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ELAN VITAL

Balance Sheet and Accounts

Year ended 31 March 1997

Accounts prepared in accordance with the provisions of the Companies Act 1985.

All Trustees were present and approved the accounts and the Balance Sheet and Profit and Loss Account as shown on pages 1 to 4 of this report. The Trustees are not aware of any circumstances which would render the accounts misleading or in breach of any provisions of the Companies Act 1985. The Trustees are not aware of any circumstances which would render the accounts misleading or in breach of any provisions of the Companies Act 1985. The Trustees are not aware of any circumstances which would render the accounts misleading or in breach of any provisions of the Companies Act 1985.

N. HARRIS & CO.

Registered Auditors

LONDON

The Trustees present their Report and the Accounts of the Charity for the period to 31 March 1997.

Elan Vital was established as a Charity by trust deed dated 22 October 1991 ('the Trust Deed') and registered with the Charity Commission on 28 January 1993 (Registered no. 1016818). The address of Elan Vital is 3 The Drive, Hove, East Sussex BN3 3JE.

Elan Vital has one wholly-owned trading subsidiary, namely Elan Vital Limited, (Registered no. 2289543), Registered Office 3 The Drive, Hove, East Sussex BN3 2JE.

Elan Vital's bankers are Lloyds Bank Plc, 74/78 Church Road, Hove, East Sussex BN3 2EE.

Elan Vital's solicitors are Messrs Bates, Wells & Braithwaite, 61 Charterhouse Street, London EC1.

Elan Vital's Auditors and Accountants are Messrs N Harris & Co, Jaybee House, 155-157a Clapham High Street, London SW4 7SY.

The Trustees are:

Roland Peter Klepzig
Susan Gower Robinson
James Shaw
Francis Turner

Anne Hasler retired as a Trustee on 25 April 1996.

All Trustees were named and appointed as such in the Trust Deed. The Trust Deed provides that the statutory power of removing a trustee or trustees and of appointing new or additional trustees is vested in the Settlor during its existence and thereafter in the Trustees for the time being. The minimum number of trustees is three and the maximum number is seven. The Settlor is Elan Vital Foundation of Hirschmattstrasse 36,6002 Luzern, Switzerland.

The power of investment is vested by the Trust Deed in the Trustees who have power to invest moneys arising under the trusts of the Trust Deed or otherwise to apply the same on the security of or in the purchase or acquisition of real or personal property rights or interests of whatsoever kind and wheresoever situate.

The general powers of the Trustees set out in the Trust Deed include the power to organise and hold conventions and conferences etc, both in the UK and throughout the world, and to co-operate with other organisations carrying out similar work in organising and holding such conventions and conferences and other meetings and to contribute to the costs thereof.

There are no specific restrictions imposed by the Trust Deed concerning the way in which Elan Vital may fulfil its objectives.

STATEMENT OF THE TRUSTEES' RESPONSIBILITIES

Charity Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its financial activities for that period. In preparing those financial statements the Trustees are required to:

- a. select suitable accounting policies and then apply them consistently
- b. prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue in business
- c. adopt policies which are in accordance with current law applicable to charities and with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements
- d. make judgements and estimates that are reasonable and prudent.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 1992. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

REVIEW OF OBJECTIVES, POLICIES AND ORGANISATION

1. As set out in the Trust Deed, the purpose of the Trust is to advance public education in the understanding and realisation of human potential through self-knowledge based on the teachings of Prem Pal Singh Rawat, known as 'Maharaji'. In order to further these objects it is the policy of the Trustees to organise conferences and the like at which Mr Rawat will be invited to speak, and to organise video presentations or Mr Rawat's speeches, or live presentations by other persons with knowledge of this field, at venues throughout the UK and to co-operate with other organisations throughout the world which have similar objectives.

There have been no material changes in this policy since the last Annual Report.

2. The Trustees meet formally or informally several times a year to review the activities, policies and progress of the Charity.

For administrative purposes, the country is divided into 18 regions. Each region has its own voluntary officials of the Charity, including in each case a regional treasurer.

A national finance team of 6 qualified volunteers co-ordinate and check the accounts of the regions each month. These accounts are then consolidated at Elan Vital's office in Hove.

Regular meetings take place between the officers of the Trust and its auditors.

