

Stichting Maharishi Global Financing Research  
Roerdalen

Report on the annual accounts 2013

September 19, 2014

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## **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, 2013 and December 31, 2012.

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, 2013 <u>x € 1.000</u>	%	December 31, 2012 <u>x € 1.000</u>	%	Difference <u>x € 1.000</u>
<b>ASSETS</b>					
<b>Fixed assets</b>					
Tangible fixed assets	5.492	26,5	5.541	26,5	-49
Financial fixed assets	15.204	73,5	14.898	71,3	306
	<u>20.696</u>	100	<u>20.439</u>	97,8	257
<b>Current assets</b>					
Inventory	-	-	344	1,6	-344
Receivables	-	-	85	0,4	-85
Cash and bank	-	-	39	0,2	-39
	-	-	469	2,2	-469
	<u>20.696</u>	100	<u>20.907</u>	100,0	-211
<b>LIABILITIES</b>					
Equity	-14.632	-70,7	-13.859	-66,3	-774
Long-term liabilities	35.174	170,0	34.765	166,3	409
Current liabilities	154	0,7	0,3	-	154
	<u>20.696</u>	100	<u>20.907</u>	100,0	-211

**FIGURES FOR THE YEAR 2013**

**1 BALANCE SHEET AS AT DECEMBER 31, 2013**

(after appropriation of net result)

	31 December 2013		31 December 2012	
	€	€	€	€
<b>ASSETS</b>				
<b>FIXED ASSETS</b>				
<i><b>Tangible fixed assets</b></i>				
Land and buildings	5.492.398		5.481.883	
Other assets	-		58.666	
		5.492.398		5.540.549
<i><b>Financial fixed assets</b></i>				
Participation in group companies	16.026		19.736	
Receivables from group companies	511.086		482.156	
Receivables from related parties	14.677.067		14.396.172	
		15.204.179		14.898.064
<b>CURRENT ASSETS</b>				
<i><b>Inventories</b></i>		-		343.870
<i><b>Receivables</b></i>				
Other receivables and prepayments	-		85.486	
		-		85.486
<i><b>Cash and bank</b></i>		39		39.270
		<u>20.696.616</u>		<u>20.907.240</u>

	31 December 2013		31 December 2012	
	€	€	€	€
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>		-14.632.264		-13.858.464
<b>Long-term liabilities</b>				
Lease companies	-		285.000	
Amounts due to group companies	16.020		15.804	
Amounts due to related parties	34.067.231		33.176.913	
Other bonds and private loans	959.216		1.155.802	
Raam liabilities	<u>131.850</u>		<u>131.850</u>	
		35.174.316		34.765.369
<b>Current liabilities</b>				
Current liabilities, accruals and deferred income	<u>154.563</u>		<u>335</u>	
		154.563		335
		<u><u>20.696.616</u></u>		<u><u>20.907.240</u></u>

## 2 PROFIT AND LOSS ACCOUNT 2013

	2013		2012	
	€	€	€	€
<b>Net turnover</b>		9.150		52.970
Salaries, wages and social premiums	5.417		6.312	
Depreciation	46.672		635.877	
General costs	<u>114.920</u>		<u>109.680</u>	
<b>Operating costs</b>		<u>167.009</u>		<u>751.869</u>
<b>Operating result</b>		-157.859		-698.899
Financial income	1.582.880		957.047	
Financial costs	<u>-2.196.686</u>		<u>-1.868.781</u>	
<b>Financial income and costs</b>		-613.806		-911.734
<b>Extraordinary income and costs</b>		-2.374		67.425
<b>Loss from ordinary activities before taxation</b>		-774.039		-1.543.207
Corporation tax				
Share in result of group companies		<u>239</u>		<u>206</u>
<b>Result after taxation</b>		<u><u>-773.800</u></u>		<u><u>-1.543.001</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, 2013

## FIXED ASSETS

## Tangible fixed assets

	Land and buildings	Other assets	Total
	€	€	€
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>

*Movements*

Investments			
Depreciation	-17.406	-453	-17.859
Sold assets	-302.680	-	-302.680
Correction	330.600	-	330.600
Disposals	-	-58.213	-58.213
	<u>10.514</u>	<u>-58.666</u>	<u>-48.151</u>

Acquisition price	5.700.683	3.644.752	9.345.435
Accumulated depreciation	-208.285	-3.644.752	-3.853.037
Book value as at December 31, 2013	<u>5.492.398</u>	<u>-</u>	<u>5.492.398</u>

## Percentages of depreciation

	%
Land and buildings	0% - 2%
Plant and machinery	10% - 20%
Other assets	10% - 20% - 33%

