



**SHRI MATAJI NIRMALA DEVI SAHAJA YOGA WORLD FOUNDATION**

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# **FINANCIAL REPORT**

## **for the year ended 31st December 2011**

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**FINANCIAL STATEMENTS AS AT 31/12/2011**

**BALANCE SHEET  
ASSETS**

	2011		2010	
<b>A) SUBSCRIBED CAPITAL UNPAID</b>		<b>0</b>		<b>0</b>
<b>B) FIXED ASSETS</b>				
<b>I. Intangible Assets</b>		<b>2.147</b>		<b>12.644</b>
+ intangible assets	27.382		25.687	
- accrued depreciation	(25.235)		(13.043)	
<b>II. Tangible Assets</b>		<b>3.925.299</b>		<b>3.915.360</b>
+ tangible assets	4.021.022		3.977.480	
- accrued depreciation	(95.723)		(62.120)	
<b>III. Financial Assets</b>		<b>0</b>		<b>0</b>
<b>TOTAL FIXED ASSETS</b>		<b>3.927.446</b>		<b>3.928.004</b>
<b>C) CURRENT ASSETS</b>				
<b>I. Stock</b>		<b>54.118</b>		<b>105.293</b>
<b>II. Accounts Receivable</b>		<b>47.757</b>		<b>207.481</b>
* within 12 months	40.333		199.007	
* after 12 months	7.424		8.474	
<b>III. Investments</b>		<b>0</b>		<b>0</b>
<b>IV. Cash and Cash Equivalents</b>		<b>370.308</b>		<b>219.719</b>
<b>TOTAL CURRENT ASSETS</b>		<b>472.183</b>		<b>532.493</b>
<b>D) PREPAYMENTS AND ACCRUED INCOME</b>		<b>26.110</b>		<b>26.407</b>
<b>TOTAL ASSETS</b>		<b>4.425.739</b>		<b>4.486.904</b>



**BALANCE SHEET  
EQUITY AND LIABILITIES**

	2011		2010	
<b>A) EQUITY</b>		<b>4.206.260</b>		<b>4.104.759</b>
I. Endowment Fund	1.950.000		1.950.000	
II. Share Premium Account	0		0	
III. Revaluation Reserve	0		0	
IV. Legal Reserve	0		0	
V. Reserve for own Shares	0		0	
VI. Statutory Reserves	0		0	
VII. Other Reserves	0		0	
VIII. Profit or Loss Brought Forward	2.154.759		1.952.798	
IX. Profit or Loss for the Financial Year	101.501		201.961	
<b>B) PROVISIONS FOR LIABILITIES AND CHARGES</b>		<b>0</b>		<b>0</b>
<b>C) TERMINATION INDEMNITIES FUND</b>		<b>30.568</b>		<b>22.678</b>
<b>D) ACCOUNTS PAYABLE</b>		<b>179.861</b>		<b>212.195</b>
* within 12 months	179.861		212.195	
* after 12 months	0		0	
<b>E) ACCRUALS AND DEFERRED INCOME</b>		<b>9.050</b>		<b>147.272</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4.425.739</b>		<b>4.486.904</b>

MEMORANDUM ACCOUNT

Bank Guarantee	100.000
Leasing	67.748

I hereby declare that the present balance conforms to legal requirements:

On behalf of the Board of Directors  
Vice President  
Aldo Antonino Gandolfi



**INCOME AND CHARGES STATEMENT**

	2011		2010	
<b>A) INCOME FROM OPERATING ACTIVITY</b>				
1) Revenue from Sales and Services	400.034		431.861	
2) Stock Variations	0		0	
3) Orders Variations	0		0	
4) Increase in Asset Value due to Improvements	30.429		144.243	
5) Other Operating Income	809.797		1.148.310	
<b>TOTAL INCOME OPERATING ACTIVITY</b>		<b>1.240.260</b>		<b>1.724.414</b>
<b>B) CHARGES FROM OPERATING ACTIVITY</b>				
6) Raw Materials & Consumables		<b>33.055</b>		<b>114.211</b>
7) Services		<b>588.875</b>		<b>729.031</b>
8) Use of Third Party Assets		<b>67.934</b>		<b>172.826</b>
9) Staff Costs		<b>242.642</b>		<b>252.405</b>
a) Wages and salaries	167.943		186.162	
b) Social Security Costs	61.702		53.609	
c) Termination Indemnity Costs	12.997		12.634	
e) Other Staff Costs	0		0	
10) Depreciation		<b>45.795</b>		<b>71.152</b>
a) Intangible Assets	12.192		12.052	
b) Tangible Assets	33.603		29.988	
d) Writedowns	0		29.112	
11) Variations in Stock		<b>51.175</b>		<b>(25.325)</b>
12) Risk Fund				
13) Other Reserves				
14) Other Operating Expenses		<b>194.087</b>		<b>220.362</b>
<b>TOTAL CHARGES OPERATING ACTIVITY</b>		<b>1.223.563</b>		<b>1.534.662</b>
<b>DIFFERENCE BETWEEN INCOME AND CHARGES FROM OPERATING ACTIVIES (A - B)</b>		<b>16.697</b>		<b>189.752</b>
<b>C) FINANCIAL INCOME AND CHARGES</b>				
15) Income from Stocks and Shares				
16) Other Financial Income		<b>1.249</b>		<b>972</b>
d) Other	1.249		972	
17) Interest and Other Financial Charges		<b>(8.800)</b>		<b>(8.248)</b>
<b>TOTAL (15 + 16 - 17)</b>		<b>(7.551)</b>		<b>(7.276)</b>



