

Satyananda Yoga Academy Limited

ABN 12 075 357 818

Financial Report

For the Year Ended 30 June 2014

Satyananda Yoga Academy Limited

ABN 12 075 357 818

Contents**30 June 2014**

	Page
Financial Statements	
Statement of Profit or Loss and Other Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5
Directors' Declaration	16
Independent Auditor's Report	17

Satyananda Yoga Academy Limited

ABN 12 075 357 818

**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2014**

	2014	2013
	\$	\$
Revenue	782,413	801,429
Donation income	1,202,568	505,554
Employee benefits expense	(223,754)	(250,269)
Depreciation and amortisation expense	(165,764)	(167,620)
Service and management fees	(41,809)	(38,727)
Repairs and maintenance	(66,880)	(42,456)
Course and residential expenses	(67,311)	(76,386)
Insurance	(101,357)	(112,318)
Affiliation fees	-	(275)
Utility expenses	(69,101)	(102,193)
Rates and taxes	(22,141)	(20,047)
Advertising and promotion	(21,221)	(28,706)
IT expenses	(31,991)	(13,672)
License fees	(20,000)	-
Other operating expenses	(86,452)	(91,956)
	<hr/>	<hr/>
Profit for the year attributable to members of the entity	1,067,200	362,358
	<hr/> <hr/>	<hr/> <hr/>
Other comprehensive income:		
Other comprehensive income for the year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the year attributable to members of the entity	1,067,200	362,358
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

Satyananda Yoga Academy Limited

ABN 12 075 357 818

Statement of Financial Position**As At 30 June 2014**

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	259,664	433,240
Trade and other receivables	3	103,913	106,608
Other financial assets	4	250,000	-
TOTAL CURRENT ASSETS		<u>613,577</u>	<u>539,848</u>
NON-CURRENT ASSETS			
Trade and other receivables	3	72,393	164,361
Property, plant and equipment	5	5,996,371	6,116,514
TOTAL NON-CURRENT ASSETS		<u>6,068,764</u>	<u>6,280,875</u>
TOTAL ASSETS		<u>6,682,341</u>	<u>6,820,723</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	90,018	99,065
Other liabilities	7	49,595	52,069
TOTAL CURRENT LIABILITIES		<u>139,613</u>	<u>151,134</u>
NON-CURRENT LIABILITIES			
Borrowings	8	893,293	2,093,293
Long-term provisions	9	6,996	1,057
TOTAL NON-CURRENT LIABILITIES		<u>900,289</u>	<u>2,094,350</u>
TOTAL LIABILITIES		<u>1,039,902</u>	<u>2,245,484</u>
NET ASSETS		<u>5,642,439</u>	<u>4,575,239</u>
EQUITY			
Retained earnings		<u>5,642,439</u>	4,575,239
TOTAL EQUITY		<u>5,642,439</u>	<u>4,575,239</u>

The accompanying notes form part of these financial statements.

Satyananda Yoga Academy Limited

ABN 12 075 357 818

Statement of Changes in Equity**For the Year Ended 30 June 2014****2014**

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2013	4,575,239	4,575,239
Profit for the year attributable to members of the entity	1,067,200	1,067,200
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year attributable to members of the entity	1,067,200	1,067,200
Balance at 30 June 2014	5,642,439	5,642,439

2013

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2012	4,212,881	4,212,881
Profit for the year attributable to members of the entity	362,358	362,358
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year attributable to members of the entity	362,358	362,358
Balance at 30 June 2013	4,575,239	4,575,239

The accompanying notes form part of these financial statements.

Satyananda Yoga Academy Limited

ABN 12 075 357 818

Statement of Cash Flows
For the Year Ended 30 June 2014

	2014	2013
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	844,991	968,445
Payments to suppliers and employees	(785,291)	(804,707)
Interest received	12,346	3,089
Net cash provided by (used in) operating activities	10 <u>72,046</u>	<u>166,827</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(45,622)	(7,389)
Purchase of financial assets	(250,000)	-
Loans to related parties - proceeds from repayments	50,000	-
Net cash provided by (used in) investing activities	<u>(245,622)</u>	<u>(7,389)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from related party loans	-	50,000
Net cash provided by (used in) financing activities	<u>-</u>	<u>50,000</u>
Net increase (decrease) in cash and cash equivalents held	(173,576)	209,438
Cash and cash equivalents at beginning of year	433,240	223,802
Cash and cash equivalents at end of financial year	2 <u><u>259,664</u></u>	<u><u>433,240</u></u>

The accompanying notes form part of these financial statements.

Satyananda Yoga Academy Limited

ABN 12 075 357 818

Notes to the Financial Statements

For the Year Ended 30 June 2014

The financial statements are for Satyananda Yoga Academy Limited as an individual entity, incorporated and domiciled in Australia. Satyananda Yoga Academy Limited is a not-for-profit company limited by guarantee.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with recognition and measurement criteria in the Australian Accounting Standards and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

The significant accounting policies disclosed below are those which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting policies

(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) Property, plant and equipment

Property, plant and equipment are carried at cost or directors' valuation. All assets, excluding freehold land and buildings, are depreciated over their useful lives to the company.

