



SHANTI MISSION HARMONY CENTRES LIMITED  
ABN 76 116 997 392

Financial Statements  
For the Year Ended  
30 June 2012

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# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Directors' Report

30 June 2012

Your 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 2012.

### 1. General Information

#### Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position
Shakti Durga	Chair
Hugh Keller	Director
Antoinette Sampson	Director
David Cole	Director
Tanya Diesel	Director

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

#### Company secretary

The following person held the position of company secretary at the end of the financial year:

Shakti Durga is the company secretary who is also the chair of the parent company.

#### 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, subject to the provisions of the company's constitution.

At 30 June 2012 the collective liability of members was \$ 1,000 (2011: \$ 1,000).

#### Principal activities

The principal activities of the Group during the financial year were:-

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

# Shanti Mission Harmony Centres Limited

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## Directors' Report

30 June 2012

### 1. General information continued

#### Principal activities continued

The following significant changes in the nature of the principal activities occurred during the financial year:

- Shanti Yoga Festival Pty Ltd was acquired during the period. Operating activities of Shanti Yoga Festival Pty Ltd include administration and facilitation of festivals.

#### Business review

#### Operating Results

The consolidated loss of the Group for the financial year after providing for income tax amounted to \$ (531,396).

### 2. Other items

#### Significant changes in state of affairs

During the year Shanti Mission Harmony Centres Limited (parent entity) obtained control over Shanti Organisation Pty Ltd and Shanti Yoga Festival Pty Ltd resulting the consolidation of the Group within the financial report.

#### After balance date events

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.

#### Auditors independence declaration

The lead auditors independence declaration for the year ended 30 June 2012 has been received and can be found on page 11 of the financial report.

#### Short and Long Term Objectives

For those involved with Shanti Mission Harmony Centres, 2012 was a year of awakening. This was certainly true for our premier event of the year, Bodhi Festival. What a tribute to Shanti Mission, a festival of healing, yoga, consciousness and spiritual music. I have met so many people that had never heard of Shanti Mission before Bodhi, and since then have studied with us, attended various events, and they say that they feel that Bodhi Festival was a true awakening.

Not only that, we have seen the expansion of consciousness of many people in our school. As the energy is getting more expansive and stable, people are 'popping' into a higher vibration of life, wellbeing and light. I would like to thank all of our teachers, healers, volunteers, staff and board members for a truly great year of transformation, awakening and growth. Below is more information about what we did together in the past 12 months.

# Shanti Mission Harmony Centres Limited

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## Directors' Report

30 June 2012

### 2. Other items continued

#### Short and Long Term Objectives continued

##### Shanti Mission Harmony Centres

The core work of Shanti Mission Harmony Centres is that they are schools of the soul committed to wellness and peace. People come to create community, learn meditation, have healing, and to develop tools to promote physical, mental, emotional and spiritual good health. We teach the Path of Ease and Grace seminar series, Ignite Your Spirit therapy and mentor/teacher training aimed at preparing people to a high standard to teach the Path of Ease and Grace, our signature seminar series. The Centres also offer public healing clinics, regular meditations, Sunday morning Satsangs and other events that support the process of becoming enlivened, healed, whole and happy.

##### Meditations

Our meditations run every week in all of our Centres. Through our highly trained teachers, participants access rich soul energy and engage the mind in purification that brings one into a deep state of peace and serenity. This is a method of meditation that resonates with many Westerners.

Almost **4,000** people attended regular weekly meditations this year around the various centres.

##### Satsang – gathering of truth seekers

Our weekly Satsangs every Sunday morning in all of our Centres are described as a musical gathering for peace. There is a meditation and discourse on a theme, music, singing and blessings. It is an opportunity for our community to connect with one another afterwards over a cup of tea. Satsangs are often the highlight of the week for many people who attend them.

Over **7,000** people attended our Sunday morning Satsangs this year.

##### Public Healing Clinics offering Ignite Your Spirit energetic healing

Our regular public healing clinics are offered by donation in all of our Centres.

"The healing helped me achieve a wonderful sense of calm and optimism"

"Lots of pain and stiffness in my upper body left – it feels much easier. I feel more peaceful in myself"

"The healer helped me evaluate the anger I had been holding inside and to channel it in ways to help change the situation I was in"

This year **1,566** people attended our public healing clinics

##### Path of Ease and Grace Seminar series

The Path of Ease and Grace is comprised of nine seminars and a series of mentoring sessions developed by Shakti Durga. They are Ignite Your Spirit 1 and 2, Yoga of the Mind, Empowering Relationships 1 and 2, Dimensions of Wealth 1 and 2 and Spiritual Mastery 1 and 2. Mentoring group sessions attached to the seminar series support people to really "get" the teachings. The tools and meditation techniques taught are easy to learn and to apply in everyday circumstances and in all relationships. They are aimed at members of the public who would like to be more empowered in dealing with the everyday challenges that life brings us. Classes range from beginners, intermediates and advanced. The path is systemized and a well-supported learning environment is provided. The aim of the school is to engender peace, internally and in our relationships in the world. Being at peace creates better health and wellbeing.

# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Directors' Report

30 June 2012

### 2. Other items continued

#### Short and Long Term Objectives continued

This year **2,378** people attended our signature Path of Ease and Grace seminars that provide tools for health, wellbeing, peace and spiritual growth

#### Ignite Your Spirit - energetic healing modality

Shanti Mission Harmony Centres teach and practice Ignite Your Spirit, a highly effective complimentary energetic healing modality developed by Shakti Durga. We train people to become world class Ignite Your Spirit therapists. Through this training, therapists can establish their own healing practices. After completing the Path of Ease and Grace seminar series with mentoring, people can apply to undertake the one-year Ignite Your Spirit therapists training taught one day a week. This course also includes undertaking three case studies, 80 hours of supervised clinical practice, personal study and self-transformation.