**INCOME AND CHARGES STATEMENT (cont.)**

	2011		2010	
<b>D) ADJUSTMENTS TO VALUE OF FINANCIAL ASSETS</b>				
18) Revaluations	0		0	
19) Devaluations	0		0	
<b>TOTAL VALUE OF ADJUSTMENTS (18 - 19)</b>		<b>0</b>		<b>0</b>
<b>E) EXTRAORDINARY INCOME AND CHARGES</b>				
20) Income		<b>102.544</b>		<b>30.029</b>
21) Charges		<b>(949)</b>		<b>(127)</b>
<b>TOTAL EXTRAORDINARY INCOME AND CHARGES (20 - 21)</b>		<b>101.595</b>		<b>29.902</b>
<b>PROFIT OR LOSS BEFORE TAX (A - B + C + D + E)</b>		<b>110.741</b>		<b>212.378</b>
22) Income Tax * current		<b>(9.240)</b>	<b>(10.417)</b>	<b>(10.417)</b>
26) Profit or Loss for the Period		<b>101.501</b>		<b>201.961</b>

I hereby declare that the present balance conforms to legal requirements:

On behalf of the Board of Directors  
Vice President  
Aldo Antonino Gandolfi



**INCOME & CHARGES STATEMENT BY ACTIVITY**

**31/12/2011**

	Institutional Activity		Commercial Activity		School Activity	
<b>A) INCOME FROM OPERATING ACTIVITY</b>						
1) Revenue from Sales and Services	0		125.334		274.700	
2) Stock Variations	0		0		0	
3) Orders Variations	0		0		0	
4) Increase in Asset Value due to Improvements	30.429		0		0	
5) Other Operating Income	736.997		72.800		0	
<b>TOTAL INCOME OPERATING ACTIVITY</b>		<b>767.426</b>		<b>198.134</b>		<b>274.700</b>
<b>B) CHARGES FROM OPERATING ACTIVITY</b>						
6) Raw Materials and Consumables		<b>0</b>		<b>33.055</b>		<b>0</b>
7) Services ( <i>see Appendix I</i> )		<b>193.096</b>		<b>285.618</b>		<b>110.161</b>
8) Use of Third Party Assets ( <i>see Appendix I</i> )		<b>30.394</b>		<b>3.800</b>		<b>33.740</b>
9) Staff Costs		<b>89.398</b>		<b>24.427</b>		<b>128.817</b>
a) Wages and salaries	55.403		18.445		94.095	
b) Social Security Costs	28.353		5.564		27.784	
c) Termination Indemnity Costs	5.642		418		6.938	
e) Other Staff Costs	0		0		0	
10) Depreciation		<b>45.795</b>		<b>0</b>		<b>0</b>
a) Intangible Assets	12.192		0		0	
b) Tangible Assets	33.603		0		0	
d) Writedowns	0		0		0	
11) Stock Variations		<b>0</b>		<b>51.175</b>		<b>0</b>
12) Risk Fund		<b>0</b>		<b>0</b>		<b>0</b>
13) Other Reserves		<b>0</b>		<b>0</b>		<b>0</b>
14) Other Operating Expenses ( <i>see Appendix I</i> )		<b>74.111</b>		<b>1.642</b>		<b>118.334</b>
<b>TOTAL CHARGES OPERATING ACTIVITY</b>		<b>432.794</b>		<b>399.717</b>		<b>391.052</b>
<b>DIFFERENCE BETWEEN INCOME AND CHARGES FROM OPERATING ACTIVIES (A - B)</b>		<b>334.632</b>		<b>(201.583)</b>		<b>(116.352)</b>
<b>C) FINANCIAL INCOME AND CHARGES</b>						
16) Other Financial Income	356		8		885	
17) Interest and Other Financial Charges	(6.093)		(1.421)		(1.286)	
<b>TOTAL (16 - 17)</b>		<b>(5.737)</b>		<b>(1.413)</b>		<b>(401)</b>



**INCOME & CHARGES STATEMENT BY ACTIVITY (CONT.)**  
**31/12/2011**

	Institutional Activity		Commercial Activity		School Activity	
<b>D) ADJUSTMENTS TO VALUE OF FINANCIAL ASSETS</b>						
18) Revaluations	0		0		0	
19) Devaluations	0		0		0	
<b>TOTAL VALUE OF ADJUSTMENTS (18 - 19)</b>		<b>0</b>		<b>0</b>		<b>0</b>
<b>E) EXTRAORDINARY INCOME AND CHARGES</b>						
20) Income	102.544		0		0	
21) Charges	(949)		0		0	
<b>TOTAL EXTRAORDINARY INCOME AND CHARGES (20 - 21)</b>		<b>101.595</b>		<b>0</b>		<b>0</b>
<b>PROFIT OR LOSS BEFORE TAX (A - B + C + D + E)</b>		<b>430.490</b>		<b>(202.996)</b>		<b>(116.753)</b>
22) Income Tax * current		<b>(5.240)</b>		<b>0</b>		<b>(4.000)</b>
26) Profit or Loss for the Period		<b>425.250</b>		<b>(202.996)</b>		<b>(120.753)</b>