During the year Elan Vital employed 1 full-time and 1 part time officer, 4 full-time field workers and a consultant to assist in the production of major events.

Since the end of the year, the consultant has become a full-time employee of the charity and a further full-time field worker has also been employed.

VIEW OF ACTIVITIES, DEVELOPMENT AND ACHIEVEMENTS

The growth of the Charity's activities has progressed satisfactorily during the course of the year.

1. The Charity organised events, at which Mr Rawat agreed to speak, at the following locations:

Number of Attendees

24 March 1996	Brighton	4495
19 April 1996	Brighton	3585
15 July 1996	London	835

All these events were well-attended and passed off successfully, costs were in line with budget for each event and covered by general donations and by donations made at the events.

2. Approximately 8400 public video events were held throughout the UK at approximately 118 different venues, and generated considerable interest. The total number of attendees at these events was approximately 2500.

These events were supported through voluntary donations and with the services of unpaid volunteers.
3. The Charity has continued to develop its support for international activities especially in relation to the convening of international events; the special international 'restricted' fund continues to support these activities, without detracting from the Trust's UK activities. Donations of £290143 were received into this fund during the year ended 31 March 1997.
4. The limited company owned by the Charity, Elan Vital Limited, continues to be used for the purpose of conducting related commercial activities, mainly comprising the sale of video and audio teaching material and including, where appropriate, the booking of hotel accommodation in relation to events such as those referred to above. Profits accruing from activities are distributed to the Trust and applied for the purpose of the Trust. It is hoped to extend the sales activities of Elan Vital Limited, and thereby increase profits distributable to the Charity.
5. All assets of the Charity other than those held in the special international 'restricted' fund are held in an unrestricted general fund. The total income of this fund for the year was £755111. The Trustees authorised a transfer of £361792 from the general fund to augment the resources of the restricted fund. The assets of the Charity are all held for the purpose of its objects and none have a value materially different from that shown in the Accounts.
6. The financial position of the Charity is good and the Trustees consider that it is well placed to continue the current level of activities for the foreseeable future.
7. The performance of the Charity's wholly owned trading subsidiary, Elan Vital Limited, was encouraging. In respect of the year ended 31 March 1997, the subsidiary company covenanted profits of £144812 as compared to £89333 in respect of the year ended 31 March 1996. The Charity does not have any significant investments apart from its shareholding in Elan Vital Limited.

REPORT OF THE AUDITOR OF THE TRUSTEES OF THE CHARITY
REVIEW OF ACTIVITIES, DEVELOPMENT AND ACHIEVEMENTS (Continued)

8. The balances of the general and restricted funds are sufficient to meet the obligations of the Charity.
9. The Charity continued to contribute to Elan Vital Foundation and Elan vital Incorporated and also contributed to other organisations as listed in Note 4 on page 10. All of these organisations have objects and activities similar to those of the Charity.

POST-BALANCE SHEET EVENTS

The Charity organised events in Brighton, Leicester, and Wembley in June 1997 at which Mr Rawat was invited to speak.


FOR AND ON BEHALF OF THE TRUSTEES

JAMES SHAW

Trustee

We have audited the financial statements on pages 6 to 15 which have been prepared under the historical cost convention and the accounting policies set out on Page 8.

Respective responsibilities of Trustees and Auditors

As described on Page 2 the Charity's trustees are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

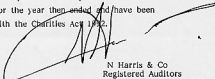
Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Charity and the Group as at 31st day of March 1997 and of the financial activities of the Group for the year then ended and have been properly prepared in accordance with the Charities Act 1992.



N Harris & Co
Registered Auditors
155-157A Clapham High Street
London SW4 7SY

ELAN VITAL

Balance Sheet

As at 31 March 1997

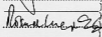
	Note	Group 1997 £	1996 £	Charity 1997 £	1996 £
FIXED ASSETS					
Tangible Assets	7	54647	51304	47431	47419
Investments	8	43	43	143	143
		<u>54690</u>	<u>51347</u>	<u>47574</u>	<u>47562</u>
CURRENT ASSETS					
Stocks	9	7243	5164	-	-
Debtors	10	65976	64367	62428	57657
Cash at Bank & In Hand		47439	125919	35297	63987
		<u>120660</u>	<u>195450</u>	<u>97725</u>	<u>121644</u>
CREDITORS:					
Amounts falling due within one year	11	(54957)	(110116)	(25898)	(32811)
NET CURRENT ASSETS		<u>65703</u>	<u>85334</u>	<u>71827</u>	<u>88833</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>120393</u>	<u>136681</u>	<u>119401</u>	<u>136395</u>
INCOME FUNDS					
Restricted Fund		33705	2945	33705	2945
Unrestricted Funds:					
Charitable Fund		85696	133450	85696	133450
Non-charitable trading		992	286	-	-
		<u>120393</u>	<u>136681</u>	<u>119401</u>	<u>136395</u>