We currently have **114 student Ignite Your Spirit (IYS) Therapists in training** with **71 fully qualified, registered and certified IYS Therapists**. All of the classes are doing magnificently and we are very excited about the changes in health, wellness and wellbeing that will emerge through many qualified therapists providing healing on the physical, mental, emotional and spiritual levels to people in the community.

#### Mentors and Teachers

Shanti Mission Harmony Centres trains people to become spiritual mentors and teachers, so as to teach the Path of Ease and Grace seminars and support those undertaking the seminar series. Our mentor training classes are; Hanuman training, Ignite Your Spirit training, Yoga of the Mind training and Empowering Relationships. Each of these training programs are of 6 months duration.

This year from Semester 2, 2011 the former Teacher Training program became the "Mentor and Teacher Training" program to accommodate an extra stream of mentor training within the school. This enabled formalized mentoring structures to enhance the teaching service within Shanti Mission.

In semester 2, 2011, the Yoga of the Mind Mentor and Teacher training program ran. Shakti Durga, and senior teachers Jagatambe and Maitreya facilitated this class. There were **39** enrolled in the program and **37** graduated as qualified YOM mentors.

In Semester 1, 2012 the Hanuman training program ran for the first time. This is a devotional training program that prepares students for Discipleship and further Mentor and Teacher training in the school. There were **55** enrolled in this program.

We now have **78** registered mentors and **40** registered teachers within Shanti Mission.

#### Public programs and events

Public programs such as our healing clinics and the Hope Project, as well as our involvement in Bodhi Festival, Mind Body Spirit Festivals and many other public events allow the promotion of loving kindness, inner peace, personal empowerment, wellbeing and a new level of good health and prosperity. This is our specialty. In the past year we have touched thousands of lives and brought alleviation of suffering and joyfulness to individuals and their families.

#### Project Hope

The year of 2011-2012 has been devoted to establishing the foundations of Project Hope for offering Ignite Your Spirit Therapy to those affected by depression. Free healing to people with a diagnosis of depression has been offered as part of a research, or quality assurance program whereby the results will be used to

# Shanti Mission Harmony Centres Limited

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## Directors' Report

30 June 2012

### 2. Other Items continued

#### Short and Long Term Objectives continued

gain funding to support us in being able to offer Project Hope and conduct scientific research concerning energetic healing on a much larger scale.

During 2011-2012 we have established the Project Hope team, consisting of 14 IYS therapists, a registrar, a research team, a manager and sevites assisting with data collection, administration and marketing. Together, this creates a team of around 20 people. Project Hope now has a new manager, Melinda Armstrong/Anjani Devi whose passion, skill and expertise are taking Project Hope to a new level. We have received a \$1000 grant from Gunnedah council and a \$10,000 grant from The Mine Safety Advisory Council to be used in the Newcastle and Gunnedah regions to help people with depression by treating them with IYS therapy. We have seen more applications coming in and are planning to increase the marketing of Project Hope, especially now since we have some of the data from the last year to validate the great work being done. Training days are being organized for Project Hope healers and teams to increase skill and knowledge base as well as ensure compliance with mandatory regulatory bodies. An exciting year to come, especially now with the funding available to implement the many ideas that have been waiting to unfold.

90 people have participated and benefited from the program, each receiving 8 free Ignite Your Spirit therapy sessions with many remarkable positive changes taking place in peoples health and lives. Here is a testimonial from a participant in December 2011:

*"I came to the Harmony Centre as part of the Project Hope Depression Study. I was unable to function, hold down a job, communicate on a 'normal' level. Simple tasks such as getting out of bed or leaving the house seemed overwhelming. Thoughts of self harm and suicide were constantly in my mind. Past experiences of childhood traumas resurfaced and crippled me.*

*To deal with this I had tried various psychotherapies and prescription drugs to cope, but with little positive outcomes – either I would gain weight or experience migraines. I had also used non-prescription drugs, such as methamphetamines, marijuana, ecstasy, cocaine and barbiturates to dull the ever present darkness that coloured my mind.*

*After 8 healings and through the wonderful, loving support of the Harmony Centre I have been blessed with a job which I love. I can now speak to people who I do not know, a thought which previously would have triggered panic attacks. I have also kicked a 20 year drug habit. Most importantly I have learnt to love and accept myself as a child of God which is the greatest gift.*

*I am eternally grateful to Soham Kali, my amazing guide and teacher through this process, without her and the amazing team of Project Hope, I would not be here. To all of my brothers and sisters at the Harmony Centre I thank you for your unconditional love and support.*

*Om Guru Shakti Durga. You have changed my life, given hope where there was little. Your work is divine and my prayer is that this will be available to the world."*

*Project Hope Participant Oct-Dec 2011*

### Bodhi Festival

Our involvement in Bodhi Festival took the form of becoming a 51% shareholder in the venture and providing over 400 sevites who contributed to the enormous success of the Festival. Through Bodhi Festival we brought the incredible benefits of yoga, spirituality, peace, sound and energetic healing to over 6000 people. The event was hosted in the old David Jones building in Newcastle in February 2012. It hosted 75 artists, 48 stall holders over 4 floors across 3 stages during 1 weekend.

Tickets were offered by heartfelt donation as are all Shanti mission seminars, retreats and public healing

# Shanti Mission Harmony Centres Limited

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## Directors' Report

30 June 2012

### 2. Other items continued

#### Short and Long Term Objectives continued

clinics. The festival reached 1.5 million via media that included TV, print, radio, online, outdoor media coverage. The web site received 32,266 visits and face book page received, 114,310 page views. We were delighted to partner with Newcastle Council, Newcastle Herald, NBN TV and Digital Camera Warehouse. We thank our sponsorship partners for their involvement in what was an incredible event.