**Current assets**

	<u>31-12-2013</u>	<u>31-12-2012</u>
	€	€
<b>Inventories</b>		
Blank notes	-	343.870
	<u>-</u>	<u>343.870</u>
<b>Receivables</b>		
<i>Other receivables and prepayments</i>		
Loan MUM	-	827
Czech Republic	-	72.000
Stg MERU/MVU	-	12.659
	<u>-</u>	<u>85.486</u>
<b>Cash and bank</b>		
Petty cash	3	1.011
ABN AMRO Bank N.V.	-13	-8
ABN AMRO Bank N.V.	27	20.098
ING Bank N.V.	23	11.602
RABO bank N.V.	-	6.566
	<u>39</u>	<u>39.270</u>

	<u>31-12-2013</u>	<u>31-12-2012</u>
	€	€
<b>Equity</b>		
Accumulated capital contributions	4.299.252	4.299.252
Reserve accumulated financial results	<u>-18.931.515</u>	<u>-18.157.715</u>
	<u><u>-14.632.263</u></u>	<u><u>-13.858.463</u></u>

**Accumulated capital contributions**

Accumulated capital contributions	<u>4.299.252</u>	<u>4.299.252</u>
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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 (31-12-2013 € 4.299.252) and the financial results according to the profit and loss accounts (31-12-2013 - € 18.931,515). 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 2013.

	<u>2013</u>	<u>2012</u>
	€	€
<b>Reserve accumulated financial results</b>		
Balance as at January 1	-13.858.463	-12.315.462
Allocation of results period	<u>-773.800</u>	<u>-1.543.001</u>
Balance as at December 31	<u><u>-14.632.263</u></u>	<u><u>-13.858.463</u></u>

	<u>31-12-2013</u>	<u>31-12-2012</u>
	€	€
<b>Long-term liabilities</b>		
Lease companies	<u>-</u>	<u>285.000</u>
Concerns financial-lease contract		
- ABN AMRO Lease N.V.	<u>-</u>	<u>285.000</u>
	<u><u>-</u></u>	<u><u>285.000</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	189
Stichting Academie voor Bewustzijnsontwikkeling	154.250	-
Other payables	125	146
	<u>154.563</u>	<u>335</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>2013</u>	<u>2012</u>
	€	€
<b>Net turnover</b>		
Donations	50	52.970
Rent income	9.100	-
	<u>9.150</u>	<u>52.970</u>
	<u><u>9.150</u></u>	<u><u>52.970</u></u>
 <b>Salaries, wages and social premiums</b>		
Gross wages and salaries	4.689	5.556
Social premiums	728	756
	<u>5.417</u>	<u>6.312</u>
	<u><u>5.417</u></u>	<u><u>6.312</u></u>
 <b>Number of staff</b>		
Average number of staff 2013: 1 (2012:1)		
 <b>Depreciation</b>		
Depreciation of tangible fixed assets		
Land and buildings	17.406	34.811
Other assets	29.266	601.065
	<u>46.672</u>	<u>635.877</u>
	<u><u>46.672</u></u>	<u><u>635.877</u></u>

	2013	2012
	€	€
<i>General costs</i>		
Lawyer, audit and accountancy fees	66.592	18.746
Travel and hotel cost	15.194	12.527
Projects cost	27.570	65.727
Others	5.564	12.680
	<u>114.920</u>	<u>109.680</u>
<b>Financial income and costs</b>		
<i>Financial income</i>		
Exchange rate profit financial fixed assets	808.176	198.528
Interest revenues and similar revenues	774.704	758.518
	<u>1.582.880</u>	<u>957.047</u>
<i>Financial costs</i>		
Bank charges/interest	606	410
Interest lease companies	-	16.463
Interest long-term liabilities	1.731.199	1.782.910
Exchange rate loss financial fixed assets	464.881	68.998
	<u>2.196.686</u>	<u>1.868.781</u>
<b>Extraordinary income and costs</b>		
Final settlement Cisco lease		
Final settlement ABN AMRO lease	-20.000	67.425
Bonds forgiven	58.976	-
Subsidiaries write off	-3.949	-
Payments to Joh. Enschede	-25.065	-
Provision Czech Republic	-72.000	-
Correction Bosnia property	330.600	-
Result sale of properties	102.333	-
Stock paper write off	-343.870	-
Write off garden	-29.399	-
	<u>-2.374</u>	<u>67.425</u>
<b>Share in result of group companies</b>		
Maharishi College of Vedic Medicine B.V.	<u>206</u>	<u>206</u>
	<u>206</u>	<u>206</u>

**OTHER INFORMATION**

**1 PROPOSED APPROPRIATION OF RESULT**

The loss for the period ended December 31, 2013 amounts to € 773.800. The management proposes to attribute this result to the reserve accumulated financial results. The financial statements reflect this proposal.