

Stichting Maharishi Global Financing Research
Roerdalen

Report on the annual accounts 2012

January 23, 2014

CONTENTS

Report		Page
1	General	2
2	Analysis of the financial position	3
Financial statements		
1	Balance sheet as at December 31, 2012	5
2	Profit and loss account 2012	7
3	Accounting principles	8
4	Notes to the balance sheet as at December 31, 2012	11
5	Notes to the profit and loss account	15
Other information		
1	Proposed appropriation of result	17

1 GENERAL

1.1 Activities

The activities of Stichting Maharishi Global Financing Research, having its Legal seat at Roerdalen, and its office at Vlodrop, Station 24, and its group companies are as follows:

The main activity of the foundation is to evolve and advance principles and programmes for poverty and promotion of education in the poor population of the world.

Amongst its research activities in the field of Economy, the foundation will explore the use of Global Development Currency, which will be used in limited areas of developing countries around the world, for limited periods of time, with the permission of any sovereign government for its country, in order to start export-oriented organic agricultural projects.

The Global Development Currency will be produced by a mint or printing press in the Netherlands or anywhere else in the world with due observance of the local laws and regulations.

The Global Development Currency will represent the future earnings from these export oriented Enterprises and will finance the start-up cost of these Agricultural projects.

The Global Development Currency will circulate during a limited period of four crop seasons, or for a maximum of three years, in the limited project areas, after which it will naturally transform itself into the hard currencies earned through the usual procedure of exports.

The introduction of this currency for a limited period of time, in limited places, will amount to creating a catalytic agent in the field economy, and it will provide a concrete channel for the transformation of this catalytic currency into practical hard currencies. This will fulfill the research objective of the foundation, contained in its name, and will create, in the scientific age, from the Netherlands, a global smile in de centuries-old depressed faces of the poor around the world.

2 ANALYSIS OF THE FINANCIAL POSITION

Hereafter we give you an overview of the financial position as of December 31, 2012 and December 31, 2011.

This overview aims particularly at displaying the funds available for financing the working capital. The data have been adopted from the balance sheet (x € 1.000)

	December 31, 2012 <u>x € 1.000</u>	%	December 31, 2011 <u>x € 1.000</u>	%	Difference <u>x € 1.000</u>
ASSETS					
Fixed assets					
Tangible fixed assets	5.541	26,5	6.176	29,6	-636
Financial fixed assets	14.898	71,3	14.208	68,2	690
	<u>20.439</u>	97,8	<u>20.385</u>	97,8	54
Current assets					
Inventory	344	1,6	344	1,7	(0,3)
Receivables	85	0,4	85	0,4	0
Cash and bank	39	0,2	31	0,1	8
	<u>469</u>	2,2	<u>460</u>	2,2	8
	<u>20.907</u>	100,0	<u>20.845</u>	100,0	62
LIABILITIES					
Equity	-13.859	-66,3	-12.315	-59,1	-1.543
Long-term liabilities	34.765	166,3	33.144	159,0	1.621
Current liabilities	0,3	0,0	17	0,1	-16
	<u>20.907</u>	100,0	<u>20.845</u>	100,0	63

FIGURES FOR THE YEAR 2012

1 BALANCE SHEET AS AT DECEMBER 31, 2012

(after appropriation of net result)

	31 December 2012		31 December 2011	
	€	€	€	€
ASSETS				
FIXED ASSETS				
<i>Tangible fixed assets</i>				
Land and buildings	5.481.883		5.516.694	
Other assets	<u>58.666</u>		<u>659.732</u>	
		5.540.549		6.176.426
<i>Financial fixed assets</i>				
Participation in group companies	19.736		19.530	
Receivables from group companies	482.156		454.794	
Receivables from related parties	<u>14.396.172</u>		<u>13.734.014</u>	
		14.898.064		14.208.337
CURRENT ASSETS				
<i>Inventories</i>				
		343.870		343.870
<i>Receivables</i>				
Other receivables and prepayments	<u>85.486</u>		<u>85.486</u>	
		85.486		85.486
<i>Cash and bank</i>				
		39.270		31.016
		<u>20.907.240</u>		<u>20.845.135</u>