#### Peace Angels

The Peace Angels create healing and peace through transformational entertainment. In September 2011 the Peace Angels presented 'Walking Light' in Sydney's Hyde Park, a magnificent and heart warming spectacle of intense beauty and soul. There were 40 Peace Angels who had been training with Anandanetti, Stellar Maya and Surya for the preceding six months in anchoring peace in their bodies and learning how to be peace in the world.

Over 600 people attended the performance, which included an additional 60 performers, presenters and helpers including participants in the Make a Difference program who managed props, acted as marshals, operated lights and helped with the bump-in and bump-out of the event.

In the first half of 2012, the Peace Angels appeared at Bodhi Festival, the Celebration of Peace event in Leichhardt and the Health, Harmony, Soul Festival in Newcastle.

In May 2012, the Peace Angels ran their first Orientation Seminar led by Anandanetti, Gayatri Maa and Surya. 30 people attended the weekend including participants from Newcastle, Cooranbong and Canberra.

Weekly Peace Angels meditations are held on Thursday evenings and attract between 15 and 30 attendees each week. A range of healing initiatives are being planned for Peace Angels to be an outreach for Shanti Mission to offer healing to people in hospitals and to help children who are affected by serious or chronic illness.

#### Retreats

Regular spiritual intensive retreats are built around the annual celebrations of sacred occasions such as Guru Purnima, Shivaratri, Navaratri, Wesak, & our Mission day.

We ran several overseas retreats this year in sacred places such as Mount Kailash in Tibet, the Grand Canyon, Monument Valley, the High Desert country in the USA. We had a second visit to USA at a Sufi retreat centre on West Coast USA and we connected with the Maori culture at a retreat in New Zealand. 173 people attended our overseas retreats, and over 500 people attended local retreats during the year.

Coming up in 2013 we have retreats to India, UK, Nepal, Israel and USA.

Our weekend retreats this year, focused on abundance, relationships and the equinox. We also held Mystery schools, disciple retreats and study weekend retreats for our teachers, mentors & therapists.

#### Our Shanti Mission Harmony Centres

In our Shanti Mission Harmony Centre in **Port Macquarie** 255 People attended two special events. The "Power of Sound" with senior teacher and disciple Maitreya, and a "Spirit of Sound" retreat at Yarrahappini.

**Cooranbong** and Newcastle Shanti Mission Harmony Centres were involved in multiple external events such as The Red Lantern Market, Time to Shine Festival and the Health Harmony & Soul Expo. This reached many new people and created wonderful publicity. We anticipate that with our new community liaison role that our attendance at such events will continue and stimulate growth for Shanti Mission. At each of these events free healing was offered to the public and was very well received.



# Shanti Mission Harmony Centres Limited

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## Directors' Report

30 June 2012

### 2. Other items continued

#### Short and Long Term Objectives continued

Newcastle became the head office for Shanti mission having moved from Cooranbong where it was established since the outset of the Mission.

The **Gunnedah** community is growing in confidence and strength. The Centre had a healing tent, shop and promotional stand at Cancer Council's "Relay for Life". This was a great showcase for the Mission and an opportunity to offer Ignite Your Spirit healing to people with cancer. It also hosted a "Transformational Power of Sound" workshop and regular Satsangs this year with good attendance.

**Canyonleigh** had its grand opening in March 2011. They ran a retreat from 4-6 March that 60 people attended. The public was invited to Satsang and over 100 people attended that day. A healing clinic was offered to any member of the public who wished to sample IYS therapy.

In **Newcastle** Shanti Mission Harmony Centre the Bodhi Festival celebration stimulated much new interest in the centre in the form of new participants, volunteers/sevites and publicity. The centre now hosts head office functions and is increasing its activities. Newcastle has healers present most days of the week and is playing its part in helping to develop Newcastle as a dynamic spiritual city.

**Adelaide** underwent a change in their Spiritual Leadership as they farewelled Parvati Ma with deep gratitude and love and excitedly welcomed Stellar Maya as the new Spiritual Leader. The transition was made easier with the loving assistance of Demeter whose steadfast support and service to Adelaide continues each month. Adelaide continues to offer the Path of Ease and Grace Courses each month, weekly meditations in our city location and fortnightly in the McLaren Vale Region. Two students from Adelaide are currently enrolled in IYS therapist training.

**Melbourne** Harmony Centre benefited by Parvati Ma and Kalki, Demeter and Jaia moving there in late 2011 to help Jahnavi and the team down there to expand, consolidate and grow. They have offered Path of Ease and Grace seminars, been involved in local festivals of sound and healing, and have instituted our first Victorian IYS therapist training program, in which 15 people are enrolled.

The **Canberra** Centre has wound down somewhat during 2011/12. Numbers at events have decreased, and less weekend workshops have been run.

The Path of Ease and Grace seminars have continued however with approximately 68 people attending over a 12 month period.

Canberra also hosted a special retreat with Shakti Durga in July 2012. 85 participants attended this retreat.

**Sydney** operations have changed form in 2012. Instead of having a centralized centre in Camperdown, it was decided to close this at the end of the lease in June, and instead encourage teachers to teach in their local areas. We now have teachers operating in Janalli down south, Bondi, Crows Nest, Balmain, Rozelle, Henley and Killara.

#### Other Activities

The Path of Ease and Grace is now being taught in Perth. Congratulations to Savitri for your work in establishing Shanti Mission in the west.

#### Shanti Mission America

Two journeys to the USA in this financial year have seen tremendous interest and potential for us to establish an organisation in USA. We taught seminars and retreats in Colorado, California, Connecticut, New York and Pennsylvania. It is anticipated that in the next financial year we will incorporate within USA

# Shanti Mission Harmony Centres Limited

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## Directors' Report

30 June 2012

### 2. Other items continued

#### Short and Long Term Objectives continued

and have teachers appointed to run activities there to spread the Shanti Mission philosophy.

We also connected with cancer surgeon Beth Dupree in Philadelphia. She has expressed interest in studying the effect of IYS therapy on patients with breast cancer. We hope to speak further with her about this in the forthcoming year.

