

The Well Being Initiative

ABN: 76 116 997 392

Financial Statements

For the Year Ended 30 June 2020

The Well Being Initiative

ABN: 76 116 997 392

Contents

For the Year Ended 30 June 2020

	Page
Financial Statements	
Responsible Entities' Declaration	1
Auditors Independence Declaration under Division 60.40 of the Australian Charities and Not-for-profits Commission Act 2012	13
Statement of Profit or Loss and Other Comprehensive Income	14
Statement of Financial Position	15
Statement of Changes in Equity	16
Statement of Cash Flows	17
Notes to the Financial Statements	18
Directors' Declaration	43
Independent Audit Report	44

Contents

For the Year Ended 30 June 2020

Directors' Report

Responsible Entities' Declaration FY 2019-20

The Well Being Initiative ABN: 76 116 997 392

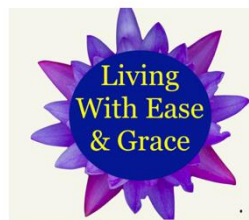
A Year of Change

The financial year ending 30 June 2020 calendar year 2020 have been a period of tremendous change for our organization. consultation with our community and business advisers, we have extensively streamered our charitable work into three discrete project parts, each of which reaches out to demographics in the community who are seeking support and assistance. Further details of this clarification of our work is below. These changes are intended to help alleviate suffering, build well-being outcomes and create a firm foundation for the next 5 years.

Three Separate Projects

and

After



Charitable Services Institution, Constitution and Name Change

We changed the name of the organisation from Shanti Mission to The Well Being Initiative, as wellbeing is fundamental to everything we do.

We revised parts of our 2005 constitution to better reflect our future direction. The objective was to be clear about our extensive wellbeing related services for the public. We applied for and successfully obtained endorsement as a Charitable Services Institution (CSI). From 21 February 2020 we are able to give the benefit of tax deductibility to Australian donors.

Change in Real Estate Holdings

Harmony Farm

In mid to late 2019 our board took the decision to sell the Harmony Community Farm on account of diminished community support and increasing running costs. The Covid virus slowed the sale of the property, but contracts were exchanged in August 2020 and the sale settled in September 2020. After payment of sale expenses the balance was placed in fixed deposits with the Commonwealth bank.

The Well Being Initiative

ABN: 76 116 997 392

Contents

For the Year Ended 30 June 2020

Abode of Peace

With the advent of Covid-19 we were unable to run in-person events in the manner we have done over the past 15 years. The large premises at 45 Kings Rd Cooranbong from which we have operated since 2013 was relinquished. We downsized and moved into the 213 Martinsville Road property where our operations began in 2005. It has been adequate for our needs in an environment in which there has been either a ban, severe limitation or uncertainty concerning in-person gatherings. Most of our efforts have now gone into online services and most staff are working happily from home.

Henley

We have offered weekly events at the Henley Community Centre for approximately 7 years and had a permanent lease on space at the centre and a permanent booking for Sundays each week. Because of Covid 19 we ceased all in person activities at Henley and terminated the lease arrangement. We have no plans currently to resume large scale in person events because of continued uncertainty concerning the pandemic.

Covid-19

Covid-19 had a tremendous impact upon us. Revenue was significantly reduced, and our entire business had to be re-engineered.

In accordance with government guidelines from time to time, most of our in person events were cancelled, and all our programs were switched to online format. All except two staff worked from home, and it became obvious that we no longer required bricks and mortar halls and large premises from which to work in the foreseeable future. In summary we:

- 1 Terminated the lease and moved out of the large Abode of Peace Cooranbong premises, relinquished Henley and sold the Harmony Farm.
- 2 Ceased all travel interstate and overseas for our core teachers.
- 3 Down-sized our operation but retained staff thanks to the Job Keeper payment (for which we are very grateful).
- 4 Established a raft of online programs which have been well received and which feedback has shown were extremely important to our community in addressing social isolation and mental health challenges brought on by Covid-19.

Contents

For the Year Ended 30 June 2020

- 5 Established a body of work to assist members of the medical profession to cope with the stress and avoid burn out, through a free data base of relaxation exercises and meditations available worldwide via our website.

In our 2019 report we indicated we were in the process of:

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

A great deal of work has been done to achieve this.

Operational Achievements

We wish to thank our directors, staff, teachers, lift practitioners and volunteers for their tremendous effort in despite difficult and challenging circumstances. We also wish to thank Friends of Shanti Mission whose continued financial support underpins our capacity to make a difference in so many lives.