	31 December 2012		31 December 2011	
	€	€	€	€
EQUITY AND LIABILITIES				
Equity		-13.858.464		-12.315.463
Long-term liabilities				
Lease companies	285.000		445.962	
Amounts due to group companies	15.804		15.576	
Amounts due to related parties	33.176.913		31.394.844	
Other bonds and private loans	1.155.802		1.155.802	
Raam liabilities	<u>131.850</u>		<u>131.850</u>	
		34.765.369		33.144.034
Current liabilities				
Current liabilities, accruals and deferred income	<u>335</u>		<u>16.564</u>	
		335		16.564
		<u><u>20.907.240</u></u>		<u><u>20.845.135</u></u>

2 PROFIT AND LOSS ACCOUNT 2012

	2012		2011	
	€	€	€	€
Net turnover		52.970		74.786
Salaries, wages and social premiums	6.312		5.356	
Depreciation	635.877		776.605	
General costs	109.680		102.401	
Operating costs		<u>751.869</u>		<u>884.362</u>
Operating result		-698.899		-809.576
Financial income	957.047		882.221	
Financial costs	-1.868.781		-2.157.454	
Financial income and costs		-911.734		-1.275.233
Extraordinary income	67.425		225.031	
Extraordinary costs			-411.241	
Extraordinary income and costs		<u>67.425</u>		<u>-186.210</u>
Loss from ordinary activities before taxation		-1.543.207		-2.271.019
Corporation tax				
Share in result of group companies		206		61
Result after taxation		<u><u>-1.543.001</u></u>		<u><u>-2.270.958</u></u>

3 ACCOUNTING PRINCIPLES

Name, address, place

Stichting Maharishi Global Financing Research, Station 24, 6063 NP Vlodrop.

Reporting standard

The financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise, the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Financial instruments

Financial instrument be both primary financial instruments, such as receivables and payables, and financial derivatives. For the principles of primary financial instruments, reference is made to the treatment per balance sheet item. Financial derivatives whose underlying value is not listed are recognized at cost.

Translation of foreign currency

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date.

Transactions in foreign currency during the financial year are recognized in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as of balance sheet date, taking into account possible hedge transactions, are taken in the profit and loss account.

Foreign Group companies and non-consolidated participations outside the Netherlands qualify as independent foreign units. For the translation of the financial statement of these foreign entities the balance sheet items are translated at the exchange rate at balance sheet date and the profit and loss account items at the average rate. The translation differences that arise are directly deducted or added to equity.

PRINCIPLES OF VALUATION

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use. Land is not depreciated.

Financial fixed assets

Where significant influence is exercised participations are valued under the net asset value method, but not lower than a nil value. This net asset value is based on the same accounting principles as applied by Stichting Maharishi Global Financing Research.

Participations with a negative equity are valued at nil. If the foundation fully or partly guarantees the liabilities of the participation concerned a provision is formed, primarily comprising the receivables from this participation. The remainder is recognized under provisions, in the amount of the share in the losses incurred by the participation, or for the amount of payment is expected to make on behalf of these participations.

The other receivables are valued at face value after deduction of any provisions.

Inventories

Inventories of coin blanks are valued at acquisition price of lower net realizable value. This lower net realizable value is determined by individual assessment of the inventories.

Inventories of minted coins are valued at the lower of cost of manufacture and net realizable value. This lower net realizable value is determined by individual assessment of the inventories. Cost of manufacture includes direct materials used, direct wages and machine costs and other direct costs of manufacture, together with applicable production overhead.

Net realizable value is based on estimated selling price, less any future costs to be incurred for completion and disposal.

Receivables

Printing costs of RAAM EU notes are charged to the profit and loss account over a 10-year period and if applicable less impairments in value. Other receivables are included at face value, less any provision for doubtful accounts. These provisions are determined by individual assessment of the receivables.

Principles for the determination of the result

Net turnover

Net turnover represents amounts invoiced for goods and services supplied during the financial year reported on, net of discounts and value added taxes.