The financial statements on pages 6 to 15 were approved by the Board of Trustees on 23rd December 1997 and signed on its behalf by

Signed:



Signed:



TRUSTEES

ELAN VITAL

Consolidated Statement of Financial Activities for the year ended 31 March 1997

	Note	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total Funds</u>	<u>Total Funds</u>
<u>Income and Expenditure</u>					
<u>Incoming Resources</u>					
Donations & Gifts		533615	290143	823758	612446
Legacies		73102	-	73102	-
Donated Equipment		-	4100	4100	-
Net Income of trading subsidiary	2	145518	-	145518	88421
Other		3582	-	3582	2264
		<u>755817</u>	<u>294243</u>	<u>1050060</u>	<u>703131</u>
<u>Total Incoming Resources</u>					
<u>Resources Expended</u>					
Direct charitable Expenditure	3	404137	625275	1029412	628862
Management and Administration of the Charity	5	36936	-	36936	42644
		<u>441073</u>	<u>625275</u>	<u>1066348</u>	<u>671506</u>
<u>Total Resources Expended</u>					
<u>Net Incoming/(Outgoing) Resources before Transfers</u>					
Transfer between funds		(361792)	361792	-	-
		<u>(47048)</u>	<u>30760</u>	<u>(16288)</u>	<u>31625</u>
<u>Net Incoming/(Outgoing) Resources</u>					
Balances Brought Forward at 1 April 1996		133736	2945	136681	92324
Transfer of funds from another Charity		-	-	-	12732
		<u>86688</u>	<u>33705</u>	<u>120393</u>	<u>136681</u>
<u>Balances Carried Forward</u>					

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1997

ACCOUNTING POLICIES

These Accounts have been prepared in accordance with applicable accounting standards under the historical cost convention.

The recommendations of the Statement of Recommended Practice, Accounting by Charities - have been followed and these accounts incorporate the results of the Charity's wholly owned trading subsidiary.

The following principal accounting policies have been adopted.

a. Donations, Legacies and Voluntary Income

Credit is taken for donations, legacies and voluntary income when they are received by the Charity.

b. Grants Payable

Grants payable represents payments made to organisations having similar charitable objectives to those of Elan Vital, in accordance with the decisions of the Trustees.

c. Direct Charitable Expenditure

Direct charitable expenditure comprises all expenditure directly relating to the objects of the Charity, including the proportion of overhead costs which represent the direct cost of supporting charitable activities.

d. Management and Administration of the Charity

Management and Administration represents the balance of overhead costs after allocations to direct charitable expenditure, and comprises principally professional fees and costs relating directly to the operation of the Charity.

e. Depreciation

Tangible fixed assets are depreciated at the rate of 25% per annum, on the reducing balance basis.

f. Stock

Stock has been valued at the lower of cost (including an appropriate charge for import duty and freight) and net realisable value, on a first-in, first-out basis.

ELAN VITALNOTES TO THE ACCOUNTS (Continued)FOR THE YEAR ENDED 31 MARCH 19972. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY

The Charity has one wholly owned subsidiary, Elan Vital Limited, which is incorporated in the UK. The activities of the company comprises mainly the sale of video and audio teaching material and also, where appropriate, the booking of hotel accommodation in connection with events in which the Charity participates. The company covenants its taxable profits to Elan Vital. A summary of the trading results is shown below. Audited accounts have been filed with the Registrar of Companies.

