

10/6818.

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This document is a report and the accounts of the Charity for the period to 31 March 1998.

ELAN VITAL

Elan Vital was established as a Charity (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 BN1 3JL.

Elan Vital has one wholly-owned trading subsidiary, namely Elan Vital Limited, (Registered no. 2289243), Registered Office 3 The Drive, Hove, East Sussex BN1 3JL.

Elan Vital's bankers are Lloyds Bank Plc, 14/18 Church Road, Hove, East Sussex BN1 3JL.

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

Elan Vital's Auditors are Messrs N Harris & Co, Jaydee House, 152-152A Chispen High Street, London SW4 7EY.

The Trustees are:
Richard Peter Knight
Susan Owen Robinson
James Shaw
Francis Turner
Felicity Grant (Appointed)

Balance Sheet and Accounts

Year ended 31 March 1998

The Trust Deed provides that the Trustees have the power to remove a Trustee or trustee and appointing or appointing in the Trustees for the time being. The minimum number of trustees is three and the maximum number is seven. The Secretary is Elan Vital Foundation of Hinchinbrooke, 26,603 Luton, Bedfordshire.

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

The general powers of Trustees set out in the Trust Deed include the power to organise and hold conventions and conferences, 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 the Charity may fulfil its objectives.

N. HARRIS & CO.

Registered Auditors

LONDON

ANNUAL REPORT OF THE AUDITORS OF ELAN VITAL

The Trustees present their Report and the Accounts of the Charity for the period to 31 March 1998.

Elan Vital was established as a Charity by a 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 3JE.

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 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
Frederick Grant (Appointed 10 February 1998)

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 or otherwise to apply the same in the purchase or acquisition of real or personal property rights or interests of whatsoever kind and wheresoever situate.

The general powers of Trustees set out in the Trust Deed include the power to organise and hold conventions and conferences, 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 the Charity 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
- b. 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 trained 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 the Charity employed 3 full-time and 2 part time support staff and 5 full-time field workers.

REVIEW OF ACTIVITIES, DEVELOPMENT AND ACHIEVEMENTS

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

1. In June 1997 the Charity organised three events at which Mr Rawat agreed to speak, at the following locations:

	<u>Number of attendees</u>
Brighton	4400
Leicester	2000
London (Wembley)	5500

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

The Wembley event was a public event - the first time that the Charity has organised a public event of this size.

2. Over 8000 public video events were held throughout the UK at approximately 120 different venues, and generated considerable interest.

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 £357042 were received into this fund during the year ended 31 March 1998.

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 these activities are distributed to the Trust and applied for the purpose of the Charity.

In respect of the year ended 31 March 1998 the subsidiary covenanted profits of £58168 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 £665196. The Trustees authorised transfers totalling £102,158 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 Charity does not have any significant investments apart from its shareholding in Elan Vital Limited.

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 contributes to Elan Vital Foundation and Elan Vital Incorporated. Both of these organisations have objects and activities similar to those of the Charity. Contributions to these organisations are described in Note 4 on Page 10.

POST-BALANCE SHEET EVENTS

The Charity organised an event at Ascot in April 1998 and a three day international event at Wembley in June 1998.



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 Directors 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.

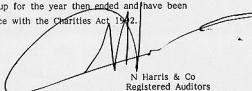
Basis of Opinion

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 1998 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.

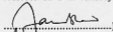

N Harris & Co
Registered Auditors
155-157A Clapham High Street
London SW4 7SY

ELAN VITALBalance Sheet As at 31 March 1998

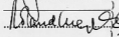
	Note	Group 1998 £	1997 £	Charity 1998 £	1997 £
FIXED ASSETS					
Tangible Assets	7	53983	54647	47443	47431
Investments	8	1	43	101	143
		<u>53984</u>	<u>54690</u>	<u>47544</u>	<u>47574</u>
CURRENT ASSETS					
Stocks	9	9480	7245	-	-
Debtors	10	105022	65976	99648	62428
Cash at Bank & In Hand		59469	47439	25642	35297
		<u>173971</u>	<u>120660</u>	<u>125290</u>	<u>97725</u>
CREDITORS:					
Amounts falling due within one year	11	(95640)	(54957)	(41961)	(25898)
NET CURRENT ASSETS					
		<u>78331</u>	<u>65703</u>	<u>83329</u>	<u>71827</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>132315</u>	<u>120393</u>	<u>130873</u>	<u>119401</u>
INCOME FUNDS					
Restricted Funds	12	40764	33705	40764	33705
Unrestricted Funds:					
- Charitable Fund	12	90109	85696	90109	85696
- Non-charitable trading		1442	992	-	-
		<u>132315</u>	<u>120393</u>	<u>130873</u>	<u>119401</u>

The financial statements on pages 6 to 15 were approved
by the Board of Trustees on 27th January 1999 and signed on its behalf by

Signed:



Signed:


 TRUSTEES

Consolidated Statement of Financial Activities for the year ended 31 March 1998

	Note	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		1998	1998	1998	1997
		£	£	£	£
Income and Expenditure					
Incoming Resources					
Donations & Gifts		598714	350574	949288	823758
Legacies		4636	-	4636	73102
Donated Equipment		-	6468	6468	4100
Net Income of trading					
Subsidiary	2	58618	-	58618	145518
Other		3678	-	3678	3582
Total Incoming Resources		665646	357042	1022688	1050060
Resources Expended					
Direct charitable					
Expenditure	3	514160	452141	966301	1029412
Management & Administration					
of the Charity	5	44465	-	44465	36936
Total Resources Expended		558625	452141	1010766	1066348
Net Incoming (Outgoing)					
Resources before Transfers		107021	(95099)	11922	(16288)
Transfer between Funds		(102158)	102158	-	-
Net Incoming (Outgoing)					
Resources		4863	7059	11922	(16288)
Balances Brought Forward		85696	33705	119401	136681
Balances Carried Forward		90559	40764	131323	120393

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1998

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 cost 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. Stocks

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.

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 1998

2. 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.

	1998	1997
	£	£
Profit and Loss Account		
Turnover	230768	317221
Increase(decrease) in stocks	2235	2081
Raw materials & consumables	(40155)	(45723)
Operating Costs	(134597)	(128369)
Interest receivable	367	308
	<hr/>	<hr/>
Net Profit	58618	145518
Profit distributed to Elan Vital	(58168)	(144812)
	<hr/>	<hr/>
Retained in Subsidiary	450	706
	<hr/>	<hr/>

3. DIRECT CHARITABLE EXPENDITURE

	Unrestricted Funds	Restricted Funds	Total 1998	Total 1997
	£	£	£	£
Branch Events	242239	1568	243807	213460
National Events	124693	806	125499	57781
International Events	1712	449767	451479	635247
Video Costs	19308	-	19308	16117
Support Costs	126208	-	126208	106807
	<hr/>	<hr/>	<hr/>	<hr/>
	514160	452141	966301	1029412
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 1998

GRANTS PAYABLE

Direct Charitable expenditure includes the following grants made

	Unrestricted Funds	Restricted Funds	Total 1998	Total 1997
	£	£	£	£
Elan Vital Foundation	-	335500	335500	435000
Elan Vital Incorporated	-	78000	78000	85500
Elan Vital - Italy	-	-	-	102000
Elan Vital - Cote D'ivoire	-	-	-	1000
Elan Vital - Eire	-	-	-	750
Elan Vital - Australia	-	30255	30255	-
Others	-	6000	6000	-
	-	449755	449755	624250

MANAGEMENT AND ADMINISTRATION OF THE CHARITY

	Unrestricted Funds	Restricted Funds	Total 1998	Total 1997
	£	£	£	£
Salaries & National Insurance	22891	-	22891	15493
Travelling & Subsistence	778	-	778	18
Motor Vehicle Expenses	-	-	-	1445
Office Insurance	600	-	600	378
Rent & Rates	1089	-	1089	1342
Light and Heat	169	-	169	283
Telephone, Fax, Postage and Stationery	3385	-	3385	2425
Repairs & Renewals	125	-	125	203
Bank Charges, Interest & Exchange Differences	5355	-	5355	4330
Audit Fees	8813	-	8813	8813
Legal & Professional Fees	381	-	381	1588
General Expenses	358	-	358	277
Loss(Profit) on disposal of Assets	9	-	9	-
Depreciation	470	-	470	341
Amount written off investment	42	-	42	-
	44465	-	44465	36936

ELAN VITAL

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 1998

6. TOTAL RESOURCES EXPENDED

	<u>Staff Costs</u>	<u>Depreciation</u>	<u>Other Costs</u>	<u>Total 1998</u>	<u>Total 1997</u>
	£	£	£	£	£
Branch Events	44982	7628	191197	243807	213460
National Events	23141	3924	98435	125500	57781
International Events	342	58	451078	451478	635247
Video Costs	-	-	19308	19308	16117
Support Costs	54507	3735	67966	126208	106807
Management and Administration of the Charity	22891	470	21104	44465	36936
	<u>145863</u>	<u>15815</u>	<u>849088</u>	<u>1010766</u>	<u>1066348</u>

Staff Costs

	<u>1998</u>	<u>1997</u>
	£	£
Wages & Salaries	132985	98493
Social Security Costs	12878	9730
	<u>145863</u>	<u>108223</u>

Other Costs

	<u>1998</u>	<u>1997</u>
	£	£
Hall Rental	184095	138906
Equipment Hire	25274	12169
Video Duplication & Supplies	19308	16117
Grants Made (Note 4)	449755	624250
Travel & Accommodation	68458	44961
Office Expenses	42903	47557
Miscellaneous	59295	58490
	<u>849088</u>	<u>942450</u>