Property, plant and equipment that has 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 property, plant and equipment, except for freehold land is depreciated on a straight-line method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

(d) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that company becomes party to the contractual provisions of the instrument.

Satyananda Yoga Academy Limited

ABN 12 075 357 818

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(d) Financial instruments continued

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The company's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised in profit or loss. When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

In some circumstances, the company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial liabilities

Financial liabilities are recognised when the company becomes a party to the contractual agreements of the instrument.

Financial liabilities are classified as other financial liabilities. The company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Satyananda Yoga Academy Limited

ABN 12 075 357 818

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(d) Financial instruments continued

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.

(e) 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 assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

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

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

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(g) 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 settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Satyananda Yoga Academy Limited

ABN 12 075 357 818

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(g) Employee benefits continued

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the value of the estimated future cash outflows to be made for those benefits. Changes in the measurement of the liability are recognised in profit or loss.

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

(h) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(i) Income tax

No provision for income tax has been raised as the company is exempt from income tax under the *Income Tax Assessment Act 1997*.

(j) 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.

(k) Revenue and other income

The company 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 Satyananda Yoga Academy Limited's activities as discussed below.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Donations

Donations and bequests are recognised as revenue when received.

Provision of services

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

Satyananda Yoga Academy Limited

ABN 12 075 357 818

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(l) 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.

(m) 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 company.

Key estimates - impairment of property, plant and equipment

The company assesses impairment at the end of the reporting year by evaluating conditions specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using fair value or depreciated replacement cost calculations which incorporate various key assumptions. Changes to these assumptions will impact the assessed recoverable amount.

(n) Adoption of new and revised accounting standards

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

- AASB 10 *Consolidated Financial Statements*
- AASB 11 *Joint Arrangements*
- AASB 12 *Disclosure of Interests in Other Entities*
- AASB 13 *Fair Value Measurement*
- AASB 119 *Employee Benefits*
- AASB 127 *Separate Financial Statements*
- AASB 128 *Investment in Associates and Joint Ventures*
- AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]*
- AASB 2012-9 *Amendments to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039*
- AASB 2012-2 *Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities*

Satyananda Yoga Academy Limited

ABN 12 075 357 818

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(n) Adoption of new and revised accounting standards continued

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

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

The company has reviewed its investment in other entities to determine whether any entities are required to be consolidated under AASB 10. Based on this review, no entities are required to be consolidated.

AASB 11 *Joint Arrangements* replaces AASB 131 *Interests in Joint Ventures* and Interpretation 112 *Jointly-Controlled Entities - Non-monetary Contributions by Venturers* as well as consequential amendments to a number of other standards. AASB 11 uses the revised definition of control from AASB 10 and once joint control is determined, then classifies joint arrangements as either joint ventures or joint operations. Joint ventures are accounted for using the equity method, proportionate consolidation is not permitted under AASB 11. Joint operations are accounted for by incorporating the venturer's share of assets, liabilities, income and expenses into the financial statements. There were no changes to the accounting for joint arrangements under AASB 11.

AASB 12 *Disclosure of Interests in Other Entities* includes all disclosures relating to an entity's interest in associates, joint arrangements, subsidiaries and structured entities. As the entity prepares special purpose financial statements, no additional disclosures are required.

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

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

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

(o) 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 directors have decided against early adoption of these Standards.

Satyananda Yoga Academy Limited

ABN 12 075 357 818

Notes to the Financial Statements

For the Year Ended 30 June 2014

2 Cash and Cash Equivalents

	2014	2013
	\$	\$
Cash at bank	259,664	281,218
Short-term bank deposits	-	152,022
Total cash and cash equivalents	259,664	433,240

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:

	2014	2013
	\$	\$
Cash and cash equivalents	259,664	433,240
Balance as per statement of cash flows	259,664	433,240

3 Trade and Other Receivables

	2014	2013
	\$	\$
CURRENT		
Trade receivables	92,620	118,728
Provision for impairment	(13,694)	(12,120)
	78,926	106,608
Yoga Association of Mangrove Mountain	21,968	-
Other receivables	3,019	-
Total current trade and other receivables	103,913	106,608

	2014	2013
	\$	\$
NON-CURRENT		
Yoga Association of Mangrove Mountain	-	71,968
IYFM Pty Limited	72,393	92,393
Total non-current trade and other receivables	72,393	164,361

