

**IYENGAR YOGA ASSOCIATION OF  
HONG KONG LIMITED**

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2018**

# IYENGAR YOGA ASSOCIATION OF HONG KONG LIMITED

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2018

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 30 June 2018.

### PRINCIPAL ACTIVITY

The principal activity of the Company is to provide advancing public education in the classical teachings of the science of Yoga based upon the principles of the highest standards of personal conduct and services to others.

### STATE OF AFFAIRS

The state of the Company's affairs as at 30 June 2018 is set out in the annexed statement of financial position.

### DIRECTORS

The directors during the year and up to the date of this report were:-

George Dovas	
Jantan Aishah Binte	
Lui Wing Tat	
Yu Chun Pang	
Ip Arnold Tin Chee	(Appointed on 1 June 2018)
Ng Wai Sang	(Appointed on 1 June 2018)
Au Yeung Ka Yee	(Resigned on 1 June 2018)
Tiffany Hambley	(Resigned on 1 June 2018)

In accordance with the Article 20 of the Company's Articles of Association, all the remaining directors continue in office.

### BUSINESS REVIEW

The Company falls within the reporting exemption for the financial year in accordance with the Companies Ordinance and is not required to prepare business review for the year.

### MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.


### PERMITTED INDEMNITY PROVISIONS

A permitted indemnity provision for the benefit of the directors of the Company is currently in force and was in force throughout this year.

## AUDITORS

Messrs. Nicholas Fung & Co., Certified Public Accountants, retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'George Dovas', written over a horizontal line.

George Dovas  
Chairman

Hong Kong, 31 March 2019

馮卓堅會計師事務所  
NICHOLAS FUNG & CO.

Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
IYENGAR YOGA ASSOCIATION OF HONG KONG LIMITED**  
(Incorporated in Hong Kong and limited by guarantee)

*Opinion*

We have audited the financial statements of Iyengar Yoga Association of Hong Kong Limited ("the Company") set out on pages 6 to 10, which comprise the statement of financial position as at 30 June 2018, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-Sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

*Basis for Opinion*

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 900 (Revised) Audit of Financial Statements Prepared in Accordance with the Small and Medium-Sized Entity Financial Reporting Standard issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Information other than the Financial Statements and Auditor's Report Thereon*

The directors are responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

馮卓堅會計師事務所  
**NICHOLAS FUNG & CO.**

Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
IYENGAR YOGA ASSOCIATION OF HONG KONG LIMITED**  
(Incorporated in Hong Kong and limited by guarantee)

*Responsibilities of Directors and Those Charged with Governance for the Financial Statements*

The directors are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

馮卓堅會計師事務所  
NICHOLAS FUNG & CO.

Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
IYENGAR YOGA ASSOCIATION OF HONG KONG LIMITED**  
(Incorporated in Hong Kong and limited by guarantee)

*Auditor's Responsibilities for the Audit of the Financial Statements (continued)*

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  
NICHOLAS FUNG & CO.  
Certified Public Accountants

Hong Kong, 31 March 2019

**IYENGAR YOGA ASSOCIATION OF HONG KONG LIMITED**

**INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 HK\$	2017 HK\$
<b>Revenues</b>	2	598,100	133,808
<b>Direct costs</b>		<u>(439,064)</u>	<u>(59,360)</u>
<b>Gross surplus</b>		159,036	74,448
<b>Other income</b>	3	1,526	3
<b>Expenditure</b>		<u>(29,309)</u>	<u>(43,583)</u>
<b>Surplus before taxation</b>	5	131,253	30,868
<b>Income tax expenses</b>	6	<u>(2,706)</u>	<u>(1,833)</u>
<b>Surplus for the year</b>		<u>128,547</u>	<u>29,035</u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

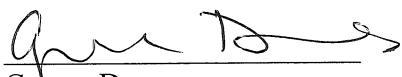
IYENGAR YOGA ASSOCIATION OF HONG KONG LIMITED


STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018

	Note	2018 HK\$	2017 HK\$
<b>Current assets</b>			
Accounts receivables		1	353
Prepayment		3,518	-
Cash at bank		492,023	329,143
		<u>495,542</u>	<u>329,496</u>
		-----	-----
<b>Current liabilities</b>			
Accrued charges		60,000	12,550
Subscription fee payable		-	10,780
Provision for taxation		3,037	2,208
		<u>63,037</u>	<u>25,538</u>
		-----	-----
<b>NET ASSETS</b>		<u>432,505</u>	<u>303,958</u>
		=====	=====
<b>Reserve</b>			
Surplus carried forward	7	<u>432,505</u>	<u>303,958</u>
		=====	=====

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

Approved by the Board of Directors on 31 March 2019

  
George Dovas  
Director

  
Jantan Aishah Binte  
Director



# IYENGAR YOGA ASSOCIATION OF HONG KONG LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### REPORTING ENTITY

Iyengar Yoga Association of Hong Kong Limited is a company incorporated in Hong Kong and limited by guarantee. In the event of winding up, each member is liable to contribute not exceeding HK\$100. The Company's registered office is located at 19/F., The Pemberton, 22-26 Bonham Strand, Sheung Wan, Hong Kong.