ELAN VITALNOTES TO THE ACCOUNTS (Continued)FOR THE YEAR ENDED 31 MARCH 1998TOTAL RESOURCES EXPENDED (Continued)

The average number of employees, analysed by function was

	<u>1998</u>	<u>1997</u>
Charitable activities	5	4
Support	2	2
Management & Administration	3	1
	<u>10</u>	<u>7</u>

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

TANGIBLE FIXED ASSETS - GROUP

	<u>Motor Vehicles</u>	<u>General Equipment</u>	<u>Computer Equipment</u>	<u>Furniture, fixtures & Fittings</u>	<u>Total</u>
<u>COST</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Brought Forward	18595	49397	25746	34401	128139
Additions	3995	9341	2749	684	16769
Disposals	(2300)	(130)	-	-	(2430)
Carried Forward	<u>20290</u>	<u>58608</u>	<u>28495</u>	<u>35085</u>	<u>142478</u>
<u>DEPRECIATION</u>					
Brought Forward	12887	22952	14590	23063	73492
Provision for the year	2323	8764	2908	2974	16969
On disposals	(1891)	(75)	-	-	(1966)
Carried Forward	<u>13319</u>	<u>31641</u>	<u>17498</u>	<u>26037</u>	<u>88495</u>
<u>NET BOOK VALUE</u>					
At 31/3/1998	<u>6971</u>	<u>26967</u>	<u>10997</u>	<u>9048</u>	<u>53983</u>
At 31/3/1997	<u>5708</u>	<u>26445</u>	<u>11156</u>	<u>11338</u>	<u>54647</u>

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 1998

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	18595	47340	18917	33981	118833
Additions	3995	9218	2394	684	16291
Disposals	(2300)	(130)	-	-	(2430)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carried Forward	20290	56428	21311	34665	132694
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>DEPRECIATION</u>					
Brought Forward	12887	22469	13080	22966	71402
Provision for the year	2323	8509	2058	2925	15815
On disposals	(1891)	(75)	-	-	(1966)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carried Forward	13319	30903	15138	25891	85251
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>NET BOOK VALUE</u>					
At 31/3/1998	<u>6971</u>	<u>25525</u>	<u>6173</u>	<u>8774</u>	<u>47443</u>
At 31/3/1997	<u>5708</u>	<u>24871</u>	<u>5837</u>	<u>11015</u>	<u>47431</u>

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 1998

INVESTMENTS

	Group		Charity	
	Listed Investments	Listed Investments	Shares in Subsidiary	Total
	£	£	£	£
At 1/4/1997	43	43	100	143
Amount written off	(42)	(42)	-	(42)
At 31/3/1998	1	1	100	101

STOCKS

	Group		Charity	
	1998	1997	1998	1997
	£	£	£	£
Finished goods and goods for resale	9480	5164	-	-

DEBTORS

	Group		Charity	
	1998	1997	1998	1997
	£	£	£	£
Trade Debtors	8420	4934	-	-
Income Tax recoverable	73315	56418	73315	56418
Amounts owed by subsidiary	-	-	4579	2737
Act recoverable	750	750	-	-
Other Debtors	820	99	586	70
Prepayments and accrued income	21717	3775	21168	3203
	105022	65976	99648	62428

ELAN VITAL

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 1998

11. CREDITORS

Amounts falling due within one year

	<u>Group</u>		<u>Charity</u>	
	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Trade Creditors	14092	10269	-	-
Amount owing to subsidiary	-	-	2273	1074
Other taxation & Social Security Costs	11074	7641	3886	2767
Other creditors	45922	18062	13333	5131
Accruals	24552	18985	22469	16926
	<u>95640</u>	<u>54957</u>	<u>41961</u>	<u>25898</u>

12. FUNDS

	<u>Restricted Funds</u>	<u>Unrestricted Charitable Fund</u>	<u>Non-charitable Trading Fund</u>		
	<u>£</u>	<u>£</u>	<u>£</u>	<u>Balance @ 1/4/1997</u>	<u>Balance @ 31/3/1998</u>
Balance at 1/4/1997	33705	85696	992		
Incoming Resources	357042	665196	58168		
Expenditure	(452141)	(558625)	-		
Transfers between funds	102158	(102158)	(58618)		
Balance at 31/3/1998	<u>40764</u>	<u>90109</u>	<u>1442</u>		
<u>Restricted Funds</u>					
	<u>Balance @ 1/4/1997</u>	<u>Movement in Resources</u>		<u>Balance @ 31/3/1998</u>	
	<u>£</u>	<u>Incoming</u>	<u>Outgoing</u>	<u>£</u>	<u>£</u>
Elan Vital International					
Tours & Events Special Fund	30630	452732	449755	33607	
Donated Assets	3075	6468	2386	7157	
	<u>33705</u>	<u>459200</u>	<u>452141</u>	<u>40764</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.