Our achievements include:

- Providing significant daily online resources and help to the community
- Establishing the Lift Fund to provide discounted or free healing to members of the public who are suffering depression, burn out, stress, pain, anxiety, or relationship issues
- Moving from in person to an online school
- Delivery of inspirational content through new face book groups through which people are buoyed and engaged in community, and can avail themselves of support services and resources
- Commencing a pilot project for The Lift Fund by which 48 people have completed either 5 or 10 Lift sessions. In every case positive wellbeing outcomes have been achieved and affirmed by participants.
- Commencing consulting to help prevent burn out
- Path of Ease and Grace is back
 - New non-linear path of ease and grace
 - Make a Difference ran – great feedback

The Well Being Initiative

ABN: 76 116 997 392

Contents

For the Year Ended 30 June 2020

To support these service initiatives, we have developed and updated business structures to streamline, simplify and ensure stability and compliance with regulatory requirements. These upgrades include:

- Booking systems and a suite of procedures for the Lift project
- Training a group of therapists who were graduates of IYS healing and up skilling them to provide Lift sessions
- Major re-branding, refocussed our operations around 3 clearly defined business units
- Refining course content and updating with relevant new science and industry developments
- Splitting up our weekly meditations and streaming them in accordance with new branding and in alignment with our three business units
- Establishing ontraport system for The Well Being Initiative to accommodate our 3 business units
- Migrating data from Civi system to new ontraport data base
- Creating a new website on ontraport initially for doctors and for public well being
- Implementing the accounting and practical changes necessary to comply with registration as a CSI
- Transitioning our accounting platform from MYOB to Xero and developing better reporting of management accounts
- Moving out of Abode of Peace and returning the building in good condition to the owner (a huge project involving many volunteers and extra work for our staff)
- Renovating our leased space at Martinsville Rd, Cooranbong, including painting, air conditioning, curtains and erecting an outdoor undercover space for Covid safe small meetings

We continue to function as a Cluster organisation, with independent teachers and therapists working on a large common project of bringing healing and peace to a wide and diverse audience. However, we have now begun to centralise more of the Well Being and teaching work for greater consistency and quality control.

Another development in our model of operation is that while continuing to offer most events on a 'by donation' model, we have started to offer some events at modest set fees. This helps us with event planning and has had a positive impact on operations. We continue to offer some places at paid events and seminars for those who suffer genuine financial hardship.

Volunteering

There are over 50 people this year who consistently offered volunteer service to in many ways and places which enables us to deliver charitable services and other activities to the broader community. Volunteering was significantly impacted by Covid-19, however various online roles were still able to be performed.

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.

Contents

For the Year Ended 30 June 2020



Areas of operation/business units 2020/21 and Future Years

1. The Well Being Initiative

The Lift Your Life Project providing

- Lift (formerly called Ignite Your Spirit) sessions to community members and the public to alleviate pain and suffering, depression, anxiety and burn out.
- Training and information Services for medical, veterinary and allied health and other business groups, to help prevent burn out, alleviate excessive stress, pain, suffering, anxiety and depression, and to provide conflict resolution strategies and relationship skills.
- Ditch the stress and thrive online training program for industry groups and the public.

To illustrate some of the benefits of the Lift your Life Project, we selected a sample from the numerous individual testimonials received after Lift sessions with us.

"Lift Your Life sessions reduced my stress. I recommend Lift sessions to anyone with stress and health issues". (G. Lake Macquarie)

"From the first Lift Your Life healing my emotional state changed for the better and the pain left my hips and legs. I decided to continue with regular healings to maintain this level of joy, peace and comfort in my body". (V. (retired nurse), Newcastle)

"The pain of the shingles reduced significantly after the first two Lift Your Life healings and healed completely in record time with no pain at all by the end of the five sessions. These Lift Your Life sessions have helped me stay positive during the stressful time of finding new (living) accommodation. I highly recommend the Wellbeing Initiative to anyone having physically painful conditions". (R. Newcastle)

"The five Lift Your Life sessions I had with my practitioner were fantastic, I felt extremely comfortable and I found it easy to trust her, she was very professional and accessible throughout the lifts especially when I had questions. I highly recommend the Lift Your Life sessions and am grateful to have received them. Following my Lift Your Life sessions I was clearer and more focused, my body felt lighter and I had more energy and vitality". (J. Adelaide)