I hereby declare that the present balance conforms to legal requirements:

On behalf of the Board of Directors  
Vice President  
Aldo Antonino Gandolfi





**CASH FLOW STATEMENT**  
**2011**

<b>A) CASH SITUATION BEGING O PERIOD</b>		<b>219.719</b>
<b>B) CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>195.824</b>
Profit (loss) for the period		98.716
Depreciation and reserves		45.795
Net variations in Termination Indemnity Costs		7.889
Net variations in stock		51.175
(Increase) decrease in accounts receivable		159.618
Increase (decrease) in debts towards suppliers and other debts		(29.444)
Net variations in prepayments and accrued income		(137.925)
<b>C) CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		<b>(45.235)</b>
(Investment) disinvestment in fixed assets		
Financial		
Intangible		(1.694)
Tangible		(43.541)
Reductions depreciation fund		
<b>D) CASH FLOWS FROM FINANCIAL ACTIVITIES</b>		<b>0</b>
Increase to endowment fund		0
Reimbursements		0
New loans		0
<b>E) NET CASH FLOWS FOR THE PERIOD</b>	<b>(B + C + D)</b>	<b>150.589</b>
<b>F) CASH SITUATION END OF PERIOD</b>	<b>(A + E)</b>	<b>370.308</b>
of which:		
- bank deposits		366.963
- petty cash		3.345
- bank overdrafts		0

# **ACOMPANYING NOTES TO THE FINANCIAL STATEMENTS**

## **for the year ended 31/12/2011**

### **1. STRUCTURE AND CONTENT**

The Foundation's Financial Statements have been drawn up based on criteria established by the Accountants Commission for non-profit organizations.

The Financial Statements for the year ended December 31, 2011 comprise the Balance Sheet, the Income and Charges Report, the Income and Charges Report for the Commercial Activity, the Notes, the Cash Flow Statement and Auditors' Report.

Where possible, the Financial Statements for 2011 have been set alongside those of 2010 so as to assist comparison between the figures and to highlight variations.

The Foundation is a non-profit organization with the following object: "perpetuating, documenting and spreading all over the world, the knowledge of the teachings of Mrs. Shrivastava Chandrika Prasad Nirmala, and of supporting, all over the world, the practice of meditation founded by Her, known as Sahaja Yoga".

On the 23<sup>rd</sup> February 2011 the founder and inspiration of the Foundation, Mrs. Nirmala Srivastava, known throughout the world as H.H. Shri Mataji Nirmala Devi, took her 'Samadhi', leaving behind a spiritual heritage whose advancement remains the key purpose of the Foundation. As such the Board of Directors felt it necessary to reaffirm the mission of the Foundation based on the guidelines provided by Shri Mataji in the years since the establishment of the Foundation.

In particular they reconfirmed the decision to use the Foundation's properties in the Val Borbera as a World Centre of experimentation and study of the teachings of Shri Mataji, a place of international convergence and exchange linked to cultural initiatives inspired by Sahaja Yoga, the meditation discovered by Shri Mataji and practiced throughout the world. On this basis, as in previous years, in 2011 over 10 separate seminars end events were organized on the properties of the Foundation in Cabella Ligure, Albera Ligure and Carrega Ligure, attracting around 15,000 people from all over the globe. The economic impact and substance of these events are reflected in the financial statements.

Also reconfirmed is the decision to develop in the Val Borbera a centre of excellence in education, a project that was launched by the founder herself. The home schooling project in Cabella is the first project of this sort. Established in 2008, it has slowly grown over the years, with enrolments for 2012 predicted at around 90/100 pupils. In 2011 minor improvements were made to the infrastructure ahead of plans, developed in the course of 2011, to carry out major expansion work in 2012.

On the other hand, the board decided to reconsider the role of the Foundation in the production and sale of DVDs, CDs and books based on the teachings of Shri Mataji, handing back to NIPC the management functions relating to Shri Mataji's intellectual property. NIPC is a non-profit organization based in the USA which owns the intellectual property and is responsible for protecting it from misuse or abuse. The need for a dedicated entity able to successfully and cost-effectively promote and distribute Shri Mataji's books and talks throughout the world, induced the Board of Directors to close down the commercial activity of the Foundation in this field and to support the creation of a company with this sole purpose, under the control of NIPC. Any future profits of this company will be channeled back to the Foundation through NIPC. The 2011 balance sheet, therefore, reflects a significant reduction of activity in this area, which was formally closed at the end of 2011.

The Foundation keeps separate accounts for any commercial activity it is involved in, recording VAT and preparing sectional income and charges statements, as required by Italian law.

## **1.1 Evaluation Criteria**

The key evaluation criteria used in drawing up the financial report remain substantially unchanged from last financial year and, in observance of art. 2426 c.c., are as follows:

### Intangible Fixed Assets

These are recorded at the original cost of purchase or production, including subsidiary costs, and systematically depreciated over the period of their predicted useful lifetime.