Revenues ensuing from the sale of goods are accounted for when all major entitlements to economic benefits as well as all major risks have transferred to the buyer. The cost price of these goods is allocated to the same period.

Revenues from services are recognized in proportion to the services rendered. The cost price of these services is allocated to the same period.

Cost of sales

Cost of sales is defined as the sum of purchase price, import duties and customs clearance expenses and transporting costs for inbound goods.

Profits are recognised in the current year if they are realised and losses are recognised if their cause lies before the end of the current year.

Depreciation.

Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use. Land is not depreciated.

Share in result of group companies

Where significant influence is exercised over participations, the share of the foundation in the participations' results is included in the profit and loss account. This result is determined on the basis of the accounting principles applied by Stichting Maharishi Global Financial Research.

Taxation

The calculation of the corporation tax is based on the result before taxation considering possible tax relief and nondeductible expenses.

4 NOTES TO THE BALANCE SHEET AS AT DECEMBER 31, 2012

FIXED ASSETS

Tangible fixed assets

	Land and buildings	Other assets	Total
	€	€	€
Acquisition price	5.672.763	3.765.306	9.438.069
Accumulated depreciation	-156.068	-3.105.574	-3.261.642
Book value as at December 31, 2011	<u>5.516.695</u>	<u>659.732</u>	<u>6.176.427</u>
<i>Movements</i>			
Investments			
Depreciation	-34.812	-538.725	-573.537
Sold assets			
Correction			
Disposals		-62.341	-62.341
	<u>-34.812</u>	<u>-601.066</u>	<u>-635.878</u>
Acquisition price	5.672.763	3.702.965	9.375.728
Accumulated depreciation	-190.880	-3.644.299	-3.835.179
Book value as at December 31, 2012	<u>5.481.883</u>	<u>58.666</u>	<u>5.540.549</u>
Percentages of depreciation			
			%
Land and buildings			0% - 2%
Plant and machinery			10% - 20%
Other assets			10% - 20% - 33%

Current assets

	<u>31-12-2012</u>	<u>31-12-2011</u>
	€	€
Inventories		
Blank notes	<u>343.870</u>	<u>343.870</u>
	<u><u>343.870</u></u>	<u><u>343.870</u></u>
Receivables		
<i>Other receivables and prepayments</i>		
Loan MUM	827	827
Czech Republic	72.000	72.000
Stg MERU/MVU	<u>12.659</u>	<u>12.659</u>
	<u><u>85.486</u></u>	<u><u>85.486</u></u>
Cash and bank		
Petty cash	1.011	2.662
ABN AMRO Bank N.V.	-8	-8
ABN AMRO Bank N.V.	20.098	10.126
ING Bank N.V.	11.602	11.637
RABO bank N.V.	<u>6.566</u>	<u>6.598</u>
	<u><u>39.270</u></u>	<u><u>31.016</u></u>

	<u>31-12-2012</u>	<u>31-12-2011</u>
	€	€
Equity		
Accumulated capital contributions	4.299.252	4.299.252
Reserve accumulated financial results	<u>-18.157.715</u>	<u>-16.614.714</u>
	<u><u>-13.858.463</u></u>	<u><u>-12.315.462</u></u>
Accumulated capital contributions		
Accumulated capital contributions	<u><u>4.299.252</u></u>	<u><u>4.299.252</u></u>

In order to realize the objectives of Stichting Maharishi Global financing Research, Maharishi Vedic Technology Foundation and Maharishi Global Development Fund contributed capital in earlier years to do so.

The (original) capital of the foundation is nil. The equity consists of (repayments) of capital contributions (31-12-2012 € 4.299.252) and the financial results according to the profit and loss accounts (31-12-2012 - € 18.157,921). Considering that the contributions from other organizations were unrestricted, meaning that there are no redemption conditions of requirements attached to them and that the contributions were classified as capital contributions, the contributions were directly transferred to equity.

A specification of the classes of the equity capital reserves is not applicable.

The foundation did not receive capital contributions in 2012.