Contents

For the Year Ended 30 June 2020

"I have been living with Parkinson's disease for 13 years, over 10 *Lift Your Life* sessions I had some sound improvements in my physical health and emotional wellbeing. My vision improved, I am getting less headaches and I'm able to walk with much more balance. These positive physical improvements have given me back hope in my life". (SD, 2020)

"Ten weeks ago I was mentally, emotionally, physically and spiritually sick. Thinking back to where I was 10 weeks ago and where I am now is like night and day, I cannot believe how far I have come in such a short period of time! These (10) *Lift Your Life* sessions have been literally life-saving and life-giving to me. (J. Sydney)

"I have suffered for more than 20 years with chronic migraines and pain, chronic fatigue, environmental, food and chemical sensitivities, depression, anxiety, and issues with organisation. Following my *Lift Your Life* sessions I have had less migraines than when I started and more consistent energy levels". (A. Speers Point)

"The *Lift Your Life* sessions have resulted in me feeling calmer and more peaceful, my mind/thoughts are clearer and I'm now accepting of why I allowed myself to carry excess weight for so long and now feel ready to do something about it". (K, Central Coast)

"It was so wonderful having access to the *Lift Your Life* sessions right after I had had a major surgery, and was also going through some emotional challenges. I'm really grateful and found the regular connection really helpful". (S, Canberra)

"I would highly recommend the *Lift Your Life* sessions to anyone experiencing stress, anxiety, depression and trauma. I feel much calmer and more relaxed after each *Lift Your Life* session and am able to have a good night's sleep. *Lift Your Life* has provided me with simple tools I can use when I find myself in challenging situations and I am able to recover more quickly back to a calm state. I am also feeling much more positive about my future. I plan on continuing to use the meditations and tools I have learnt to help bring more peace, relaxation and joy into my life". (L, South Coast)

"Following my *Lift Your Life* sessions I feel much more grounded, centered and stable. Being more settled, I am more comfortable throughout my days. I am pretty sure I am sleeping better as well. My breathing is now free and easy after Covid19 and I have good energy back! (D, Middletown, CT, USA)

"The *Lift Your Life* sessions have resulted in more positive energy and thoughts that are less dark and more light. I have had a shift in realization, which has brought more balance, more calmness and compassion into my life". (J, Cooranbong)

"I am so pleased I accepted the offer of five *Lift Your Life* sessions with The Wellbeing Initiative. I had a lovely woman therapist who explained what she was doing and why. After the second session there was a noticeable easing of my symptoms. By the end of the fourth session my headaches, which had been continual and ranging up to very severe, were not only much reduced but I was having long periods without any. I now do not have headaches at all". (J, Mosman)

The Well Being Initiative

ABN: 76 116 997 392

Contents

For the Year Ended 30 June 2020

“My levels of stress and anxiety have decreased with acceptance of what is, is. We can’t change what is happening just our thoughts about it. I would say that I really benefited from the *Lift Your Life* sessions”. (S,)

“I had a serious accident in which I dislocated and severely fractured my shoulder. I had undergone extensive surgery to repair the fracture and rebuild the joint. A plate and 13 screws were used to save me from a complete shoulder replacement. Never having tried anything like the *Lift Your Life* sessions I had no idea what to expect. I can now say that this experience was truly life changing. After every session, I felt emotionally and spiritually better. Following my surgery for a severely fractured shoulder, I knew the *Lift Your Life* sessions were helping reduce my pain drastically and help me emotionally but I really realized how much it helped me physically when I went to see the physical therapist. By my third appointment I could straighten my arm and bend it and get dressed on my own. She said it is as if I only had a minor surgery and it doesn’t make sense that I can do these things after having such a major surgery less than two weeks ago! She also said she cannot believe that I am not in a lot of pain still. These Lift sessions have made such a huge impact and I am so very truly grateful for this opportunity”. (L, Myrtle Beach, SC, USA)

“I have lived with acute and chronic pain for most of my life and I lost hope many times in the past. Having *Lift Your Life* sessions gave me hope again. I have found healing from issues such as Cluster Headaches (after enduring them for over 35 years, I have not had one at all now for almost four years!). I have also found that over the past five years, Lift sessions have provided me with profound relief from severe trauma and workplace bullying; anxiety; depression; physical pain (including arthritis and serious back problems); family and relationship issues; and a severe lack of confidence. I now run my own business and a blog and I feel confident I can thrive in my life again. – Thank you so much”. (J, Ambervale)

2. The Consciousness Connection -Living with ease and grace.

This used to be the main body of work for which our charity was known. It was very popular in the mid 2000’s. We have refocussed upon updating and re-orienting this part of our structure to meet the needs of people in 2021 and beyond, including use of technologies to change the way training is provided. We envisage significant growth in attendance at these seminars, which enable people to deal with their lives with a mindset that is enabling and strengthening.