#### Canyonleigh Farm

In 2011 Shanti Mission Harmony Centres was gifted a 58 acre organic farm located in Canyonleigh in the Southern Highlands. Throughout the year \$2155.62 worth of farm produce has been sold to customers and community members.

Volunteers from the Buddhist Monastery in Bundanoon came and picked fruit for their personal use, consistent with our community, multi-faith philosophy.

Because of an unusually wet year we were unable to harvest much of the fruit, as the ground was too wet during the relevant months to admit machinery. While it was a poor year for farming, it was a great year for the further strengthening of the community that utilizes the farm for healing, seminars and spiritual development.

#### Shanti Arts

Shanti Arts together with our community was a part of Bodhi festival and it was a divine experience to work together in unity to create such a high vibrational space on the ground floor with the windows and the Bodhi tree. It certainly was a taste of how divinely inspired art can be creatively expressed in the world. We are currently exploring the role of the creative arts in healing the body, mind and spirit. We feel that this work will grow over the coming years under the guidance of Prema, one of our talented artists and teachers.

### 3. Director Information

#### Information on directors

Shakti Durga

Chair

Qualifications

Degree in Law and Economics

Experience

Has practiced as a barrister in NSW for 16 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.

# Shanti Mission Harmony Centres Limited

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## Directors' Report

30 June 2012

### 3. Director Information continued

#### Information on directors continued

Hugh Keller	Director
Qualifications	Practicing Solicitor with a leading law firm for 40 years until July 2010
Experience	He is currently a director of a number of different companies including LJ Hooker Ltd and Thakral Holdings Ltd.

Antoinette Sampson	Director
Qualifications	Former Academic of NSW University (Nida) where she taught for 16 years.
Experience	She brings expertise in creative self expression, teaching and a depth of spiritual training and awareness to her role. She has studied various forms of energetic healing and meditation. Antoinette founded Peace Angels, managed the highly successful Australian Theatre for Young People (ATYP) and has experience directing large theatrical productions.

David Cole	Director
Qualifications	Chartered Accountant and has over 11 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.

Tanya Diesel	Director
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 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.

# Shanti Mission Harmony Centres Limited

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## Directors' Report

30 June 2012

### 3. Director Information continued

#### Meetings of directors

During the financial year, 6 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Shakti Durga	6	6
Hugh Keller	6	5
Antoinette Sampson	6	5
David Cole	6	6
Tanya Diesel	6	5


### 4. Indemnification and insurance of officers and auditors

#### Insurance premiums paid for Directors

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.

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

Director:   
David Cole

Director:   
Hugh Keller

Dated 31 October 2012

# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Auditor's 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 2012, 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.



Cutcher & Neale  
Assurance Pty Ltd  
(An authorised audit company)



M.J. O'Connor CA  
Director

30 October 2012

NEWCASTLE

# 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 2012, the statement of comprehensive income, statement of changes in funds 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.

### 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.

### Basis for Qualified Opinion

#### Donation Income

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 such income recorded in the accounting records of the group.

# Shanti Mission Harmony Centres Limited

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

In respect of the qualification however, based on our review of the internal controls, nothing has come to our attention which would have us believe that the internal controls over the revenue from donations by the group are not appropriate. For the reasons described above it is not possible to reliably measure the effects or possible effects on the amounts and other disclosures contained in, or omitted from, the financial report.

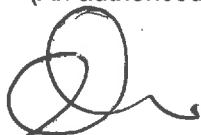
### Qualified Opinion

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 consolidated entity's financial position as at 30 June 2012 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.



Cutcher & Neale  
Assurance Pty Ltd  
(An authorised audit company)



M.J. O'Connor CA  
Director

Newcastle

31 October 2012

# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Directors' Declaration

The directors of the consolidated group declare that:

1. The financial statements and notes, as set out on pages 15 to 40, 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 2012 and of the performance for the year ended on that date of the consolidated group.
2. In the directors' opinion, there are reasonable grounds to believe that the consolidated group 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   
David Cole

Director   
Hugh Keller

Dated 31 October 2012



# Shanti Mission Harmony Centres Limited

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## Statement of Comprehensive Income For the Year Ended 30 June 2012

		2012	2011
	Note	\$	\$
Retail shop sales	2	268,147	315,668
Cost of goods sold	3	(117,369)	(186,700)
<b>Gross profit</b>		<b>150,778</b>	<b>128,968</b>
Services revenue	2	1,528,118	1,031,119
Other income	2	110,248	853,029
Finance costs	3	(16,753)	(970)
Employee benefits expense		(482,384)	(189,153)
Depreciation and amortisation expense	3	(56,547)	(20,079)
Premises expense		(324,227)	(262,704)
Service delivery expenses		(503,059)	(389,674)
Management and administration expense		(285,510)	(187,977)
Festival expenses		(650,123)	-
Other expenses		(1,132)	(8,630)
<b>Surplus / (deficit) before income tax</b>		<b>(530,590)</b>	<b>953,929</b>
Income tax expense	1(j)	(806)	-
<b>Surplus / (deficit) after income tax</b>		<b>(531,396)</b>	<b>953,929</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income</b>		<b>(531,396)</b>	<b>953,929</b>
<b>Total comprehensive income attributable to:</b>			
Members of the parent entity		(314,762)	953,929
Non-controlling interest		(216,634)	-
		<b>(531,396)</b>	<b>953,929</b>

The accompanying notes form part of these financial statements.

# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Statement of Financial Position

As At 30 June 2012

	Note	2012 \$	2011 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	224,366	218,997
Trade and other receivables	8	11,359	20,189
Inventories	9	110,009	57,840
Other assets	10	15,109	7,730
<b>TOTAL CURRENT ASSETS</b>		<b>360,843</b>	<b>304,756</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	900,277	926,031
Intangible assets	12	1,217	2,562
<b>TOTAL NON-CURRENT ASSETS</b>		<b>901,494</b>	<b>928,593</b>
<b>TOTAL ASSETS</b>		<b>1,262,337</b>	<b>1,233,349</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	117,705	32,536
Borrowings	14	353,964	223
Employee benefits	15	33,522	12,148
<b>TOTAL CURRENT LIABILITIES</b>		<b>505,191</b>	<b>44,907</b>
<b>TOTAL LIABILITIES</b>		<b>505,191</b>	<b>44,907</b>
<b>NET ASSETS</b>		<b>757,146</b>	<b>1,188,442</b>
<b>FUNDS</b>			
Issued capital	16	100,100	-
Accumulated funds		873,680	1,188,442
Non-controlling interest		(216,634)	-
<b>TOTAL FUNDS</b>		<b>757,146</b>	<b>1,188,442</b>

The accompanying notes form part of these financial statements.

# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Statement of Changes in Funds

For the Year Ended 30 June 2012

### 2012

		Accumulated Surplus	Issued Capital	Non- controlling Interests	Total
	Note	\$	\$	\$	\$
Balance at 1 July 2011		1,188,442	-	-	1,188,442
Total comprehensive income		(314,762)	-	(216,634)	(531,396)
<b>Transactions with owners in their capacity as owners</b>					
Contribution of equity, net of transaction costs	16	-	100,100	-	100,100
Balance at 30 June 2012		873,680	100,100	(216,634)	757,146

### 2011

		Accumulated Surplus	Issued Capital	Non- controlling Interests	Total
	Note	\$	\$	\$	\$
Balance at 1 July 2010		234,513	-	-	234,513
Total comprehensive income		953,929	-	-	953,929
Balance at 30 June 2011		1,188,442	-	-	1,188,442

The accompanying notes form part of these financial statements.

# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Statement of Cash Flows

For the Year Ended 30 June 2012

	Note	2012 \$	2011 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from provided goods and services and donations received		1,890,780	1,363,814
Payments to suppliers and employees		(2,294,948)	(1,097,510)
Interest received		4,505	4,461
Interest paid		(4,538)	(970)
Net cash provided by (used in) operating activities	18	(404,201)	269,795
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment	11(a)	(44,272)	(165,438)
Net cash used by investing activities		(44,272)	(165,438)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from issue of shares		100,100	-
Proceeds from borrowings		256,366	-
Repayment of borrowings		(188,216)	(3,642)
Net cash used by financing activities		168,250	(3,642)
Net increase / (decrease) in cash and cash equivalents held		(280,223)	100,715
Cash and cash equivalents at beginning of year		218,998	118,283
Cash and cash equivalents at end of financial year	7	(61,225)	218,998

The accompanying notes form part of these financial statements.

# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Notes to the Financial Statements

For the Year Ended 30 June 2012

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

### 1 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 (including Australian Accounting Interpretations), authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. 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.

#### Principles of Consolidation

A controlled entity is an entity over which Shanti Mission Harmony Centre Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern the existence and effect of holdings of actual and potential voting rights are considered.

Details of the parent entity is contained in Note 19 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended.

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profit or losses, have been eliminated on consolidation. Accounting policies have been changed where necessary to ensure consistency with those adopted by the parent entity.

#### (b) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### (c) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 1 Summary of Significant Accounting Policies continued

#### (c) Critical accounting estimates and judgments continued

##### Key estimates - impairment of plant and equipment

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

#### (d) Going concern

The Group has current assets of \$360,942 and current liabilities of \$505,191 which represents a negative working capital of (\$144,249) (2011 positive \$478,032). The main contributor to the negative working capital position are the borrowings in the Company's subsidiary, Sydney Yoga Festival Pty Ltd which commenced operations in 2012.

During the year Sydney Yoga Festival Pty Ltd held the inaugural Bodhi Festival in Newcastle. Sydney Yoga Festival Pty Ltd reported an operating loss of \$531,396 which has been funded by related party loans and a bank overdraft facility. The bank overdraft balance at 30 June 2012 was \$285,000 and is classified as a current liability as it is repayable on demand. This facility is fully secured over property at Canyonleigh.

The Board of Sydney Yoga Festival Pty Ltd anticipated a loss for the first period of operations with the goal of establishing itself within the local festival marketplace.

Board and Management of Sydney Yoga Festival Pty Ltd have established strategic objectives within its Business Plan including;

- Increasing frequency and varying scope of future festivals
- Securing business relationships within the festival industry
- Securing broader corporate and government sponsorship for events
- Establishing a loyal follower base
- Raising additional share capital to improve cash position

The Board and Management of both Shanti Missions Harmony Centre and Sydney Yoga Festival Pty Ltd are continually reviewing the operational effectiveness of the Business Plan.

Based on factors outlined above, the Board of Directors consider the going concern basis of accounting appropriate.

#### (e) Revenue and other income

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of activities as discussed below.

# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 1 Summary of Significant Accounting Policies continued

#### (e) Revenue and other income continued

##### 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 comprehensive income for the fair value of the consideration of the donated assets received.

Building fund donations are recognised in the statement of comprehensive income when received.

No amounts are included in the financial statements for services donated by volunteers.

##### Sale of goods

Revenue from the sale of goods is recognised at the point of sale.

##### Interest revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

##### Provision of services

Healing and training fees are recognised as revenue at the time that the service is provided.

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

#### (f) 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.

#### (g) Inventories

Inventories are measured at the lower of cost and net realisable value.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

#### (h) Property, plant and equipment

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

# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 1 Summary of Significant Accounting Policies continued

#### (h) Property, plant and equipment continued

##### Property

Land and buildings are measured at cost less accumulated depreciation and impairment losses.

Freehold land and buildings 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.

##### Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

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.

##### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Building additions	10%
Plant and Equipment	20% - 50%
Motor Vehicles	10% - 12.5%
Computer Equipment	20%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.



# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 1 Summary of Significant Accounting Policies continued

#### (i) 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.

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) 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.

#### (ii) Financial liabilities

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

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

# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 1 Summary of Significant Accounting Policies continued

#### (i) Financial instruments continued

##### Impairment

Objective evidence that a financial asset is impaired includes default by a debtor, evidence that the debtor is likely to enter bankruptcy or adverse economic conditions. At the end of each reporting period, the Group assess whether there is objective evidence that a financial asset has been impaired through the occurrence of a loss event. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to indicate that an impairment has arisen.

Where a subsequent event causes the amount of the impairment loss to decrease (e.g. payment received), the reduction in the allowance account (provision for impairment of receivables) is taken through profit and loss.

However, any reversal in the value of an impaired available for sale asset is taken through other comprehensive income rather than profit and loss.

Impairment losses are recognised through an allowance account for loans and receivables in the statement of comprehensive income.

##### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

#### (j) Income tax

The parent entity, 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 Sydney Yoga Festival Pty Ltd are not exempt from income tax and therefore the following accounting policy is relevant.

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 1 Summary of Significant Accounting Policies continued

#### (j) Income tax continued

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting year. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

	2012	2011
	\$	\$
Future income tax benefits not brought to account, the benefits of which will only be realised if the conditions for deductibility set out above occur;		
- Tax losses	162,475	-

#### (k) Impairment of non-financial assets

At the end of each reporting year, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Value in use is either the discounted cash flows relating to the asset or depreciated replacement cost if the criteria in AASB 136 'Impairment of Assets' are met. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Impairment losses are recognised as an expense immediately.

# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 1 Summary of Significant Accounting Policies continued

#### (l) Intangibles

##### Website development costs

Website development costs are recorded at cost and amortised over its estimated useful life of three years. It is assessed annually for impairment and useful life is altered if estimates have changed significantly.

Amortisation on website development costs are charged to the statement of comprehensive income on a straight-line basis over the estimated useful life.

#### (m) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### (n) 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 year. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

#### (o) Leases

##### Operating leases

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.

#### (p) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 1 Summary of Significant Accounting Policies continued

#### (q) Adoption of new and revised accounting standards

During the current year, the Group adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. The adoption of these Standards has not impacted the recognition, measurement and disclosure of transactions.

#### (r) New accounting standards for application in future periods

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
<p>AASB 13 Fair Value Measurement.</p> <p>AASB 2011-8 - Amendments to Australian Accounting Standards arising from AASB 13</p> <p>[AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 &amp; 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 &amp; 132]</p>	30 June 2014	<p>AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted.</p> <p>There are a number of additional disclosure requirements.</p>	<p>Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required.</p> <p>The entity has not yet determined the magnitude of any changes which may be needed.</p> <p>Some additional disclosures will be needed.</p>
AASB 2011-9 - Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income.	30 June 2013	Entities will be required to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).	The items shown in other comprehensive income will be separated into two categories.
AASB 1053	30 June 2014	This standard allows certain entities to reduce disclosures.	The impact of this standard has not yet been determined as the entity has a choice on whether to apply

# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 1 Summary of Significant Accounting Policies continued

#### (s) Authorisation of financial statements

The financial statements were approved and authorised for issue by the Board of Directors on 31 October 2012. The Directors have the power to amend the financial report at any time.

### 2 Revenue and Other Income

	2012 \$	2011 \$
Operating activities		
- Sale of goods	268,147	315,668
Services revenue		
- Workshops, meditations and general donations	1,131,838	954,838
- Course fees from outside practitioners	38,077	38,086
- Therapist training	229,613	38,195
- Festival revenue	128,591	-
Total services revenue	1,528,118	1,031,119
	1,796,265	1,346,787
Other revenue		
- Interest income	4,722	4,887
- Sundry income	43,776	31,424
- Donated assets	-	722,938
- Building fund donations	61,750	93,780
	110,248	853,029
Total revenue & other income	1,906,513	2,199,816

### 3 Result for the Year

#### (a) The result for the year includes the following specific expenses

Cost of goods sold	117,369	186,700
Finance costs		
- bank interest - external	16,753	970
Depreciation & amortisation expense		
Depreciation - buildings	29,300	6,333
Depreciation - plant and equipment	25,902	11,953
Amortisation - website development	1,345	1,793
	56,547	20,079

# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 3 Result for the Year continued

#### (a) The result for the year includes the following specific expenses continued

	2012	2011
	\$	\$
Net gain / (loss) on disposal of non current assets	(14,823)	-

### 4 Income Tax Expense

(a) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

Prima facie tax payable on profit from ordinary activities at 30 June 2012

- Shanti Organisation Pty Limited

2,606	-
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Less:

Tax effect of:

- Administration costs deductible

1,800	-
-------	---

Income tax expense

806	-
-----	---

### 5 Remuneration of Key Management Personnel

The totals of remuneration paid to key management personnel of the company and the Group during the year are as follows:

Short-term employee benefits

22,000	-
--------	---

Long-term benefits

1,980	-
-------	---

23,980	-
--------	---

For details of other transactions with key management personnel, refer to Note 21: Related Party Transactions.

# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 6 Auditors' Remuneration

	2012	2011
	\$	\$
Remuneration of the auditor, for:		
- auditing or reviewing the financial report	25,000	13,950

### 7 Cash and Cash Equivalents

Cash on hand	1,221	857
Cash at bank	201,878	195,363
Short-term bank deposits	21,267	22,777
	<u>224,366</u>	<u>218,997</u>

#### (a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	Note		
Cash and cash equivalents		224,366	218,997
Bank overdraft	14	(285,591)	(223)
Balance as per statement of cash flows		<u>(61,225)</u>	<u>218,774</u>

### 8 Trade and Other Receivables

CURRENT		
Trade receivables	11,359	20,189

### 9 Inventories

CURRENT		
At cost:		
Finished goods	110,009	57,840

### 10 Other Assets

CURRENT		
Prepayments	15,109	7,730

### 11 Property, Plant and Equipment

LAND AND BUILDINGS



# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 11 Property, Plant and Equipment continued

Freehold land		
At cost	<b>727,020</b>	727,020
Building		
At cost	<b>109,759</b>	102,927
Accumulated depreciation	<b>(34,537)</b>	(12,622)
Total buildings	<b>75,222</b>	90,305
Total land and buildings	<b>802,242</b>	817,325
Furniture, fixture and fittings		
At cost	<b>124,001</b>	128,331
Accumulated depreciation	<b>(33,743)</b>	(29,625)
Total furniture, fixture and fittings	<b>90,258</b>	98,706
Motor vehicles		
At cost	<b>10,000</b>	10,000
Accumulated depreciation	<b>(2,223)</b>	-
Total motor vehicles	<b>7,777</b>	10,000
Total plant and equipment	<b>98,035</b>	108,706
Total property, plant and equipment	<b>900,277</b>	926,031

#### (a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land	Buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Total
	\$	\$	\$	\$	\$
<b>Balance at 30 June 2012</b>					
Balance at the beginning of year	727,020	90,305	99,679	9,027	926,031
Additions	-	26,578	17,693	-	44,271
Disposals	-	(12,361)	(2,462)	-	(14,823)
Depreciation expense	-	(29,300)	(24,652)	(1,250)	(55,202)
<b>Balance at 30 June 2012</b>	<b>727,020</b>	<b>75,222</b>	<b>90,258</b>	<b>7,777</b>	<b>900,277</b>

# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 11 Property, Plant and Equipment continued

#### (a) Movements in Carrying Amounts continued

	Land	Buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Total
	\$	\$	\$	\$	\$
<b>Balance at 30 June 2011</b>					
Balance at the beginning of year	-	34,324	21,617	-	55,941
Additions	727,020	62,314	89,042	10,000	888,376
Depreciation expense	-	(6,333)	(10,980)	(973)	(18,286)
<b>Balance at 30 June 2011</b>	<b>727,020</b>	<b>90,305</b>	<b>99,679</b>	<b>9,027</b>	<b>926,031</b>

### 12 Intangible Assets

	2012	2011
	\$	\$
Development costs		
Cost	5,380	5,380
Accumulated amortisation and impairment	(4,163)	(2,818)
<b>Net carrying value</b>	<b>1,217</b>	<b>2,562</b>
<b>Total Intangibles</b>	<b>1,217</b>	<b>2,562</b>

	Website costs	Total
	\$	\$
<b>Year ended 30 June 2012</b>		
Opening balance	2,562	2,562
Amortisation	(1,345)	(1,345)
<b>Closing value at 30 June 2012</b>	<b>1,217</b>	<b>1,217</b>
<b>Year ended 30 June 2011</b>		
Opening balance	4,355	4,355
Amortisation	(1,793)	(1,793)
<b>Closing value at 30 June 2011</b>	<b>2,562</b>	<b>2,562</b>

# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 13 Trade and Other Payables

#### CURRENT

Unsecured liabilities

Trade and other payables

**117,705**

**32,536**

### 14 Borrowings

#### CURRENT

Bank overdraft - secured

Borrowings - unsecured

Note	2012 \$	2011 \$
14(a)	<b>285,591</b>	223
	<b>68,373</b>	-
	<b>353,964</b>	<b>223</b>

#### (a) Securities pledged

- A guarantee unlimited as to the amount by Shanti Organisation Pty Limited.
- A guarantee unlimited as to the amount by Shanti Mission Harmony Centre Ltd.
- A first registered mortgage by Shanti Mission Harmony Centre over the property at Canyonleigh.

### 15 Employee Benefits

#### CURRENT

Annual leave

**33,522**

**12,148**

### 16 Contributed Equity

#### (a) Share Capital -\$ of Shares

Ordinary

**100,100**

-

Ordinary shares

2012 No.	2011 No.
-------------	-------------

Shares issued during the year

Ordinary shares - fully paid

**336**

-

Ordinary shares were issued by Sydney Yoga Festival Pty Ltd, a for profit subsidiary of Shanti Mission Harmony Centres Limited. The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of Sydney Yoga Festival Pty Ltd. On a show of hands at meetings of Sydney Yoga Festival 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.

# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 16 Contributed Equity continued

#### Ordinary shares continued

The non-controlling interest has a 40% equity holding in Sydney Yoga Festival Pty Limited.

#### (b) Movements in Ordinary Share Capital

Date	Details	Numer of Shares	Issue Price \$	Total \$
1 July 2011	Issue of fully paid shares	300	1	300
11 October 2011	Issue of fully paid shares	20	2,500	50,000
5 December 2011	Issue of fully paid shares	10	3,000	30,000
10 February 2012	Issue of fully paid shares	3	3,300	9,900
24 February 2012	Issue of fully paid shares	3	3,300	9,900
<b>30 June 2012</b>		<b>336</b>	<b>12,101</b>	<b>100,100</b>

### 17 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 outstanding and obligations of the company. At 30 June 2012 the number of members was 5 (2011: 5).