	<u>1997</u>	<u>1996</u>
	£	£
<u>Profit and Loss Account</u>		
Turnover	317221	165926
Increase in stocks	2081	933
Raw materials and consumables	(45723)	(46041)
Operating Costs	(128369)	(32618)
Interest receivable	308	298
Interest payable	-	(96)
Taxation	-	(1)
	<hr/>	<hr/>
Net Profit	145518	88421
Profit distributed to Elan Vital	(144812)	(92333)
	<hr/>	<hr/>
Retained in Subsidiary	706	(3912)
	<hr/>	<hr/>

3. DIRECT CHARITABLE EXPENDITURE

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Total</u>
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
	£	£	£	£
Branch Events	212685	775	213460	165329
National Events	57571	210	57781	85916
International Events	10957	624290	635247	258607
Video Costs	16117	-	16117	13867
Support Costs	106807	-	106807	105143
	<hr/>	<hr/>	<hr/>	<hr/>
	404137	625275	1029412	628862
	<hr/>	<hr/>	<hr/>	<hr/>

ELAN VITAL

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 1997

4.

GRANTS PAYABLE

Direct Charitable expenditure includes the following grants made

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total 1997</u>	<u>Total 1996</u>
	£	£	£	£
Elan Vital Foundation	-	435000	435000	141500
Elan Vital incorporated	-	85500	85500	75000
Elan Vital-Italy	-	102000	102000	-
Elan Vital-Cote D'Ivoire	-	1000	1000	-
Elan Vital-Eire	-	750	750	-
Divine Light Mission	-	-	-	2000
	<hr/>	<hr/>	<hr/>	<hr/>
	-	624250	624250	218500
	<hr/>	<hr/>	<hr/>	<hr/>

5.

MANAGEMENT AND ADMINISTRATION OF THE CHARITY

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total 1997</u>	<u>Total 1996</u>
	£	£	£	£
Salaries & National Insurance	15493	-	15493	17615
Travelling & Subsistence	18	-	18	235
Motor Vehicle Expenses	1445	-	1445	1492
Office Insurance	378	-	378	266
Rent and Rates	1342	-	1342	1397
Light and Heat	283	-	283	133
Telephone, Fax, Postage and Stationery	2425	-	2425	2110
Repairs & Renewals	203	-	203	1088
Bank Charges, Interest and Exchange Differences	4330	-	4330	3119
Audit Fees	8813	-	8813	8813
Legal & professional fees	1588	-	1588	4723
General Expenses	277	-	277	306
Irrecoverable Tax (DLM)	-	-	-	950
Depreciation	341	-	341	397
	<hr/>	<hr/>	<hr/>	<hr/>
	36936	-	36936	42644
	<hr/>	<hr/>	<hr/>	<hr/>

ELAN VITALNOTES TO THE ACCOUNTS (Continued)FOR THE YEAR ENDED 31 MARCH 19976. TOTAL RESOURCES EXPENDED

	Staff Costs	Depreciation	Other Costs	Total 1997	Total 1996
	£	£	£	£	£
Branch Events	44070	8947	160443	213460	165327
National Events	11950	2426	43405	57781	85919
International Events	2274	461	632512	635247	258606
Video Costs	-	-	16117	16117	13867
Support Costs	34436	3500	68871	106807	105143
Management and Administration of the Charity	15493	341	21102	36936	42644
	<u>108223</u>	<u>15675</u>	<u>942430</u>	<u>1066348</u>	<u>671506</u>

Staff Costs

	1997	1996
	£	£
Wages & Salaries	98493	85664
Social Security Costs	9730	8188
	<u>108223</u>	<u>93852</u>

Other Costs

	1997	1996
	£	£
Hall Rental	138906	147296
Equipment Hire	12169	18359
Video Duplication	16117	9602
Grants made (note 4)	624250	218500
Travel & Accommodation	44961	47868
Office Expenses	47557	41000
Miscellaneous	58490	79746
	<u>942430</u>	<u>562371</u>

ELAN VITAL

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 1997

6. TOTAL RESOURCES EXPENDED (Continued)

The average number of employees, analysed by function was

	1997	1996
Charitable activities	4	4
Support	2	2
Management and Administration	1	1
	7	7

No remuneration or reimbursed expenses were paid to any of the Trustees.