Graduates of the Living with Ease and Grace series seminars can then enter Make a Difference, a 20 training opportunity for self-development and healing.



3. Mystery School

We support, educate, and inspire people to develop kindness, inner peace, compassion, and to be of service in the world. We do this through developing the connection with the inner spiritual core of

The Well Being Initiative

ABN: 76 116 997 392

Contents

For the Year Ended 30 June 2020

resilience and inspiration. We offer programs and promote advanced meditation techniques which bring deep peace and inner awareness. Program format is via membership, and run through weekly and 6 weekly programs as well as 8 annual intensives presently offered online.

We believe this restructuring will open opportunities for us to serve the public and help bring greater peace and wellbeing to a growing audience. We look forward to meeting the many wonderful people who have been doing it tough and who, with a bit of support, can be well, happy and contribute to make the world a better place.

The Well Being Initiative

ABN: 76 116 997 392

Responsible Entities' Declaration

30 June 2020

2. General information

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

Kim Durga

Qualifications

Degree in Law and Economics

Experience

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

Special responsibilities

Chairman of Directors

Hugh Keller

Qualifications

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

Experience

Non-executive director of ASX listed companies, large and small proprietary companies. For 10 years he was chairman of a large superannuation fund (1,600 members).

Special responsibilities

Chair, member of the Compliance Committee

Gayatri Anderson

Qualifications

Appointed 21 September 2015

Experience

BA Sydney University, MSc East London University

She has been designing and facilitating adult education seminars since 2009 on emotional empowerment, purposefulness, and the science of human flourishing. Gayatri has an MSc in Applied Positive Psychology and Coaching Psychology. She has worked with CEO's, business leaders and corporate teams both in groups and one on one in Australia, the UK and the USA. She is currently a guest lecturer on consciousness studies at Leeds Beckett University, where she is completing her PhD.

Special responsibilities

Director, senior teacher

Bhadra Kali (Joanne McKay)

Qualifications

Appointed 10 September 2015

Special responsibilities

Registered Nurse

Director, senior teacher

Sheila Fawns

Experience

Appointed 23 May 2019

Special responsibilities

Business owner and manager

Director, senior teacher

Patricia Lyon

Experience

Appointed 15 September 2016

Former Commonwealth senior public servant responsible for major government aid and assistance programs, both domestic and international

Special responsibilities

Director, senior teacher

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

The Well Being Initiative

ABN: 76 116 997 392

Responsible Entities' Declaration

30 June 2020

2. General information

Principal activities

The principal activities of the company 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

The Well Being Initiative 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 2020 the collective liability of members was \$ NIL (2019: \$ 1,800).

Meetings of directors

During the financial year, 4 meetings of directors were held.

Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Kim Durga	4	4
Hugh Keller	4	4
Gayatri Anderson	4	3
Patricia Lyon	4	4
Bhadra Kali	4	3
Sheila Fawns	4	4

The Well Being Initiative

ABN: 76 116 997 392

Responsible Entities' Declaration

30 June 2020

Indemnification and insurance of officers and auditors

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

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

Auditor's independence declaration

The lead auditor's independence declaration in accordance with Division 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012*, for the year ended 30 June 2020 has been received and can be found on page 11 of the financial report.

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

Director:

Director:

Dated 24 January 2021

The Well Being Initiative

ABN: 76 116 997 392

Auditors Independence Declaration under Division 60.40 of the Australian Charities and Not-for-profits Commission Act 2012 To the Directors of The Well Being Initiative and Controlled Entities

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, 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

24 January 2021

Charlestown, NSW

The Well Being Initiative

ABN: 76 116 997 392

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2020

		2020	2019
	Note	\$	\$
Revenue	5	739,689	948,724
Raw materials and consumables used		(150,944)	(184,089)
Employee benefits expense		(290,972)	(309,321)
Depreciation and amortisation expense		(13,607)	(53,777)
Other expenses		(199,860)	(253,129)
Finance expenses		(16,246)	(14,807)
Lease expenses	13	(120,661)	(141,080)
Profit before income tax		(52,601)	(7,479)
Income tax expense		-	-
Profit from continuing operations		(52,601)	(7,479)
Profit for the year		(52,601)	(7,479)
Other comprehensive income, net of income tax			
Total comprehensive income for the year		(52,601)	(7,479)

The accompanying notes form part of these financial statements.

