C 55529/37

Maharishi Vedic University Limited
Annual report and financial statements
for the year ended 31 December 2021

Company Registration Number C 55529

Contents

Maharishi Vedic University Limited

General information

Registration

Maharishi Vedic University Limited is registered in Malta as a limited liability company under the Companies Act, (Cap. 386) with registration number C55529.

Directors

Jose Luis Alvarez Roset
Neil Laughlin Paterson
Rafael David
Penelope Susan Harmel
Antoine Nader
Steven Rubin
Ajay Prakash Shrivastava
Kirti Shrivastava
Ram Shrivastava

Registered office

Maharishi Vedic University Limited,
94, Triq Il-Vanilja,
Zebbiegh,
Mgarr MGR2253
Malta.

Auditors

Mazars Malta
The Watercourse, Level 2,
Mdina road, Zone 2, Central Business District
Birkirkara CBD2010

Maharishi Vedic University Limited

Directors' responsibilities
For the year ended 31 December 2021

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- adopt the going concern basis unless it is inappropriate to presume that the Company will continue in the business,
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis,
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act (Cap. 386) enacted in Malta. This responsibility includes designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Maharishi Vedic University Limited

Income statement
For the year ended 31 December 2021

	2021 EUR	2020 EUR
Revenue	**561,526**	493,621
Administrative expenses	**(470,931)**	(511,273)
Investment income	**57**	51
Finance costs	**(5,253)**	(5,581)
Other income	**7,853**	4,200
Profit / (loss) before tax	**93,252**	(18,982)
Income tax expense	**(13,458)**	(8)
Profit / (loss) for the year	**79,794**	(18,990)

Maharishi Vedic University Limited

Balance sheet

As at 31 December 2021

	Note	2021 EUR	2020 EUR
ASSETS			
Non-current assets			
Equipment	*4*	**181,573**	182,803
Intangible assets	*4*	**807,393**	875,391
		988,966	1,058,194
Current assets			
Trade and other receivables	*5*	**405,149**	583,144
Cash and bank balances		**46,221**	50,785
		451,370	633,929
Total assets		**1,440,336**	1,692,123
EQUITY AND LIABILITIES			
Equity			
Share capital		**1,200**	1,200
Other equity		**1,556,937**	1,556,937
Accumulated Losses		**(2,016,416)**	(2,096,210)
		(458,279)	(538,073)
Non-Current liabilities			
Trade and other payables	*6.1*	**94,277**	101,370
Current liabilities			
Trade and other payables	*6.2*	**1,764,022**	2,101,960
Current tax liabilities		**40,316**	26,866
		1,804,338	2,128,826
Total equity and liabilities		**1,440,336**	1,692,123

The financial statements set out on pages 3 to 11 were approved and authorised for issue by the Board on 9th February 2023 and signed on its behalf by.

Neil Paterson
Director

Rafael David
Director

1 Basis of preparation

1.1 Basis of measurement and statement of compliance

The financial statements of Maharishi Vedic University Holding Limited ("the Company") have been prepared in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-Sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations ("GAPSME"). The financial statements have been prepared on the historical cost basis. This convention may not be appropriate in view of the fact that the company has incurred losses which fully eroded the corporate capital This factor indicates that the going concern assumption may not be valid and the assets and liabilities of the company would have to be disclosed at their breakup value rather than at their historical cost value. The shareholders have pledged their assistance to ensure that the Company will meet its liabilities. These financial statements present information about the Company as an individual undertaking.

1.2 Functional and presentation currency

The financial statements are presented in Euro, which is the Company's functional currency.

2 Significant accounting policies

2.1 Equipment

Recognition and measurement

The cost of an item of equipment is recognised as an asset when it is probable that the future economic benefits that are associated with the asset will flow to the entity and the cost can be measured reliably Equipment are initially measured at cost comprising the purchase price, any costs directly attributable to bringing the assets to a working condition for their intended use, and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure is capitalised as part of the cost of equipment only if it enhances the economic benefits of an asset in excess of the previously assessed standard of performance, or it replaces or restores a component that has been separately depreciated over its useful life.

After initial recognition, equipment may be carried under the cost model, that is at cost less any accumulated depreciation and any accumulated impairment losses, or under the revaluation model, that is at their fair value at the date of the revaluation less any accumulated depreciation and any accumulated impairment losses

Depreciation

Depreciation is calculated to write down the carrying amount of the asset on a systematic basis over its expected useful life Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) or the date that the asset is derecognised. The depreciation charge for each period is recognised in profit or loss

2 Significant accounting policies (continued)

2.1 Equipment (continued)

Depreciation (continued)

The rates of depreciation used for other items equipment are the following:

- Office equipment - 25% per annum straight line
- Furniture and fittings - 10% per annum straight line

Trademarks,courses and paintings

Trademarks, courses and paintings are carried at cost and are less accumulated amortisation and impairment. Trademarks with indefinite lives are not amortised but are reviewed annually for impairment. Intangible assets such as courses are amortised over 10 years. Any impairment of trademarks are recognised in the income statement but increases in trademark values are not recognised

Depreciation method, useful life and residual value

The depreciation method applied, the residual value and the useful life are reviewed on a regular basis and when necessary, revised with the effect of any changes in estimate being accounted for prospectively.