### Tangible Fixed Assets

Tangible assets are classified into categories and recorded at their purchase price or cost of production and have been depreciated based on the economic opportunities they still offer.

Valued net of accrued depreciation, they are systematically depreciated every financial year based on established rates, as recorded below.

For assets acquired in the current financial year, the rate of depreciation is reduced by 50%, taking into account the average, useful lifetime of the property.

Maintenance costs, being an ordinary expense, are recorded in their entirety in the Income and Charges Report.

### Stock

Unsold stock is recorded at the average cost purchase over the financial year.

### Accounts Receivable

Accounts receivable are recorded at their presumed conversion value.

### Investments which do not involve fixed assets

Investments are valued at the purchase or subscription cost, duly reduced in the case of a downturn in share value.

### Cash and Cash Equivalents

These are recorded at their nominal value.

### Prepayments and Accrued Income

Income and charges common to two or more financial years are recorded in this category so as to respect the principles of accrual based accounting. The division of the amounts is calculated based on the concept of time of realisation.

### Termination Indemnity Fund

The termination indemnity fund is set aside to cover the debt owed to employees in conformity with Italian law and national collective labour contracts.

### Accounts Payable

Accounts payable are recorded at their nominal value.

### Taxes

Income tax is set aside so as to comply with Italian law, taking into account any applicable exemptions.

## **1.2 Other Information**

Income and charges have been calculated according to the principles of accrual based accounting, such that the effects of transactions and other events are recognised when they occur, and not when cash or cash equivalents are received or paid. They are recorded in the accounting records and reported in the Financial Statements of the periods to which they relate.

The criteria used to establish values are based on the principle of neutrality and remain unvaried with respect to the preceding financial year.

### Currency

Unless otherwise indicated, the figures reported in the financial statements (Balance Sheet, Income & Charges Report and Notes) are expressed in Euros, rounded off to the nearest whole number.

## **2. NOTES ON BALANCE SHEET ITEMS UNDER 'ASSETS'**

### **2.1 Fixed Assets**

For the two categories of fixed assets (tangible and intangible) special tables have been prepared (see below) showing their historical value, past depreciation and past revaluations, changes over the financial year and the closing balance.

#### Intangible Assets

These consist of costs borne for the acquisition of software and the creation of an internet site.

The internet site was launched in 2010 and correlates to the commercial activity which was terminated in 2011. As such it has been depreciated over just two financial years.

<b>INTANGIBLE FIXED ASSTES</b>	<b>software</b>	<b>internet site</b>	<b>TOTAL</b>
Historical value	2.087	23.600	25.687
Past depreciation fund	1.230	11.745	12.975
<b>Value start of financial year</b>	<b>857</b>	<b>11.855</b>	<b>12.712</b>
Sales during financial year	0	0	0
Reductions depreciation fund	0	0	0
Purchases during financial year	1.695	0	1.695
Depreciation during financial year	625	11.635	12.260
<b>Net value</b>	<b>1.927</b>	<b>220</b>	<b>2.147</b>
<b>Total depreciation fund</b>	<b>1.855</b>	<b>23.380</b>	<b>25.235</b>
<b>Historical cost end of financial year</b>	<b>3.782</b>	<b>23.600</b>	<b>27.382</b>

### Tangible Assets

In the tables that follow the most significant transactions relating to tangible fixed assets are analysed.

Depreciation has not been applied to the buildings and the land which were donated to the Foundation at the time of its constitution by its founder, Mrs. Srivastava Chandrika Prasad Nirmala, because they are not considered to have lost value over time or due to wear and tear. The investments made on improving the properties over the financial year have been capitalised.

Office furniture and equipment was also purchased. A car was also purchased.

Depreciation of tangible fixed assets is calculated from the moment they start being used based on their hypothetical useful lifetime and residual possibility of use; in the first year of use the rate of depreciation is reduced by 50%. The rates of depreciation have been calculated with reference to accepted fiscal norms.

<b>Description</b>	<b>Rate of Depreciation</b>
<i>Vehicles</i>	20%
<i>Equipment</i>	15%
<i>Furniture</i>	12%
<i>Electronic office equipment</i>	20%

	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
Historical value	338.736	3.425.556	3.764.292
<b>Value start of financial year</b>	<b>338.736</b>	<b>3.425.556</b>	<b>3.764.292</b>
Sales during financial year	0	0	0
Purchases during financial year	0	42.311	42.311
<b>Net value</b>	<b>338.736</b>	<b>3.467.867</b>	<b>3.806.603</b>
<b>Total depreciation fund</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Historical cost end of financial year</b>	<b>338.736</b>	<b>3.467.867</b>	<b>3.806.603</b>