The Well Being Initiative

ABN: 76 116 997 392

Statement of Financial Position

As at 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	44,069	39,351
Trade and other receivables	8	22,345	13,399
Inventories	9	17,452	35,481
Other assets	10	1,962	1,699
TOTAL CURRENT ASSETS		85,828	89,930
NON-CURRENT ASSETS			
Intangible assets	11	2,769	6,763
Property, plant and equipment	12	1,549,300	1,515,223
TOTAL NON-CURRENT ASSETS		1,552,069	1,521,986
TOTAL ASSETS		1,637,897	1,611,916
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	105,585	70,731
Borrowings	15	253,450	209,434
Employee benefits	16	25,608	23,931
Other financial liabilities	17	1,701	4,468
TOTAL CURRENT LIABILITIES		386,344	308,564
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		386,344	308,564
NET ASSETS		1,251,553	1,303,352
EQUITY			
Reserves		454,316	453,514
Retained earnings		797,237	849,838
TOTAL EQUITY		1,251,553	1,303,352

The accompanying notes form part of these financial statements.

The Well Being Initiative

ABN: 76 116 997 392

Statement of Changes in Equity For the Year Ended 30 June 2020

2020

	Retained Earnings	Asset Revaluation Surplus	Total
Note	\$	\$	\$
Balance at 1 July 2019	849,838	453,514	1,303,352
Surplus / (deficit) for the year	(52,601)	802	(51,799)
Balance at 30 June 2020	797,237	454,316	1,251,553

2019

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

The accompanying notes form part of these financial statements.

The Well Being Initiative

ABN: 76 116 997 392

Statement of Cash Flows For the Year Ended 30 June 2020

		2020	2019
	Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		727,660	938,515
Payments to suppliers and employees		(724,241)	(962,537)
Interest received		316	314
Net cash provided by / (used in) operating activities	25	3,735	(23,708)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(43,033)	(19,605)
Net cash provided used in investing activities		(43,033)	(19,605)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds / repayment of borrowings		44,016	(9,050)
Net cash provided by / (used in) financing activities		44,016	(9,050)
Net increase / (decrease) in cash and cash equivalents held		4,718	(52,363)
Cash and cash equivalents at beginning of year		39,351	91,714
Cash and cash equivalents at end of financial year	7	44,069	39,351

The accompanying notes form part of these financial statements.

The Well Being Initiative

ABN: 76 116 997 392

Notes to the Financial Statements For the Year Ended 30 June 2020

The financial report covers The Well Being Initiative ('the Company'). The Well Being Initiative is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The financial statements have been prepared on an accruals basis and are based on historical costs except for financial assets measured at fair value.

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Australian Charities and Not for profits Commission Act 2012*.

Comparatives are consistent with prior years, unless otherwise stated.

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

1 Impact of Covid-19 Pandemic

On 11 March 2020, the World Health Organisation ("WHO") declared the Coronavirus disease 2019 ("COVID-19") a pandemic. The pandemic has adversely affected the global economy, including an increase in unemployment, decrease in consumer demand, interruptions in supply chains, and tight liquidity and credit conditions. Consequently, governments around the world have announced monetary and fiscal stimulus packages to minimise the adverse economic impact. However, the COVID-19 situation is still evolving, and its full economic impact remains uncertain.

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home) and securing supply of materials that are essential to our client service process.

At this stage, the impact on the Company's results has not been significant and based on our experience to date we expect this to remain the case. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

The Company has adopted AASB 15 *Revenue from Contracts* with Customers and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 July 2019.

The Company has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. No adjustments to retained earnings at 1 July 2019 was required on adoption of AASB 15 and AASB 1058.

The key changes to the company's accounting policies and the impact on these financial statements from applying AASB 15 and AASB 1058 are described below.

Impact of adoption of AASB15 and AASB1058

Under AASB 1004, most grant income was recognised as revenue on receipt. Under AASB 1058 and AASB 15, where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed or recognised at the point in time that the control of the services pass to the customer. Having reviewed the terms and conditions of grants received by the Company, some of them are within the scope of AASB 1058 and others within AASB 15. Home Care Package funding is received in advance based on assessed levels of funding, cost for services, care management and package management charged against each individual client package. The net available funds are then arrived at and classified as contract liabilities.

Under AASB 1004, most grant monies were recorded as revenue on receipt. Under AASB 1058, where the Company has received assets (including cash) to acquire or construct a non-financial asset, the asset is to be controlled by the Company and there is a refund liability if the terms and conditions of the grant are not met then the asset is recognised as a contract liability on receipt and recorded as revenue as the performance obligation to acquire or construct the asset is completed.

