions	69,335	-	27,860	1,270	-	546	7,181	106,192
Transfers	(140,598)	-	-	-	-	-	140,598	-
Depreciation expense	-	(5,309)	(17,577)	(1,738)	(2,000)	(8,860)	(16,360)	(51,844)
Revaluation	-	(33,310)	-	-	-	-	-	(33,310)
Balance at the end of the year	-	727,506	59,551	10,333	4,777	16,954	151,868	970,989

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Notes to the Financial Statements

For the Year Ended 30 June 2015

11 Intangible Assets

	Parent		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
Cost	13,350	9,349	13,350	9,349
Accumulated amortisation	(9,140)	(6,630)	(9,140)	(6,630)
	4,210	2,719	4,210	2,719

12 Trade and other payables

CURRENT				
Unsecured liabilities				
Trade payables	34,641	86,011	34,641	92,006
Employee benefits	25,781	21,250	25,781	21,250
Sundry payables and accrued expenses	18,097	18,608	18,097	64,583
Other payables	1,334	5,157	1,334	5,157
Building fund liability	12,000	3,225	12,000	3,225
Related party payables	-	-	10,000	141,099
	91,853	134,251	101,853	327,320
	91,853	134,251	101,853	327,320

(a) Building fund liability

Opening balance	3,225	18,472	3,225	18,472
Building fund donations	95,455	101,246	95,455	101,246
Work in progress additions	(6,561)	(69,335)	(6,561)	(69,335)
Rent	(75,294)	(25,695)	(75,294)	(25,695)
Bank guarantee reimbursement	-	(13,546)	-	(13,546)
Capital additions expensed	(4,825)	(7,917)	(4,825)	(7,917)
	12,000	3,225	12,000	3,225

13 Borrowings

CURRENT				
Secured liabilities:				
Bank overdraft	-	-	296,966	297,909
Finance lease obligations	-	3,089	-	3,089
Total current borrowings	-	3,089	296,966	300,998

14 Employee Benefits

CURRENT				
Annual leave	24,991	14,311	24,991	14,311
Long service leave	6,074	-	6,074	-
	31,065	14,311	31,065	14,311

Shanti Mission Harmony Centres Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2015

15 Other Financial Liabilities

	Parent		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
CURRENT				
Deferred income	9,680	-	9,680	-

16 Issued Capital

Ordinary shares- Shanti Vision Pty Ltd	-	-	129,500	129,500
Ordinary shares- Shanti Organisation Pty Ltd	-	-	100	100
Total	-	-	129,600	129,600

Ordinary shares were issued by Shanti Vision Pty Ltd, a for profit subsidiary of Shanti Mission Harmony Centres Limited. The shareholders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of Shanti Vision Pty Ltd. On a show of hands at meetings of Shanti Vision Pty Ltd, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

17 Capital and Leasing Commitments

(a) Finance Leases

	Parent		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
Minimum lease payments:				
- not later than one year	-	3,989	-	3,989
Minimum lease payments	-	3,989	-	3,989
Less: finance changes	-	(900)	-	(900)
Present value of minimum lease payments	-	3,089	-	3,089

(b) Operating Leases

Minimum lease payments under non-cancellable operating leases:				
- not later than one year	120,958	104,750	120,958	104,750
- between one year and five years	193,092	313,840	193,092	313,840
- later than five years	-	210	-	210
	314,050	418,800	314,050	418,800

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Notes to the Financial Statements

For the Year Ended 30 June 2015

18 Financial Risk Management

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

This note discloses the Company's objectives, policies and processes for managing and measuring these risks.

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

The Company does not speculate in financial assets.

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

Specific risks

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

Financial instruments used

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

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

Objectives, policies and processes

Risk management is carried out by the Company'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 Company, 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 Company is exposed is provided below.

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company 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 2015

18 Financial Risk Management (cont'd)

Market risk

(i) Cash flow interest rate sensitivity

The Company 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 Company'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 Company is exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates.

Credit risk

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

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.

19 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 2015 the number of members was 6 (2014: 6).

20 Key Management Personnel Disclosures

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

	2015	2014
	\$	\$
Short-term employee benefits	42,795	41,425
Long-term benefits	4,002	3,794
	46,797	45,219

21 Remuneration of Auditors

	Parent		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
Remuneration of the auditor for:				
- auditing or reviewing the financial report	13,000	24,199	13,000	24,199

22 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2015 (30 June 2014: None).