4 Other financial assets

	2014	2013
	\$	\$
CURRENT		
Term deposits	250,000	-

Satyananda Yoga Academy Limited

ABN 12 075 357 818

Notes to the Financial Statements

For the Year Ended 30 June 2014

5 Property, Plant and Equipment

	2014	2013
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At cost	<u>1,727,116</u>	1,727,116
Building		
At cost	<u>5,133,405</u>	5,133,405
Accumulated depreciation	<u>(1,052,419)</u>	(924,134)
Total buildings	<u>4,080,986</u>	4,209,271
Total land and buildings	<u>5,808,102</u>	5,936,387
Furniture, fixture and fittings		
At cost	<u>96,603</u>	117,060
Accumulated depreciation	<u>(53,957)</u>	(63,756)
Total furniture, fixture and fittings	<u>42,646</u>	53,304
Motor vehicles		
At cost	<u>19,091</u>	19,091
Accumulated depreciation	<u>(11,604)</u>	(8,740)
Total motor vehicles	<u>7,487</u>	10,351
Office equipment		
At cost	<u>20,765</u>	37,839
Accumulated depreciation	<u>(12,805)</u>	(26,301)
Total office equipment	<u>7,960</u>	11,538
Other equipment		
At cost	<u>229,396</u>	192,868
Accumulated depreciation	<u>(99,220)</u>	(87,934)
Total other equipment	<u>130,176</u>	104,934
Library		
At cost	<u>15,692</u>	15,692
Accumulated depreciation	<u>(15,692)</u>	(15,692)
Total library	<u>-</u>	-
Total property, plant and equipment	<u>5,996,371</u>	<u>6,116,514</u>

Satyananda Yoga Academy Limited

ABN 12 075 357 818

Notes to the Financial Statements

For the Year Ended 30 June 2014

6 Trade and Other Payables

	2014	2013
	\$	\$
CURRENT		
Trade payables	22,155	20,085
GST payable	7,170	18,324
Employee benefits	36,987	32,594
Sundry payables and accrued expenses	23,706	28,062
Total current trade and other payables	90,018	99,065

7 Other Liabilities

	2014	2013
	\$	\$
CURRENT		
Deferred course revenue	49,595	52,069

8 Borrowings

	2014	2013
	\$	\$
NON-CURRENT		
Satyananda Ashram	295,549	295,549
Bhaajayu Pty Limited	597,744	1,797,744
Total non-current borrowings	893,293	2,093,293

9 Provisions

	2014	2013
	\$	\$
NON-CURRENT		
Long service leave	6,996	1,057

Satyananda Yoga Academy Limited

ABN 12 075 357 818

Notes to the Financial Statements**For the Year Ended 30 June 2014****10 Cash Flow Information**

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

	2014	2013
	\$	\$
Profit for the year	1,067,200	362,358
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	165,764	167,620
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	24,663	102,696
- increase/(decrease) in trade and other payables	(1,191,520)	(464,145)
- increase/(decrease) in employee benefits	5,939	(1,702)
Cashflow from operations	72,046	166,827

11 Auditors' Remuneration

	2014	2013
	\$	\$
Remuneration of the auditor of the company, for:		
- auditing or reviewing the financial statements	6,500	6,500

12 Contingencies

The company has been advised by the Royal Commission into Institutional Responses to Child Sexual Abuse that it will be subject to a public hearing into incidents that occurred in the 1980's. This review will cover the systems and processes in place, and the response both at the time the incidents occurred and more recently. It is not possible to estimate the expenses or other liabilities, if any, that may be incurred as a result of the review.

Except as noted above, in the opinion of the directors, the company did not have any contingencies at 30 June 2014 (30 June 2013:None).

13 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 \$10 each towards meeting any outstanding obligations of the company. At 30 June 2014 the number of members was 3 (2013: 3).

Satyananda Yoga Academy Limited

ABN 12 075 357 818

Notes to the Financial Statements**For the Year Ended 30 June 2014****14 Income and expenditure - fundraising appeals***This disclosure is made under the NSW Charitable Fundraising Act 1991.*

	2014
	\$
Details of aggregate gross income and direct expenses of fundraising appeals	
Gross income from donations and fundraising appeals	1,202,568
Less: Total cost of fundraising appeals	-
Net surplus obtained from donations and fundraising appeals	<u>1,202,568</u>
Statement showing how funds received were applied to charitable purpose	
Funds brought forward from previous year	4,575,239
Net surplus obtained from donations and fundraising appeals	1,202,568
Other income	782,413
Funds available for application to charitable purpose	1,984,981
Expenses	(917,781)
Funds carried forward	<u>5,642,439</u>

In relation to proceeds unspent at balance date, the company carries forward any amounts for expenditure in future years on projects related to the company's operations. Accordingly, amounts applied in any particular year to the charitable purpose may be greater or less than the net surplus obtained from fundraising appeals in that year.

15 Company Details

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

300 Mangrove Creek Road
Mangrove Creek NSW 2250

Satyananda Yoga Academy Limited

ABN 12 075 357 818

Directors' Declaration

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 15, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards as stated in Note 1; and
 - (b) give a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director

Director

Dated this day of2014

Satyananda Yoga Academy Limited

ABN 12 075 357 818

Independent Auditor's Report to the members of Satyananda Yoga Academy Limited

We have audited the accompanying financial report, being a special purpose financial report of Satyananda Yoga Academy Limited, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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 have 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 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 entity'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 entity'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 audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*.

Satyananda Yoga Academy Limited

ABN 12 075 357 818

Independent Auditor's Report to the members of Satyananda Yoga Academy Limited*Opinion*

In our opinion the financial report of Satyananda Yoga Academy Limited is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.

Kelly Partners Assurance Services

Peter Dawkins
Registered Auditor Number 4334
North Sydney

Dated this day of2014