The adoption of AASB15 and AASB1058 has not resulted in any adjustments to the reported financial position, performance or cashflow of the Company for the year ended 30 June 2020.

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Change in Accounting Policy

Leases - Adoption of AASB 16

The Company has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

Impact of adoption of AASB 16

The Company as a lessee

Under AASB 117, the company assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the company or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Company has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition. The Company has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the company's incremental borrowing rate at 1 July 2019;
- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- excluded leases with an expiry date prior to 30 June 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are the same value as the leased asset and liability on 1 July 2019.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(a) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

(b) Income Tax

The Well Being Initiative is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

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

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) 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.

(d) Revenue and other income

For comparative year

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 company 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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(d) Revenue and other income

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.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Revenue from contracts with customers

For current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

The Well Being Initiative

ABN: 76 116 997 392

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(d) Revenue and other income

Specific revenue streams

Courses and Events

The Company earns revenue from provision of courses and events. Revenue is recognised in the accounting period when courses and events are held.

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

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 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) Leases

For comparative year

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Lease assessment at contract inception

For current year

At inception of a contract, the company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(g) Leases

Right-of-use asset

At the lease commencement, the company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(h) Financial instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(h) Financial instruments

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 Company 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 company'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 company 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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(h) Financial instruments

(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 company 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 company 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 company 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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(i) Impairment of non-financial assets

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

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

(j) Cash and cash equivalents

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

(k) Employee benefits

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

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

(l) Excess of current liabilities over current assets

At 30 June 2020, the Group's current liabilities (\$386,263) exceed its current assets (\$96,499) by \$289,764. 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 2020 was \$242,274 (2019: \$209,434) 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:

- Implementation of cashflow tightening measures to ensure ongoing adequate cash reserves including reduction of operational expenditure and stalling of discretionary major projects. Management will suspend and / or reduce contracts and supplier payments where possible.
- Rationalisation of assets will result in a reduction in borrowings and interest expense.
- In September 2020, after the balance date, the sale of the Canyonleigh property was completed with extinguishment of borrowings and elimination of interest expense (see Note 26).

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

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(m) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the company.

(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 Company has decided not to early adopt these Standards.

4 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

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

The Well Being Initiative

ABN: 76 116 997 392

Notes to the Financial Statements For the Year Ended 30 June 2020

5 Revenue and Other Income

	2020 \$	2019 \$
Operating income		
Shop sales	36,491	44,597
HC courses and events	321,907	404,026
Other donations	301,614	361,875
Other courses and retreats	3,587	41,235
Rent received	17,619	56,280
Events and festivals	-	913
Other income	(2,641)	18,211
Teacher / Therapist fees	2,348	12,548
	680,925	939,685
Other income		
- Interest received	316	314
- Parental leave payments	4,444	8,725
- Covid 19 income	54,004	-
	58,764	9,039
	739,689	948,724

6 Result for the Year

Cost of sales	150,944	184,089
Finance costs	16,246	14,807

7 Cash and cash equivalents

Cash at bank and in hand	27,502	22,784
Short-term deposits	16,567	16,567
	44,069	39,351

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.

The Well Being Initiative

ABN: 76 116 997 392

Notes to the Financial Statements For the Year Ended 30 June 2020

8 Trade and other receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	-	2,158
GST receivable	2,774	8,897
Other receivables	19,571	2,344
	<u>22,345</u>	<u>13,399</u>

9 Inventories

CURRENT		
At cost:		
Stock on hand	17,452	35,481

10 Other non-financial assets

CURRENT		
Prepayments	1,962	1,699

11 Intangible Assets

Website development		
Cost	24,370	24,370
Accumulated amortisation and impairment	(21,601)	(17,607)
	<u>2,769</u>	<u>6,763</u>

The Well Being Initiative

ABN: 76 116 997 392

Notes to the Financial Statements For the Year Ended 30 June 2020

12 Property, plant and equipment

	2020 \$	2019 \$
Buildings		
At fair value	1,348,245	1,347,443
Accumulated depreciation	(98,245)	(97,443)
Total buildings	1,250,000	1,250,000
Total land and buildings	1,250,000	1,250,000
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	190,430	147,852
Plant and equipment		
At cost	154,335	154,963
Accumulated depreciation	(108,234)	(103,498)
Total plant and equipment	46,101	51,465
Furniture, fixtures and fittings		
At cost	24,904	24,905
Accumulated depreciation	(19,654)	(17,697)
Total furniture, fixtures and fittings	5,250	7,208
Computer equipment		
At cost	8,590	8,135
Accumulated depreciation	(6,422)	(5,823)
Total computer equipment	2,168	2,312
Leasehold Improvements		
At cost	177,707	177,707
Accumulated depreciation	(122,356)	(121,321)
Total leasehold improvements	55,351	56,386
Total plant and equipment	299,300	265,223
Total property, plant and equipment	1,549,300	1,515,223