Derecognition equipment

Equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains and losses arising from derecognition represent the difference between the net proceeds (if any) and the carrying amount and are included in profit or loss in the period of derecognition.

2.2 Financial assets, financial liabilities and equity

A financial asset or a financial liability is recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at their fair value plus in the case of financial assets and financial liabilities not classified as held for trading and subsequently measured at fair value, transaction costs attributable to the acquisition or issue of the financial assets and financial liabilities

Financial assets and financial liabilities are derecognised if and to the extent that, it is no longer probable that any future economic benefits associated with the item will flow to or from the entity.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities Equity instruments are recorded at the proceeds received, net of direct issue costs.

2 Significant accounting policies (continued)

2.2 Financial assets, financial liabilities and equity (continued)

A financial instrument, or its component parts, is classified as a financial liability, financial asset or an equity instrument in accordance with the substance of the contractual arrangement rather than its legal form

i. Trade and other receivables

Trade and other receivables are stated at their nominal value unless the effect of discounting is material in which case trade and other receivables are measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence of impairment;

ii. Trade and other payables

Trade and other payables are stated at their nominal value unless the effect of discounting is material, in which case trade and other payables are measured at amortised cost using the effective interest method

iii Share capital issued by the Company

Ordinary shares issued by the Company are classified as equity. Dividends to ordinary shareholders are debited directly to equity and are recognised as liabilities in the period in which they are declared.

2.3 Impairment

The Company's equipment and intangible assets

i. Equipment

The carrying amounts of the Company's equipment and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised and the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless they relate to an asset which is carried at revalued amount, in which case they are treated as a revaluation decrease to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that asset.

The carrying amounts of Company's assets are also reviewed at each balance sheet date to determine whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated An impairment loss previously recognised is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent

2 Significant accounting policies (continued)

2.3 Impairment (continued)

that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Impairment reversals are recognised immediately in profit or loss, unless they relate to an asset which is carried at revalued amount, in which case they are treated as a revaluation increase unless an impairment loss on the same asset was previously recognised in profit or loss.

2.4 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

2.5 Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that the tax arises from a transaction or event which is recognised directly in equity, in which case it is recognised in equity.

Current tax is based on the taxable profit for the year, as determined in accordance with tax laws, and measured using tax rates, which have been enacted or substantively enacted by the balance sheet date

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The Company recognises a deferred tax liability in respect of all taxable temporary differences and a deferred tax asset in respect of all deductible temporary differences except to the extent that such deferred tax liability arises from the initial recognition of goodwill or the deferred tax asset/liability arises from the initial recognition of an asset or liability which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (loss). Recognition of a deferred tax asset is however limited to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The Company re-assesses any unrecognised deferred tax asset at each balance sheet date to determine whether future taxable profit has become probable that allows the deferred tax asset to be recovered.

2.6 Income

Royalty income

Royalty income is recognised when the inflow of economic benefits associated with the transaction is probable and the amount of income can be measured reliably. Royalty income is recognised on an accrual or time proportion basis

3 Administrative expenses

Total remuneration paid to the Company's auditors during the year amounts:

	2021 EUR	2020 EUR
Audit fees	**5,500**	2,500

4 Equipment

4.1 Tangible Assets

	Paintings EUR	Furniture and fittings EUR	Office equipment EUR	Total EUR
At 1 January 2020				
Cost	180,000	7,855	5,117	192,972
Accumulated depreciation	-	(6,110)	(4,059)	(10,169)
Net book value	**180,000**	**1,745**	**1,058**	**182,803**
Year ended 31 December 2021				
Opening net book amount	180,000	1,745	1,058	182,803
Additions	-	-	-	-
Depreciation charge	-	(774)	(456)	(1,230)
Closing net book value	**180,000**	**971**	**602**	**181,573**
At 31 December 2021				
Cost	180,000	7,855	5,117	192,972
Accumulated depreciation	-	(6,884)	(4,515)	(11,399)
Net book value	**180,000**	**971**	**602**	**181,573**

4 Equipment (continued)

4.2 Intangible assets

	Trademarks EUR	Courses EUR	Total EUR
At 1 January 2020			
Cost	1,166,579	982,200	2,148,779
Accumulated depreciation	(828,668)	(444,720)	(1,273,388)
Net book value	**337,911**	**537,480**	**875,391**
Year ended 31 December 2021			
Opening net book amount	337,911	537,480	875,931
Additions	-	163,200	163,200
Depreciation charge	(116,658)	(114,540)	(231,198)
Closing net book value	**221,253**	**586,140**	**807,393**
At 31 December 2021			
Cost	1,166,579	1,145,400	2,311,979
Accumulated depreciation	(945,326)	(559,260)	(1,504,586)
Net book value	**221,253**	**586,140**	**807,393**

5 Trade and other receivables

	2021 EUR	2020 EUR
Trade and other receivables	**109,400**	120,191
Amounts due by related parties	**247,274**	250,365
Prepaid expenses	**17,636**	9,355
Accrued income	**10,958**	181,926
Indirect tax	**19,881**	21,307
	405,149	583,144

Amounts due by related parties are stated net of a provision of EUR 89,589 (2020: EUR 89,589). Amount due to related parties is unsecured, interest free and repayable on demand

6 Trade and other payables

6.1 *Long-term trade and other payables*

	2021 EUR	2020 EUR
Trade and other payables	**94,277**	101,370

The company entered into an interest free payment agreement over a 15-year period. The amount is carried under the amortised cost.