7. TANGIBLE FIXED ASSETS - GROUP

	Motor Vehicles	General Equipment	Computer Equipment	Furniture, Fixtures & Fittings	Total
<u>COST</u>					
Brought Forward	18700	37210	22275	34013	112198
Additions	5643	12187	3572	388	21792
Disposals	(5730)	-	(101)	-	(5831)
Carried Forward	18595	49397	25746	34401	128139
<u>DEPRECIATION</u>					
Brought Forward	15369	14384	11807	19334	60894
Transfers from another Charly Provision for the year	1903	8568	2884	3729	17084
On disposals	(4385)	-	(101)	-	(4486)
Carried Forward	12887	22952	14590	23063	73492
<u>NET BOOK VALUE</u>					
At 31/3/1997	5708	26445	11156	11338	54647
At 31/3/1996	3331	22826	10468	14679	51304

ELAN VITALNOTES TO THE ACCOUNTS (Continued)FOR THE YEAR ENDED 31 MARCH 19977. TANGIBLE FIXED ASSETS - CHARITY (Continued)

	<u>Motor Vehicles</u>	<u>General Equipment</u>	<u>Computer Equipment</u>	<u>Furniture, Fixtures & Fittings</u>	<u>Total</u>
<u>COST</u>					
Brought Forward	18700	36398	18463	33834	107395
Additions	5645	10942	454	147	17188
disposals	(5750)	-	-	-	(5750)
	<u>18595</u>	<u>47340</u>	<u>18917</u>	<u>33981</u>	<u>118833</u>
<u>DEPRECIATION</u>					
Brought Forward	15369	14178	11135	19294	59976
Provision for year	1903	8291	1945	3672	15811
On disposals	(4385)	-	-	-	(4385)
	<u>12887</u>	<u>22469</u>	<u>13080</u>	<u>22966</u>	<u>71402</u>
<u>NET BOOK VALUE</u>					
At 31/3/1997	<u>5708</u>	<u>24871</u>	<u>5837</u>	<u>11015</u>	<u>47431</u>
At 31/3/1996	<u>3331</u>	<u>22220</u>	<u>7328</u>	<u>14540</u>	<u>47419</u>

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 1997

8. INVESTMENTS

	<u>Group</u>	<u>Charity</u>
	Listed Investments	Listed Investments Shares in Subsidiary
	£	£
At 1/4/1996	43	100
At 31/3/1997	43	100
	<u>43</u>	<u>100</u>

9. STOCKS

	<u>Group</u>	<u>Charity</u>
	1997	1996
	£	£
Finished goods and goods for resale	7245	5164
	<u>7245</u>	<u>5164</u>

10. DEBTORS

	<u>Group</u>	<u>Charity</u>
	1997	1996
	£	£
Trade Debtors	4934	7382
Income tax recoverable	56418	51575
Amounts owed by subsidiary	-	-
ACT recoverable	750	750
Other Debtors	99	384
Prepayments and accrued income	3775	4276
	<u>65976</u>	<u>64367</u>
	<u>65976</u>	<u>64367</u>

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 1997

11. CREDITORS

Amounts falling due
within one year:

	Group		Charity	
	1997	1996	1997	1996
	£	£	£	£
Trade Creditors	10269	24276	-	-
Amounts owing to subsidiary	-	-	1074	-
Other taxation and Social Security Costs	7641	29110	2767	3181
Other creditors	18062	35003	5131	11761
Accruals	18985	21727	16926	17869
	<u>54957</u>	<u>110116</u>	<u>25898</u>	<u>32811</u>

12. FUNDS

	Restricted Fund	Unrestricted Charitable Fund	Non-charitable Trading Fund	
	£	£	£	
Balance at 1/4/1996	2945	133450	286	
Incoming Resources	294243	610299	145518	
Expenditure	(625275)	(441073)	-	
Transfers between funds	361792	(216980)	(144812)	
Balance at 31/3/1997	<u>33705</u>	<u>85696</u>	<u>992</u>	
<u>Restricted Funds</u>				
	Balance @ 1/4/1996	Movement in Resources Incoming	Outgoing	Balance @ 31/3/1997
	£	£	£	£
Elan Vital International				
Tours and Events special fund	2945	651935	624250	30630
Donated Assets	-	4100	1025	3075
	<u>2945</u>	<u>656035</u>	<u>625275</u>	<u>33705</u>

The outgoing resources in respect of donated assets represent the depreciation charge for the year.

The Elan Vital International Tours and events special fund was set up in January 1996 to deal specifically with the Charity's international activities. The fund is represented by current assets.

The balance on the unrestricted charitable fund is represented by fixed and current assets.

The non-charitable trading fund represents trading profits retained by the charity's subsidiary.