The Well Being Initiative

ABN: 76 116 997 392

Notes to the Financial Statements For the Year Ended 30 June 2020

12 Property, plant and equipment

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

	Capital Works in Progress \$	Buildings \$	Plant and Equipment \$	Furniture, Fixtures and Fittings \$
Year ended 30 June 2020				
Balance at the beginning of year	147,852	1,250,000	51,465	7,208
Additions	42,578	-	-	-
Disposals - written down value	-	-	(628)	-
Depreciation expense	-	(802)	(4,736)	(1,958)
Revaluation increase recognised in equity	-	802	-	-
Balance at the end of the year	190,430	1,250,000	46,101	5,250
		Computer Equipment \$	Improvements \$	Total \$
Year ended 30 June 2020				
Balance at the beginning of year		2,312	56,386	1,515,223
Additions		455	-	43,033
Disposals - written down value		-	-	(628)
Depreciation expense		(599)	(1,035)	(9,130)
Revaluation increase recognised in equity		-	-	802
Balance at the end of the year		2,168	55,351	1,549,300

The Well Being Initiative

ABN: 76 116 997 392

Notes to the Financial Statements For the Year Ended 30 June 2020

13 Leases

The Company as a lessee

The Company has leases over a range of assets including land and buildings and IT equipment.

The Notice of termination of the lease of land and the Abode of Peace buildings at 45 Kings Road Cooranbong was given in March 2020 with final payment of rent and vacant possession given in September 2020. The remaining lease for land and buildings relates to 213 Martinsville Road, Cooranbong. There is no formal agreement in place and the occupancy of the premises is negotiated on a month-to-month basis.

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the company is a lessee are shown below:

	2020	2019
	\$	\$
Expenses relating to short-term leases	119,005	138,566
Expenses relating to leases of low-value assets	1,656	2,514
	120,661	141,080

The Well Being Initiative

ABN: 76 116 997 392

Notes to the Financial Statements For the Year Ended 30 June 2020

14 Trade and other payables

	2020 \$	2019 \$
CURRENT		
Trade payables	50,118	24,313
Employee benefits	18,722	17,304
Sundry payables and accrued expenses	18,036	14,268
Other payables	2,340	2,984
Building fund liability	16,369	11,862
	105,585	70,731

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

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

15 Borrowings

CURRENT		
Secured liabilities:		
Bank overdraft	243,450	209,434
Other loans	10,000	-
Total current borrowings	253,450	209,434

16 Employee Benefits

CURRENT		
Annual leave	18,002	18,656
Long service leave	7,606	5,275
	25,608	23,931

17 Other Financial Liabilities

CURRENT		
Deferred income	1,701	4,468

18 Capital and Leasing Commitments

(a) Operating Leases

Minimum lease payments under non-cancellable operating leases:

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

Notes to the Financial Statements

For the Year Ended 30 June 2020

19 Financial Risk Management

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

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

- 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 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 the 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.

The Well Being Initiative

ABN: 76 116 997 392

Notes to the Financial Statements For the Year Ended 30 June 2020

19 Financial Risk Management

Credit risk

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

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 Company is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose the company 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.

20 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 200 each towards meeting any outstandings and obligations of the Company. At 30 June 2020 the number of members was 9 (2019: 9).

21 Key Management Personnel Disclosures

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

	2020	2019
	\$	\$
Short-term employee benefits	-	-

The Well Being Initiative

ABN: 76 116 997 392

Notes to the Financial Statements For the Year Ended 30 June 2020

22 Remuneration of Auditors

	2020 \$	2019 \$
Remuneration of the auditor for:		
- auditing or reviewing the financial statements	11,569	11,231

23 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2020 (30 June 2019: None).

24 Related Parties

The Group's related party transactions are as follows:

(a) Kim Durga and Hugh Keller

The premises occupied by the Group at Cooranbong are owned by Kim 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 Kim Durga and Hugh Keller were paid \$23,400 (2019: \$23,400) for rent of the Cooranbong centre.

