

THE MUHAMMAD SUBUH FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT BOARD OF THE MUHAMMAD SUBUH FOUNDATION

We have audited the financial statements of Muhammad Subuh Foundation for the year ended 31 December 2010 which comprise the Statement of Financial Position, Statements of Activity, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, international generally accepted accounting principles and United Kingdom generally accepted accounting practice.

Our audit work has been undertaken so that we might state to the management board those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the management board as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of management and auditors

Management are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the entities circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the management; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:
give a true and fair view of the state of the affairs of Muhammad Subuh Foundation as at 31 December 2010 and of its result for the year then ended; and have been properly prepared in accordance with international generally accepted accounting principles and United Kingdom generally accepted accounting practice.



Thomas Westcott

Chartered Accountants and Registered Auditors
26 - 28 Southerhay East
Exeter, Devon EX1 1NS
UK

18 October 2011

THE MUHAMMAD SUBUH FOUNDATION
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2010 AND 2009
(U.S. DOLLARS)

ASSETS

	<u>2010</u>	<u>2009</u>
Cash Available for Current Use (NOTE 2)	\$ 1,580,897	\$ 1,500,332
Accounts Receivable & Prepayments	\$ 53,124	\$ 54,645
Investments (NOTE 3)	\$ 1,707,995	\$ 1,652,537
Notes Receivable Long Term (NOTE 5)	\$ 231,137	\$ 270,546
Notes Receivable from Subud Organisations (NOTE 11)	\$ 96,168	\$ 82,700
Land and Buildings Net of Accumulated Depreciation (NOTE 1)	<u>\$ 143,172</u>	<u>\$ 148,647</u>
<u>TOTAL ASSETS</u>	<u>\$ 3,812,493</u>	<u>\$ 3,709,407</u>

LIABILITIES AND NET ASSETS

Liabilities

Loans from Trustees (NOTE 8)	\$ 15,000	\$ 15,000
Euro loan (NOTE 9)	\$ 90,950	\$ 97,920
Distributable Grants	\$ 3,467	\$ 16,285
Accounts payable	\$ 9,839	\$ 76,185
<u>Total Liabilities</u>	<u>\$ 119,256</u>	<u>\$ 205,390</u>

Net Assets

Unrestricted - Capital Use Fund	\$ 2,346,123	\$ 2,331,462
Unrestricted - Designated as Education Fund	\$ 5,000	\$ -
Unrestricted - Designated as Youth Support Fund	<u>\$ 11,000</u>	<u>\$ 11,000</u>
Total Unrestricted Net Assets	\$ 2,362,123	\$ 2,342,462
Temporarily Restricted (NOTE 4)	\$ 155,169	\$ 264,032
Permanently Restricted - Permanent capital Fund (NOTE 4)	<u>\$ 1,175,945</u>	<u>\$ 897,523</u>
<u>Total Net Assets</u>	\$ 3,693,237	\$ 3,504,017
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 3,812,493</u>	<u>\$ 3,709,407</u>

THE MUHAMMAD SUBUH FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009.
(U.S. Dollars)

	Unrestricted	Temporarily Restricted	Permanently Restricted	<u>Total 2010</u>
	<u>2010</u>	<u>2010</u>	<u>2010</u>	
<u>Support and Revenue</u>				
Contributions from Subud Members	\$ 2,231	\$ 7,432	\$ 200	\$ 9,863
Contributions from Enterprises	\$ -		\$ -	\$ -
Grants	\$ -		\$ -	\$ -
Legacies & Bequests	\$ -	\$ 4,567	\$ 241,219	\$ 245,786
Dividends and Realized Gains	\$ -	\$ -	\$ -	\$ -
Interest Revenue	\$ 14,069	\$ -	\$ 2,247	\$ 16,316
Miscellaneous	\$ 253	\$ -		\$ 253
	<u>\$ 16,553</u>	<u>\$ 11,999</u>	<u>\$ 243,666</u>	<u>\$ 272,218</u>
<u>Net Assets Released from Restrictions</u>	<u>\$ 123,721</u>	<u>\$ -123,721</u>	<u>\$ -</u>	<u>\$ -</u>
<u>TOTAL SUPPORT AND REVENUE</u>	<u>\$ 140,274</u>	<u>\$ -111,722</u>	<u>\$ 243,666</u>	<u>\$ 272,218</u>
<u>Expenses</u>				
<u>Programs:</u>				
Grants for Subud houses	\$ 71,247	\$ -	\$ -	\$ 71,247
Grants to World Subud Association	\$ 64,740	\$ -	\$ -	\$ 64,740
Grants - Other	\$ 48,212	\$ -	\$ -	\$ 48,212
Depreciation Expense on Long-Term Assets	\$ 5,475	\$ -	\$ -	\$ 5,475
Total Program Expenses	<u>\$ 189,674</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,674</u>
Management and General (see Schedule)	<u>\$ 82,488</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,488</u>
<u>Total Expenses</u>	<u>\$ 272,162</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 272,162</u>
				\$ -
				\$ -
<u>Other Gains/Losses</u>				
Unrealized (Gain)/Loss on Investments (NOTE 3)	\$ -177,431	\$ -2,859	\$ -29,336	\$ -209,626
(Gains)/Losses on Currency differences	\$ 31,427	\$ -	\$ -5,420	\$ 26,007
Other (Gains)/Losses	\$ -5,545	\$ -	\$ -	\$ -5,545
<u>TOTAL EXPENSES AND LOSSES</u>	<u>\$ 120,613</u>	<u>\$ -2,859</u>	<u>\$ -34,756</u>	<u>\$ 82,998</u>
Change in Net Assets	\$ 19,661	\$ -108,863	\$ 278,422	\$ 189,220
Net assets - Beginning of Period	<u>\$ 2,342,462</u>	<u>\$ 264,032</u>	<u>\$ 897,523</u>	<u>\$ 3,504,017</u>
Net Assets - End of Period	<u>\$ 2,362,123</u>	<u>\$ 155,169</u>	<u>\$ 1,175,945</u>	<u>\$ 3,693,237</u>