6.2 *Current trade and other payables*

	2021 EUR	2020 EUR
Trade payables	**41,320**	100,484
Amount due to parent company	**159,350**	160,972
Amount due to related companies	**1,539,867**	1,816,925
Accrued expenses	**23,485**	23,579
	1,764,022	2,101,960

Amount due to parent company and related companies are unsecured, interest free and repayable on demand.

7 Related party disclosures

Transactions with related parties

	Transaction value for the year ended 31 December	
	2021 EUR	2020 EUR
Income		
Related party - Course fees	**561,526**	493,621
Expenses		
Recharge of rent to parent company	**2,800**	4,200
Financing		
Loan received from parent company	-	110,000

Amounts due to or by related parties are disclosed in notes 5 and 6 mazars

The Watercourse, Level 2
Triq L-Imdina Zone 2
Central Business District
Birkirkara CBD 2010
Malta

Tel +356 213 45 760
www.mazars.com.mt

Independent auditor's report

To the Shareholders of Maharishi Vedic University Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Maharishi Vedic University Limited (the Company), set out on pages 3 to 11, which comprise the balance sheet as at 31 December 2021, the income statement, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the balance sheet of the Company as at 31 December 2021, and of its financial performance for the year then ended in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations (GAPSME) and have been properly prepared in accordance with the requirements of the Companies Act (Cap 386)

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company as of 31 December 2021, the Company's total liabilities exceeded its total assets by EUR 458,279. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the General Information. Our opinion on the financial statements does not cover this information, and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

The Watercourse, Level 2
Triq L-Imdina, Zone 2
Central Business District
Birkirkara CBD 2010
Malta

Tel +356 213 45 760
www.mazars.com.mt

Independent auditor's report

To the Shareholders of Maharishi Vedic University Limited (continued)

Other Information

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with GAPSME, and for such internal control as the directors determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

Responsibilities of the Directors

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

mazars

The Watercourse, Level 2
Triq L-Imdina, Zone 2
Central Business District
Birkirkara CBD 2010
Malta

Tel +356 213 45 760
www.mazars.com.mt

Independent auditor's report

To the Shareholders of Maharishi Vedic University Limited (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Our conclusions are based on the audit evidence obtained up to the date of our auditor's report However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Under the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.

We have nothing to report to you in respect of these responsibilities.

Use of audit report

This report is made solely to the company's members as a body in accordance with the requirements of the Companies Act CAP 386 of the laws of Malta. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in an auditor's report and for no other purpose To the full extent permitted by law we do not assume responsibility to anyone other that the company's members as a body for our audit work, for this report or for the opinions we have formed.

This copy of the audit report has been signed by Paul Giglio (Partner) for and on behalf of

Mazars Malta
Certified Public Accountants
Birkirkara,
Malta

8 February 2023

Declaration by Directors pursuant to article 183(3) of the Companies Act

Applicable to accounting periods other than the first accounting period

We, the undersigned directors of Maharishi Vedic University Limited having registration no. C 55529, do hereby confirm that in respect of the company's financial period ending 31/12/2021 the company qualifies as a small company in terms of article 185 (1) of the Companies Act on the grounds that (***tick the applicable box***):

The company did not exceed the limits of at least two of the below-mentioned three criteria, in respect of both the current accounting period and the previous accounting year;	☒
The company : - did not exceed the limits of at least two of the below-mentioned three criteria in respect of the current accounting period; and - exceeded the limits of at least two of the below-mentioned three criteria in the previous accounting period, but is still entitled to be treated as a small company on the basis of the provisions of article 185(3) of the Companies Act (the two consecutive accounting periods test);	☐
The company exceeded the limits of two of the below-mentioned criteria in respect of the current accounting year but is still entitled to be treated as a small company on the basis of the provisions of article 185(3) of the Companies Act (the two consecutive accounting periods test).	☐

Criteria for a small company	
- Balance Sheet Total:	four million euro (€4,000,000)
- Turnover:	eight million euro (€8,000,000)
- Average number of employees during the accounting period:	fifty (50)

We also confirm that on the basis of the above, the company has taken advantage of the following exemptions (*tick where applicable*):

Directors' report has not been submitted to the Registrar of Companies	☒
Profit and Loss account has not been submitted to the Registrar of Companies **(*Applicable only in the case of a small private exempt company*)**	☐

Name: Neil Paterson
Director

Name: Rafael David
Director

** This declaration is to be signed by two directors, unless the company has only one director.*