<b>Other Property</b>	<b>Furniture</b>	<b>Electronic Equipment</b>	<b>Equipment</b>	<b>Vehicles</b>	<b>Special Machinery</b>	<b>Totale</b>
Historical value	105.358	21.031	25.950	57.500	3.350	<b>213.189</b>
Past depreciation fund	23.822	7.305	5.318	25.425	251	<b>62.121</b>
<b>Value start of financial year</b>	<b>81.536</b>	<b>13.726</b>	<b>20.632</b>	<b>32.075</b>	<b>3.099</b>	<b>151.068</b>
Sales during financial year	0	0	0	0	0	<b>0</b>
Reductions depreciation fund	0	0	0	0	0	<b>0</b>
Purchases during financial year	0	655	575	0	0	<b>1.230</b>
Depreciation during financial year	12.642	4.272	3.936	12.250	502	<b>33.602</b>
<b>Net value</b>	<b>68.894</b>	<b>10.109</b>	<b>17.271</b>	<b>19.825</b>	<b>2.597</b>	<b>118.696</b>
					0	<b>0</b>
<b>Total depreciation fund</b>	<b>36.464</b>	<b>11.577</b>	<b>9.254</b>	<b>37.675</b>	<b>753</b>	<b>95.723</b>
<b>Historical cost end of financial year</b>	<b>105.358</b>	<b>21.686</b>	<b>26.525</b>	<b>57.500</b>	<b>3.350</b>	<b>214.419</b>

## 2.2 Current Assets

### Stock

This refers to goods (DVDs, CDs and books) unsold as of the 31<sup>st</sup> December 2011. Compared to 2010, stock has decreased by €51,175=. During the 2011 financial year the related commercial activity was terminated.

### Accounts Receivable

As of 31<sup>st</sup> December 2011 accounts receivable from clients totalled €23,157=. They include invoices not yet issued for €418=. Accounts receivable are calculated net of write-downs, which amount to €1,219= and have significantly decreased following the closure of the commercial activity. In fact, accounts receivable refer purely to the school activity.

Other accounts receivable amount to €24,600=, consisting of credit with social security (INPS) and with the inland revenue; €12,500 from national and regional income tax (IRES & IRAP), net of income tax due for this financial year.

Accounts receivable after the end of the financial year refer to receivable securities.

Accounts receivable after more than five financial years are not recorded.

### Cash and Cash Equivalents

These consist of €366,963= deposited in bank accounts and €3,345= deposited as petty cash.

This is a decrease of around €60,000= compared to the balance of approx. €532,000= at the end of last financial year.

## 2.3 Prepayments and Accrued Income

Prepayments for insurance, financing fees and/or leasing were not recorded for this financial year.

### 3. NOTES ON BALANCE SHEET ITEMS UNDER 'EQUITY & LIABILITIES'

#### 3.1 Equity

Equity has been calculated based on the following:

- the endowment fund of €1,950,000=
- profit of €201,961= brought forward from the 2010 financial year
- profit of €101,501= for the 2011 financial year

	Endowment fund	Other reserves	Profits brought forward	Profits for financial year	Totals
Value as at 31.12.2006	1.950.000	0	0	46.205	1.996.205
Variations	0	-1	46.205	250.623	296.827
Value as at 31.12.2007	1.950.000	-1	46.205	296.828	2.293.032
Variations	0	1	296.828	-93.305	203.524
Value as at 31.12.2008	1.950.000	0	343.033	203.523	2.496.556
Variations	0	-1	203.523	1.202.719	1.406.241
Value as at 31.12.2009	1.950.000	-1	546.556	1.406.242	3.902.797
Variations	0	1	1.406.242	-1.204.281	201.962
Value as at 31.12.2010	1.950.000	0	1.952.798	201.961	4.104.759
Variations	0	0	201.961	-100.460	101.501
Value as at 31.12.2011	1.950.000	0	2.154.759	101.501	4.206.260

#### 3.2 Termination Indemnities Fund

This is made up of the real debt matured towards employees, in conformity with Italian law and national labour contracts currently in force.

Staff of the Foundation as at 31.12.2011 consists of 12 employees, of which 7 work in the school sector. In the course of the year the employees working for the closed commercial activity handed in their notice.

Payments refer to taxes due on the termination indemnities fund.

Year	2011	2010
Initial value	22.678	15.482
Allocation for the year	12.997	12.634
Payments	- 5.107	- 5.438
Final value	30.568	22.678

#### 3.3 Accounts Payable

Reported below are the transactions for the financial year relating to this category.

Description	Value start financial year	Increase (+) Decrease (-)	Value financial year end
<i>Payable within 12 months</i>			
to suppliers	62.463	-25	62.438
for taxes	19.089	-14.450	4.639
to social security institutions	10.686	-527	10.159
various	119.957	-17.332	102.625
<i>Payable after 12 months</i>		0	
for financing	0	0	0
<b>Total</b>	<b>212.195</b>	<b>-32.334</b>	<b>179.861</b>

Debts towards suppliers include €28,220= for invoices yet to be received.

Tax debts comprise IRPEF withholding tax in relation to the last month of the year, paid in January 2012.

Social security debts include the amount due to the relevant institutions for the last month of the 2011 financial year and paid in January 2012.

Debts various include €19,927= payable to employees (unused holidays and 14<sup>th</sup> month etc.), royalty payments of €55,383= for the 2011 financial year and other modest amounts.

### 3.4 Accruals and Deferred Income

Deferred income refers to income from the school activity amounting to €9,050=, invoiced in 2011 but relative to 2012.

## 4. MEMORANDUM ACCOUNTS (i.e. authorised but not contracted for)

The bank guarantee relates to the €100,000= contribution from the Regione Piemonte.