(b) Higher Guidance Pty Ltd

Kim Durga is the sole director of Higher Guidance Pty Ltd. Fees for provision of healing, teaching, meditation and other services provided by Kim 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 Kim 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.

	2020 \$	2019 \$
Services rendered	90,959	89,990
Purchase of stock	749	6,883
Administration, rental and management fees	(53,643)	(42,153)
Royalties	128	1,982
	<u>38,193</u>	<u>56,702</u>

(c) Gayatri Anderson

Gayatri Anderson receives payments from The Well Being Initiative for teaching classes. In 2020 these payments amounted to \$2,409 (2019: \$7,257).

The Well Being Initiative

ABN: 76 116 997 392

Notes to the Financial Statements For the Year Ended 30 June 2020

24 Related Parties

(d) Sheila Fawns Anandamaya

Sheila Fawns Anandamaya receives payments from The Well Being Initiative for teaching classes. In 2020 these payments amounted to \$ Nil (2019: \$178). The payments were made in accordance with an agreed schedule of rates for teachers.

(e) Bhadri Kali

Bhadri Kali receives payments from The Well Being Initiative for teaching classes. In 2020 these payments amounted to \$2,376 (2019: \$1,622). The payments were made in accordance with an agreed schedule of rates for teachers.

(f) Patricia Lyon

Patricia Lyon receives payments from The Well Being Initiative for teaching classes. In 2020 these payments amounted to \$ Nil (2019: \$409). The payments were made in accordance with an agreed schedule of rates for teachers.

25 Cash Flow Information

(a) Reconciliation of cash

	2020 \$	2019 \$
Cash and cash equivalents	44,069	39,351

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

	2020 \$	2019 \$
Profit for the year	(52,601)	(7,479)
Non-cash flows in profit:		
- depreciation	9,130	53,777
- (gain) / loss on revaluation of investment property	628	(2,400)
Changes in assets and liabilities:		
- (increase) / decrease in trade and other receivables	(8,946)	(7,272)
- decrease / (increase) in other assets	3,731	395
- decrease / (increase) in inventories	18,029	1,916
- (decrease) / increase in trade and other payables	34,854	(60,253)
- (decrease) / increase in other liabilities	(2,767)	(2,623)
- increase / (decrease) in employee benefits	1,677	231
Cashflows from operations	3,735	(23,708)

The Well Being Initiative

ABN: 76 116 997 392

Notes to the Financial Statements For the Year Ended 30 June 2020

25 Cash Flow Information

(c) Borrowing facilities

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

	2020	2019
	\$	\$
Credit facility	300,000	300,000
Amount utilised	(242,274)	(209,434)
	<u>57,726</u>	<u>90,566</u>

26 Events Occurring After the Reporting Date

The financial report was authorised for issue on 24 January 2021 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 company, the results of those operations or the state of affairs of the company in future financial years. In September 2020, the sale of the Canyonleigh property was completed at a contract price equal to the value for land and buildings shown in Note 12, and the bank borrowings and overdraft facility discharged. In September 2020, the lease of the Kings Road premises expired with the final payment of rent and satisfactory handover of vacant possession.

27 Company Details

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

The Well Being Initiative
45 Kings Road
COORANBONG NSW 2265

The Well Being Initiative

ABN: 76 116 997 392

Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 12 to 40, are in accordance with the *Australian Charities and Not-for-profit's Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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

Director

Director

Dated 24 January 2021

The Well Being Initiative

Independent Audit Report to the members of The Well Being Initiative

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of The Well Being Initiative (the Company) and its subsidiaries (the company), which comprises the statement of financial position as at 30 June 2020, 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 company 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 company's financial position as at 30 June 2020 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 company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Emphasis of Matter

We draw attention to Note 2(l) to the financial statements which describe the uncertainty related to the Group's ability to operate as a going concern. The entity has a deficiency in working capital at balance date such that the current liabilities exceed the current assets by \$289,764. 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. However, this material uncertainty has been substantially alleviated by the completion of the sale of the Canyonleigh property in September 2020 at a contract price equal to the value for land and buildings shown in Note 12. In our opinion, knowledge of these matters about the Group's ability to continue as a going concern is necessary for the proper understanding of the financial report.

Emphasis of Matter - Impact of Covid19

We draw attention to Note 1 (Impact of COVID 19 Pandemic) to the financial statements, which describes the uncertainties and possible effect on the Company arising from its management of the ongoing issues related to COVID 19. Our opinion is not modified in respect of this matter.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profit's Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the the company'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 company 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

24 January 2021