The principal activity of the Company is to provide advancing public education in the classical teachings of the science of Yoga based upon the principles of the highest standards of personal conduct and services to others.

### 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Company qualifies for the reporting exemption as a small private company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap.622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Company is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

#### (a) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Association and when the revenue can be measured reliably, on the following bases:

- (i) Certification mark income is recognised when the services are rendered.
- (ii) Members' contributions are recognised on a cash receipt basis.
- (iii) Activity income is recognised when the relevant activities are completed.
- (iv) Course income is recognised when the training services are rendered to the students.
- (v) Interest income from bank deposits is accrued on a time proportion basis on the principal outstanding at the applicable rate.

#### (b) Taxation

Income tax expense represents current tax expense. The income tax payable represents the amount expected to be paid to the taxation authority, using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.

## 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

### (c) Accounts and other receivables

Accounts and other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts

### (d) Accounts and other payables

Accounts and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

### (e) Impairment

At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as expenses immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

### (f) Foreign currency translation

Transactions during the year in foreign currencies are translated into Hong Kong dollars at the approximate exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated into Hong Kong dollars at the approximate rates of exchange ruling at that date. Exchange differences are dealt with in the statement of income and retained profits.

## 2. REVENUES

An analysis of the Company's revenues is as follows:

	2018 HK\$	2017 HK\$
Activity income	478,400	-
Members' contributions	119,700	64,080
Certification mark income	-	60,000
Course income	-	9,728
	<u>598,100</u>	<u>133,808</u>

**3. OTHER INCOME**

	2018	2017
	HK\$	HK\$
Bank interest income	4	3
Exchange gain	1,522	-
	<u>1,526</u>	<u>3</u>

**4. DIRECTORS' REMUNERATION**

Directors' remuneration disclosed pursuant to section 383(1) of Companies Ordinance is as follows:-

	2018	2017
	HK\$	HK\$
Fees	-	-
Other emoluments	-	-
	<u>-</u>	<u>-</u>

**5. SURPLUS BEFORE TAXATION**

Surplus before taxation is arrived at after charging:-

	2018	2017
	HK\$	HK\$
Auditors' remuneration	7,500	7,000
	<u>7,500</u>	<u>7,000</u>

**6. INCOME TAX EXPENSES**

(a) Hong Kong Profits Tax has been provided in the financial statements at the rate of 8.25% (2017: 16.5%) on the estimated assessable profits for the year.

(b) Taxation in the income statement represents :-

	2018	2017
	HK\$	HK\$
Hong Kong Profits Tax		
- Provision for current year	2,707	1,833
- Overprovision in prior year	(1)	-
	<u>2,706</u>	<u>1,833</u>

**7. CHANGES IN EQUITY**

	2018	2017
	HK\$	HK\$
Surplus brought forward	303,958	274,923
Surplus for the year	128,547	29,035
Surplus carried forward	<u>432,505</u>	<u>303,958</u>

- END -

IYENGAR YOGA ASSOCIATION OF HONG KONG LIMITED

DETAILED INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2018  
(For Management Purposes Only)

	2018 HK\$	2017 HK\$
<b>Revenues</b>		
Activity income	478,400	-
Members' contributions	119,700	64,080
Certification mark income	-	60,000
Course income	-	9,728
	<u>598,100</u>	<u>133,808</u>
	-----	-----
<b>Less: Direct cost</b>		
Activity expenses	434,529	-
Course and certification expenses	-	38,886
Subscription fee paid	4,535	20,474
	<u>439,064</u>	<u>59,360</u>
	-----	-----
<b>Gross surplus</b>	<u>159,036</u>	<u>74,448</u>
	-----	-----
<b>Other income</b>		
Bank interest income	4	3
Exchange gain	1,522	-
	<u>160,562</u>	<u>74,451</u>
	-----	-----
<b>Expenditure -</b>		
Accounting fee	3,500	3,000
Advertising and promotion	-	700
Auditors' remuneration	7,500	7,000
Bank charges	4,474	355
Business registration fee	2,250	2,550
Computer expenses	3,629	-
Donation	-	13,568
Legal and professional fee	2,500	16,105
Printing and stationery	5,456	200
Sundries	-	105
	<u>29,309</u>	<u>43,583</u>
	-----	-----
<b>Surplus before taxation</b>	<u>131,253</u>	<u>30,868</u>
	=====	=====