The Leasing account refers to remaining commitments (installments) on the school buses, net of the redemption amount.

## 5. NOTES ON ITEMS OF THE INCOME AND CHARGES STATEMENT

The income and charges statement includes all the activities of the Foundation, including the commercial activity. A sectional income and charges statement is included in the Financial Report, as required by Italian fiscal norms, highlighting separately the results obtained from the institutional activity and the commercial activity.

### 5.1 Income from Operating Activity

*Revenue from Sales and Services*: this amounts to €400,034= and relate to the commercial activity (this includes the school activity but not revenue from indirect sales i.e. deriving from the licence agreement). This is a decrease of about 31 thousand compared to the previous financial year.



*Other Operation Income*: this refers to €735,169= in donations received including those from participants at events held in Cabella during the financial year and those deriving from the international fundraising efforts. It also includes €72,800= that came in as indirect sales.

See Appendix II for a more detailed breakdown of income.

## **5.2 Charges from Operating Activity**

*Raw Materials and Consumables*: a total of €33,055=, significantly less than last financial year due to the closure of the commercial activity selling books and DVDs.

*Services*: the most significant items in this category are (i) consultancy fees relating to the commercial activities (189 thousand Euros) and (ii) service charges (telephone, gas, electricity etc.). Also included in this category are (iii) the royalties payable on direct sales (€55,467=). The amount has decreased by about 140 thousand Euros compared to last financial year.

*Use of Third Party Assets*: this refers principally to (i) €20,418= for the rent of the warehouse for the Commercial Unit (€3,800=), extra staff lodgings and of additional space and facilities (gym, meeting rooms, kitchens, toilet facilities etc.) on the occasion of international events and seminars. It also includes (ii) the cost of leasing the school buses (€13,868= for the lease started in 2009 and €17.912= for the lease started in 2010).

*Other Operating Expenses*: the main items in this category are made up of wages and expenses of collaborators and consumables relating to the upkeep of the properties. The rest is largely made up of costs associated with the school activity (food, school supplies) and also stationary, stamps and other taxes.

## **5.3 Financial Income and Charges**

This relates to bank charges and bank interest (positive and negative).

## **5.4 Extraordinary Income and Charges**

*Income*: this relates to the amount resulting from Mrs. Srivastava's estate renouncing its claim to the royalties due for 2010. It also includes the reduction in the write-downs fund set aside in 2010 in the light of credit previously considered at risk.

*Income*: this relates to very modest amounts.

## **5.5 Profit (Loss) for the Financial Year**

*Income Tax* includes IRES (national taxes) of €5,250= and IRAP (regional taxes) of €4,000= for the financial year, applied only to the commercial activity and the properties owned.

*Profit (or Loss) for the Period* amounts to €101,501=.

The present financial report, made up of the Balance Sheet, Income and Charges Statement and Notes to the Financial Statements, are a true and accurate reflection of the financial position and financial performance of the Foundation, including profit and loss for the period, and are the result of the ledger entries for the financial year 2011.

*Aldo Antonino Gandolfi*  
President

**BOARD OF AUDITORS REPORT**  
**FINANCIAL REPORT FOR THE YEAR ENDING 31<sup>ST</sup> DECEMBER 2011**  
**OF THE SHRI MATAJI NIRMALA DEVI SAHAJA YOGA WORLD FOUNDATION**

The Board of Auditors received the 2011 Financial Report from the Board of Directors comprising:

- Balance Sheet,
- Income and Charges Statements,
- Accompanying Notes,
- Cash Flow Statement.

It was given sufficient time to prepare its report and express its opinion on the content.

The responsibilities of the Board of Auditors, as per article 2409 of the Civil Code, are to carry out periodic audits and to write up reports on their outcome. During these audits we have been able to verify that the company books and accounts have been properly kept.

The Foundation manages commercial activity for which separate accounts and VAT records are kept, as required by Italian fiscal law. A separate income and charges statement related to the commercial activity is included in the financial statements.

The Foundation's 2011 Financial Report has been drawn up based on criteria established by the Accountants Commission for non-profit organizations. The year closes with a profit of €101,501=, net of depreciation and allocations of €45,795=. Equity on the 31<sup>st</sup> December 2011 stood at € 4,206,260 = compared to €4,104,759= at the end of the previous financial year; an increase of € 101,501=.

The cash flow situation is shown in the cash flow statement and highlights the way in which funds were absorbed by operating activities, investments and financial activities.

The preparation and drawing up of the Financial Report is the task of the administrative body of the Foundation, while it is the responsibility of the Board of Auditors to express their professional opinion on the financial statements based on the outcome of their audit.

Having carefully audited the financial statements we can affirm that the information reported in the Balance Sheet, Income and Charges Statements and Accompanying Notes corresponds to the figures recorded in the company books, which are kept according to the norms established by Italian law and in the Foundation's statute.

The audit of the financial statements and the periodic audit of the accounts and of the bookkeeping were carried out using procedures and methodologies appropriate to the functions and the dimension of the activity, so as to provide a reasonable basis from which to express a professional opinion and to exclude the possibility of significant error.

The evaluation criteria adopted for the Balance Sheet and the modality in which they have been represented are substantially unchanged compared to last financial year. The criteria have been communicated to us and we can confirm that they comply with Italian accounting principles and norms.