### 18 Cash Flow Information

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

Reconciliation of net surplus to net cash provided by operating activities:

	2012 \$	2011 \$
Net loss/income for the period	(531,396)	953,928
Cash flows excluded from net surplus / (deficit) attributable to operating activities		
Non-cash flows in surplus / (deficit):		
- depreciation	56,548	20,079
- donated assets	-	(722,938)
- net loss on disposal of property, plant and equipment	14,822	-
Changes in assets and liabilities		
- (increase)/decrease in trade and other receivables	8,830	19,098
- (increase)/decrease in other assets	(7,379)	(1,810)
- (increase)/decrease in inventories	(52,169)	(9,503)
- increase/(decrease) in trade and other payables	85,169	6,083
- increase/(decrease) in employee benefits	21,374	4,858
Cashflow from operations	<u>(404,201)</u>	<u>269,795</u>

# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 18 Cash Flow Information continued

#### (b) Credit standby arrangements with banks

	2012	2011
	\$	\$
Credit facility	312,000	12,000
Amount utilised	(285,591)	(223)
	<u>26,409</u>	<u>11,777</u>

The major facilities are summarised as follows:

Bank overdraft facilities and credit cards are with the Commonwealth Bank with the general terms and conditions being set and agreed to annually.

Interest rates are variable and subject to adjustment.

### 19 Parent entity

#### Statement of Financial Position

##### Assets

Current assets	376,914	304,756
Non-current assets	901,494	928,593

Total Assets	<u>1,278,408</u>	<u>1,233,349</u>
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##### Liabilities

Current liabilities	82,031	44,907
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Total Liabilities	<u>82,031</u>	<u>44,907</u>
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##### Equity

Retained earnings	1,196,377	1,188,442
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Total Equity	<u>1,196,377</u>	<u>1,188,442</u>
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#### Statement of Comprehensive Income

Total profit or loss for the year	7,935	953,928
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Total comprehensive income	<u>7,935</u>	<u>953,928</u>
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# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 20 Capital and Leasing Commitments

#### (a) Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable - minimum lease payments:

- no later than 1 year	12,300	75,171
- between 1 year and 5 years	9,033	17,256
	<u>21,333</u>	<u>92,427</u>

Operating leases have been taken out for rental of real property and hire of office equipment. Lease payments are increased on an annual basis to reflect market rentals.

### 21 Related Party Transactions

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 commenced trading at its Martinsville Road premises. The rent has not changed since its implementation. As part of the arrangement the Group also covers all outgoings such as Council rates and electricity. During the year Shakti Durga and Hugh Keller were paid \$23,400 (2011: \$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 pays 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. Shanti Mission Harmony Centres Limited makes payments for Shakti Durga's petrol and mobile phone usage.

# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 21 Related Party Transactions continued

#### (b) Higher Guidance Pty Ltd continued

The value of the transactions have been noted below and was based on normal terms and conditions:-

	2012	2011
	\$	\$
Service rendered	73,836	60,363
Purchase of stock	29,209	91,691
Administration and management fees	(20,228)	120
Royalties	15,574	8,997
Mobile phone	-	619
Motor vehicle expenses	-	185
	<u>98,391</u>	<u>161,975</u>

#### (c) Antionette Sampson

During the year Antoinette was paid \$17,958 (2011: \$10,097) for services rendered in the teaching of classes. The value of these services were provided on normal terms and conditions.

#### (d) Shanti Organisation Pty Ltd

Shanti Organisation Pty Ltd is a wholly owned subsidiary of Shanti Mission Harmony Centres Limited. During the year a loan was provided to Shanti Organisation Pty Ltd from Shanti Mission Harmony Centres Limited for \$20,000. At balance date the loan had been fully repaid.

#### (e) Shanti Yoga Festival Pty Ltd

During the year Shanti Organisation Pty Ltd purchased shares in Shanti Yoga Festival Pty Ltd. 500 ordinary shares were purchased on 1 July 2011 at a price of \$1 per share. An additional 10 shares were purchased for \$5,000 per share on 23 December 2011.

### 22 Financial Risk Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and equity price risk.

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bank loans and overdrafts and leases.

# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 22 Financial Risk Management continued

The totals for each category of financial instruments, are as follows:

	2012 \$	2011 \$
<b>Financial Assets</b>		
- Cash and cash equivalents	224,365	218,997
- Trade and other receivables	11,359	20,189
<b>Total financial assets</b>	<b>235,724</b>	<b>239,186</b>
<b>Financial Liabilities</b>		
Financial liabilities at amortised cost		
- Trade and other payables	117,705	32,536
- Borrowings	353,964	223
<b>Total financial liabilities</b>	<b>471,669</b>	<b>32,759</b>

#### Financial risk management policies

The Board of Directors has overall responsibility for the establishment of the Group's financial risk management framework. This includes the development of policies covering specific areas such as credit risk, liquidity risk and market (interest rate) risk.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The day-to-day risk management is carried out by the Group's finance function under policies and objectives which have been approved by the Board of Directors. The General Manager has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rates and assessment of market movements.

The Board of Directors receives monthly reports which provide details of the effectiveness of the processes and policies in place.

Shanti Mission Harmony Centres Limited does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Mitigation strategies for specific risks faced are described below:

#### (a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group and arises principally from the Group's receivables.



# Shanti Mission Harmony Centres Limited

ABN 76 116 997 392

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 22 Financial Risk Management continued

#### (b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days.

The available funds to the Group are discussed in note 18.

#### (c) 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.

##### *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

##### *Sensitivity analysis*

The following sensitivity analysis is based on the interest rate risk exposures in existence at the end of the reporting period.

An increase of 100 basis points or a decrease of 50 basis points would have affected equity and net surplus / (deficit) by the amounts shown below. This analysis assumes that other variables are held constant.

	Surplus / (deficit)	
	100 basis points increase	50 basis points decrease
2012	(1,308)	654
2011	2,179	1,090

The movements in profit are due to higher interest costs from variable rate debt and cash balances.

The net exposure at the end of the reporting period is representative of what the Group was and is expecting to be exposed to at the end of the next twelve months.

#### (d) Net Fair Values

There is no material difference between the carrying value of assets and liabilities and the fair values of the assets and liabilities.

# **Shanti Mission Harmony Centres Limited**

ABN 76 116 997 392

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2012**

### **23 Company Details**

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

Shanti Mission Harmony Centres Limited  
Cooranbong NSW 2254