	<u>2012</u>	<u>2011</u>
	€	€
Reserve accumulated financial results		
Balance as at January 1	-12.315.462	-10.044.504
Allocation of results period	<u>-1.543.001</u>	<u>-2.270.958</u>
Balance as at December 31	<u><u>-13.858.464</u></u>	<u><u>-12.315.462</u></u>
Long-term liabilities		
Lease companies	<u><u>285.000</u></u>	<u><u>445.962</u></u>
Concerns financial-lease contract		
- ABN AMRO Lease N.V.	<u>285.000</u>	<u>445.962</u>
	<u><u>285.000</u></u>	<u><u>445.962</u></u>

Raam liabilities

Liabilities regarding issued Raam EU	92.190	92.190
Liabilities regarding issued Raam NL	39.659	39.659
	<u>131.850</u>	<u>131.850</u>

Current liabilities

Current liabilities, accruals and deferred income

VAT payable	189	394
Zoning Serbia property	-	14.750
Lawyer fees	-	1.273
Other payables	146	147
	<u>335</u>	<u>16.564</u>

The Raam NL is free of interest. The Raam NL can be exchanged for euro for the denomination of the applicable Raam NL note. To insure this exchange right the Foundation will keep 100 per cent of the receipts in euro from the sale of Raam NL deposited.

The Raam EU is bearing interest from December 31 of the year of issue, printed on the note, at the rate of 3% per five years. Interest on the Raam EU is payable in arrear on the first day following five years after December 31 of the year of issue (the "Interest Payment Date"). Interest will cease to accrue on the Raam EU on the Interest Payment Date.

The RAAM Europe can be exchanged for euro for the denomination of the applicable RAAM EU note (as well as interest, if payable). To ensure this exchange right the Foundation will keep at least 50 per cent of the receipts in euro from the sale of RAAM EU deposited.

5 NOTES TO THE PROFIT AND LOSS ACCOUNT

	<u>2012</u>	<u>2011</u>
	€	€
Net turnover		
Donations	52.970	57.333
Charged broadband connection	-	2.074
Consultancy fees	-	1.827
Gold reliefs	-	13.552
Other revenues		
	<u>52.970</u>	<u>74.786</u>
	<u><u>52.970</u></u>	<u><u>74.786</u></u>
 Salaries, wages and social premiums		
Gross wages and salaries	5.556	4.704
Social premiums	756	652
	<u>6.312</u>	<u>5.356</u>
	<u><u>6.312</u></u>	<u><u>5.356</u></u>
 Number of staff		
Average number of staff 2010: 1 (2008:3)		
 Depreciation		
Depreciation of tangible fixed assets		
Land and buildings	34.811	34.811
Other assets	601.065	741.794
	<u>635.877</u>	<u>776.605</u>
	<u><u>635.877</u></u>	<u><u>776.605</u></u>

	<u>2012</u>	<u>2011</u>
	€	€
<i>General costs</i>		
Lawyer, audit and accountancy fees	18.746	33.901
Travel and hotel cost	12.527	5.307
Projects cost	65.727	50.812
Others	12.680	12.380
	<u>109.680</u>	<u>102.401</u>

Financial income and costs

Financial income

Exchange rate profit financial fixed assets	198.528	165.854
Interest revenues and similar revenues	758.518	716.368
	<u>957.047</u>	<u>882.221</u>

Financial costs

Bank charges/interest	410	649
Interest lease companies	16.463	18.370
Interest long-term liabilities	1.782.910	1.661.221
Exchange rate loss financial fixed assets	68.998	477.215
	<u>1.868.781</u>	<u>2.157.454</u>

Extraordinary income and costs

Final settlement Cisco lease		225.031
Final settlement ABN AMRO lease	-67.425	-65.001
Correction Bosnia property		-330.600
Result sale of Cisco equipment		-15.640
	<u>-67.425</u>	<u>-186.210</u>

Share in result of group companies

Maharishi College of Vedic Medicine B.V.	<u>206</u>	<u>61</u>
	<u>206</u>	<u>61</u>

OTHER INFORMATION

1 PROPOSED APPROPRIATION OF RESULT

The loss for the period ended December 31, 2012 amounts to € 1.543.001. The management proposes to attribute this result to the reserve accumulated financial results. The financial statements reflect this proposal.