The Accompanying Notes provide the required complementary information for a proper understanding of the financial statements and the cover statement adequately describes the activities of the Foundation.

In conclusion, we believe that the outcome of our audit shows that the Financial Report of the Shri Mataji Nirmala Devi Sahaja Yoga World Foundation for the year ending 31<sup>st</sup> December 2011 is credible, complies with the norms that govern the compilation of such a document and is an accurate statement of the assets and liabilities of the Foundation, of its financial position and of the outcome of the financial year.

As such, we invite you to approve the Financial Report for the year ending 31<sup>st</sup> December 2011.

The Board of Auditors:

*Maria Gallo*

*Ilaria Cinotto*

*Cristina Ciartano*

7<sup>th</sup> June 2012

**APPENDIX 1: DETAILS TO THE INCOME CHARGES STATEMENT**

	2011	2010
<b>7) SERVIZI</b>	<b>588.350</b>	<b>729.031</b>
<b>Commercial Activity</b>	<b>285.093</b>	<b>334.536</b>
Freight and Transportation	3.072	3.710
Gas	0	5.287
Consultants	188.597	194.990
<i>Adi Consulting</i>	31.232	59.918
<i>Devi Productions</i>	145.151	107.124
<i>Springer</i>	0	480
<i>Atticom</i>	0	127
<i>Bhamra Hardev</i>	10.827	25.893
<i>Udar Silvia</i>	1.387	570
<i>Visivodessing</i>	0	878
<i>Kundala Hille</i>	525	0
Electricity	6.208	10.449
Telephone	3.457	3.076
Printing of Books	0	864
<i>Anima</i>	0	167
<i>Dimensions Mag</i>	0	697
Technical Services	26.621	25.940
<i>Kalladi Venkatesan</i>	20.700	17.250
<i>Paradine</i>	4.474	7.885
<i>Selin</i>	0	805
<i>Eurosoft</i>	1.447	0
Collaborator wages	0	21.137
Royalties	55.944	65.200
Vehicles costs	0	520
Insurance	1.194	3.363
<b>Hostel Activity</b>	<b>110.161</b>	<b>56.465</b>
Meals	9.448	8.443
Insurance	14.013	12.519
Electircity	7.539	7.874
Telephone	4.257	2.940
Gas	13.675	2.526
Repairs	4.632	7.518
Consultants	16.280	9.029
<i>Palma</i>	16.280	7.484
<i>Fieldwork education</i>	0	1.195
<i>Other</i>	0	350
Vehicle costs	1.943	1.047
Collaborator wages	9.378	3.425
Expense claims	28.366	917
Licenses	630	227
<b>Institutional Activity</b>	<b>193.096</b>	<b>338.030</b>
Building Consultants	22.589	13.728
Administrative	24.844	27.082

## APPENDIX 1: DETAILS TO THE INCOME CHARGES STATEMENT

	2011	2010
<i>Accountants</i>	17.947	20.704
<i>Labour Consultants</i>	6.897	6.378
Repairs and maintenance	9.216	4.325
Legal	22.216	44.641
<i>Cowan U.S.A.</i>	4.716	13.015
<i>Studio Tosetto</i>	9.126	18.922
<i>Bonelli</i>	0	12.704
<i>Adler</i>	8.374	0
Notary	0	16.735
Gas	25.961	34.729
Courses	126	1.080
Building & Renovation Work	13.322	116.365
Electricity	11.175	6.319
Telephone	8.941	16.745
Insurance	20.991	19.989
Bank Guarantees	690	2.000
Compensation Auditors	4.496	4.000
Collaborator wages	10.467	21.189
Other	18.062	9.103
<b>8) USE OF THIRD PARTY ASSETS</b>	<b>93.206</b>	<b>172.826</b>
<b>Commercial Activity</b>	<b>3.800</b>	<b>4.359</b>
Warehouse rent	3.800	4.359
<b>Hostel Activity</b>	<b>33.740</b>	<b>19.314</b>
Leasing School Bus	31.780	18.474
Rent	1.960	840
<b>Institutional Activity</b>	<b>55.666</b>	<b>149.153</b>
Rental Services	8.653	105.054
<i>Italtende</i>	0	69.000
<i>Vel Car</i>	0	11.103
<i>Strutture srl</i>	8.653	18.066
<i>Altri</i>	0	6.885
Rent of property	16.619	34.340
<i>Appartamento Genova</i>	15.000	15.000
<i>Hotel Posta</i>	0	13.500
<i>Spazi per eventi, riunioni ecc.</i>	1.619	5.840
Car Hire	5.122	9.759
<b>14) OTHER OPERATING EXPENSES</b>	<b>194.087</b>	<b>220.362</b>
<b>Commercial Activity</b>	<b>1.642</b>	<b>15.691</b>
Expense claims	0	6.731
Various	1.642	8.960