Shanti Mission Harmony Centres Limited

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Notes to the Financial Statements For the Year Ended 30 June 2015

23 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 \$23,319 (2014: \$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. The Group also pay Higher Guidance an administration and management fee in relation to duties performed by Higher Guidance staff. 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	
	2015	2014	2015	2014
	\$	\$	\$	\$
Serviced rendered	69,939	74,137	69,939	74,137
Purchase of stock	21,712	46,127	21,712	46,127
Administration and management fees	(23,411)	(62,728)	(23,411)	(62,728)
Royalties	11,090	20,575	11,090	20,575
Room rental	(1,780)	(583)	(1,780)	(583)
	<u>77,550</u>	<u>77,528</u>	<u>77,550</u>	<u>77,528</u>

(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 2014 or 2013 financial period.

(d) Shanti Vision

Shanti Vision Pty Ltd is a partially 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.

Shanti Mission Harmony Centres Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2015

(e) **Paul Wilde**

Paul Wilde receives payments from Shanti Mission Harmony Centres Limited for teaching classes. In 2015 these payments amounted to \$35,982 (2014: \$35,975). The payments were made in accordance with an agreed schedule of rates for teachers.

24 Cash Flow Information

(a) **Reconciliation of cash**

	Parent		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
Cash and cash equivalents	152,826	142,202	156,721	145,778
Bank overdrafts	-	-	(296,966)	(297,909)
	<u>152,826</u>	<u>142,202</u>	<u>(140,245)</u>	<u>(152,131)</u>

(b) **Reconciliation of result for the year to cash flows from operating activities**

	Parent		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
Surplus / (deficit) for the year	(59,271)	(105,873)	109,519	(46,348)
Non-cash flows in profit:				
- amortisation	2,510	-	2,510	-
- depreciation	54,427	53,094	54,427	53,094
- revaluation of property, plant and equipment	-	33,310	-	33,310
Changes in assets and liabilities:				
- (increase) / decrease in trade and other receivables	24,993	60,152	24,918	(12,917)
- (increase) / decrease in inventories	17,597	3,144	33,213	3,143
- (increase) / decrease in other assets	4,032	5,096	4,032	5,096
- increase / (decrease) in trade and other payables	(32,718)	18,430	(215,787)	31,153
- increase / (decrease) in employee benefits	16,754	(629)	16,754	(629)
Cashflow from operations	<u>28,324</u>	<u>66,724</u>	<u>29,586</u>	<u>65,902</u>

Shanti Mission Harmony Centres Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2015

24 Cash Flow Information (cont'd)

(c) Credit standby arrangement and loan facilities

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

	Parent		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
Credit facility	-	-	300,000	312,000
Amount utilised	-	-	(296,966)	(299,132)
	-	-	3,034	12,868

25 Events Occurring After the Reporting Date

The financial report was authorised for issue on 27 October 2015 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.

26 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

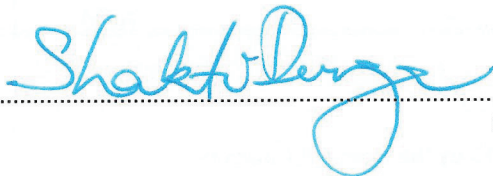
ABN: 76 116 997 392

Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 10 to 33, are in accordance with the *Corporations Act 2001* 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 Company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

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

Director 

Shakti Durga

Director 

Shiva Kata Tjuta (Hugh Keller)

Dated 27 October 2015

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

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

Report on the Financial Report

We have audited the accompanying financial report of Shanti Mission Harmony Centres Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Company and the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility 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 *Corporations Act 2001* 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Shanti Mission Harmony Centres Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Shanti Mission Harmony Centres Limited

ABN: 76 116 997 392

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

Basis for Qualified Opinion

It is not always practicable for the company to establish accounting control over all sources of donation income prior to receipt of these funds by contractors or the company 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.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report of Shanti Mission Harmony Centres Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's and the consolidated entity's financial positions as at 30 June 2015 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Emphasis of Matter

We draw attention to Note 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 \$215,550. This indicates the existence of material uncertainty as to whether the Company 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 Company's ability to continue as a going concern is necessary for the proper understanding of the financial report.

Our opinion is not qualified in respect of this matter.



Neil Watson
Partner
KLM Accountants

Charlestown

27 October 2015