## APPENDIX 1: DETAILS TO THE INCOME CHARGES STATEMENT

	2011	2010
<b>Hostel Activity</b>	<b>118.334</b>	<b>86.178</b>
School Materials	6.464	5.984
Food & Household Goods	78.611	57.815
Water	59	79
Non-deductable Costs	4.846	5.030
Petrol/Diesel	7.032	6.220
Travel and transport	15.543	594
Various	5.779	10.456
<b>Institutional Activity</b>	<b>74.111</b>	<b>118.493</b>
Petrol/Diesel	5.695	2.999
Water	3.811	2.124
Assets worth less than €516	6.479	6.138
Non-deductable IB Course	2.527	5.635
Travel	520	7.338
Stationary	1.446	3.995
Supplies & Consumables	11.634	29.705
Waste Disposal	5.694	8.867
Expense Claims	10.795	16.101
Taxes	10.574	15.356
<i>ICI</i>	-	7.300
<i>TARSU</i>	-	3.900
<i>Marca da bollo</i>	-	256
<i>Interessi IVA trimestrale</i>	-	900
<i>IVA acquisto autovmezzo</i>	-	3.000
Road Tax	0	1.374
Various	14.936	18.861

## APPENDIX II - 2011 Income Breakdown

Donations from International Appeal		363.246
<i>Generic Donations</i>	283.759	
<i>Cabella Education Fund</i>	52.266	
<i>Tape Preservation Fund</i>	26.260	
<i>Albera Development Fund</i>	250	
<i>Special Projects Fund</i>	711	
Donations from Pujas & Events in Cabella		362.107
Commercial Unit Sales		125.334
Royalty Collections from License Agreements		72.800
School Fees		274.700
Other		11.643
<b>Total Income</b>		<b>1.209.831</b>

### Detailed Result of 2011 Fundraising Appeal (by country)

<i>Country</i>	<i>Amount</i>	<i>% contribution to Fundraising Effort</i>
Unknown Donors	58.044	16%
Italy	54.216	15%
Hong Kong/China	38.404	11%
Brazil	29.816	8%
Australia	17.735	5%
Switzerland	17.637	5%
Austria	15.050	4%
Belgium	14.776	4%
Spain	9.245	3%
USA	8.333	2%
United Kingdom	8.201	2%
Netherlands	6.337	2%
Romania	5.897	2%
France	5.852	2%
Malta	5.776	2%
Turkey	5.280	1%
Thailand	5.200	1%
Germany	5.028	1%
Israel	4.819	1%
Norway	4.762	1%
South Africa	4.729	1%
Ukraine	4.651	1%
Russia	4.385	1%
Czeck Republic	4.000	1%
Finland	2.858	1%
New Zealand	2.635	1%
Poland	1.855	1%
Singapore	1.850	1%
Sweden	1.685	0%
Canada	1.613	0%
Estonia	1.503	0%
Lithuania	1.385	0%
Bulgaria	1.170	0%
Japan	1.100	0%
Hungary	1.043	0%
Iceland	1.006	0%
Slovenia	1.000	0%
Taiwan	1.000	0%

<i>Country</i>	<i>Amount</i>	<i>% contribution to Fundraising Effort</i>
Argentina	650	0%
India	649	0%
Nigeria	594	0%
Aruba D.C.	585	0%
Ireland	428	0%
Oman	275	0%
Dubai	100	0%
Tunis	50	0%
Luxembourg	30	0%
Slovakia	10	0%
<b>Totals</b>	<b>363.246</b>	<b>100%</b>



## APPENDIX III: INCOME TAX CALCULATION 2011

### **IRES (National Income Tax) 5.239,30**

#### ASSETS

Buildings	18.293,00
Land	759,00
Cadastral Income	19.052,00
<b>Taxes Payable @ 27,50%</b>	<b>5.239,30</b>

#### COMMERCIAL UNIT

Non deductible income	157,00
Profit/Loss for the Period	- 202.996,00
Taxable Income	- 202.839,00
<b>Taxes Payable @ 27,50%</b>	<b>-</b>

#### SCHOOL

Non deductible income	4.846,00
Profit/Loss for the Period	- 116.753,00
Taxable Income	- 111.907,00
<b>Taxes Payable @ 27,50%</b>	<b>-</b>

### **IRAP (Regional Income Tax) 3.903,47**

#### COMMERCIAL UNIT

Non deductible income	157,00	
Employees	24.427,00	
Collaborators	-	
		24.584,00
A-B	-	201.583,00
Lump sum deduction on cost of salaries/net wages delta	-	1.117,00
Contractual deductions on cost of salaries/net wages delta	-	1.530,00
Deduction 5 employees	-	583,00
		204.813,00
<b>Taxes Payable @ 3,90%</b>		<b>-</b>

#### SCHOOL

Non deductible income	4.846,00	
Collaborators	9.379,00	
Employees	128.818,00	
		143.043,00
A-B	-	116.352,00
Lump sum deduction on cost of salaries/net wages delta	-	6.900,00
Deduction 5 employees	-	2.313,00
Contractual deductions on cost of salaries/net wages delta	-	9.905,00
		7.573,00
<b>Taxes Payable @ 3,90%</b>		<b>295,35</b>

#### INSTITUTIONAL ACTIVITY

Collaborators	10.468,00	
Employees	89.398,00	
		99.866,00
Lump sum deduction on cost of salaries/net wages delta	-	7.350,00
Contractual deductions on cost of salaries/net wages delta	-	-
		92.516,00
<b>Taxes Payable @ 3,90%</b>		<b>3.608,12</b>