THE MUHAMMAD SUBUH FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009.
(U.S. Dollars)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2009
	<u>2009</u>	<u>2009</u>	<u>2009</u>	
<u>Support and Revenue</u>				
Contributions from Subud Members	\$ 122,213	\$ 78,605	\$ 900	\$ 201,718
Contributions from Enterprises	\$ -		\$ -	\$ -
Grants	\$ -		\$ -	\$ -
Legacies & Bequests	\$ 40,791	\$ -	\$ -	\$ 40,791
Dividends and Realized Gains	\$ 47,718	\$ -	\$ 1,406	\$ 49,124
Interest Revenue	\$ 13,110	\$ -	\$ 1,728	\$ 14,838
Miscellaneous	\$ -	\$ -		\$ -
	<u>\$ 223,832</u>	<u>\$ 78,605</u>	<u>\$ 4,034</u>	<u>\$ 306,471</u>
<u>Net Assets Released from Restrictions</u>	<u>\$ 87,895</u>	<u>\$ -87,895</u>	<u>\$ -</u>	<u>\$ -</u>
<u>TOTAL SUPPORT AND REVENUE</u>	<u>\$ 311,727</u>	<u>\$ -9,290</u>	<u>\$ 4,034</u>	<u>\$ 306,471</u>
<u>Expenses</u>				
<u>Programs:</u>				
Grants for Subudhouses	\$ 44,000	\$ -	\$ -	\$ 44,000
Grants to World Subud Association	\$ 50,603	\$ -	\$ -	\$ 50,603
Grants - Other	\$ 97,466	\$ -	\$ -	\$ 97,466
Depreciation Expense on Long-Term Assets	\$ 5,475	\$ -	\$ -	\$ 5,475
Total Program Expenses	<u>\$ 197,544</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 197,544</u>
Management and General (see Schedule)	<u>\$ 49,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,255</u>
<u>Total Expenses</u>	<u>\$ 246,799</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 246,799</u>
				\$ -
				\$ -
<u>Other Gains/Losses</u>				
Unrealized (Gain)/Loss on Investments (NOTE 3)	\$ -337,730	\$ -12,162	\$ -210,951	\$ -560,843
(Gains)/Losses on Currency differences	\$ -74,937	\$ -	\$ -3,250	\$ -78,187
Other (Gains)/Losses	\$ 13,858	\$ -	\$ -1,055	\$ 12,803
<u>TOTAL EXPENSES AND LOSSES</u>	<u>\$ -152,010</u>	<u>\$ -12,162</u>	<u>\$ -215,256</u>	<u>\$ -379,428</u>
Change in Net Assets	\$ 463,737	\$ 2,872	\$ 219,290	\$ 685,899
Net assets - Beginning of Period	\$ 1,878,725	\$ 261,160	\$ 678,233	\$ 2,818,118
Net Assets - End of Period	\$ 2,342,462	\$ 264,032	\$ 897,523	\$ 3,504,017

**THE MUHAMMAD SUBUH FOUNDATION
SUPPORTING SCHEDULES OF MANAGEMENT
AND GENERAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(U.S. Dollars)**

	Unrestricted <u>2010</u>	Unrestricted <u>2009</u>
<u>Management and General Expenses</u>		
Fees, Remunerations	\$ 34,200	\$ 16,500
Trustee Meeting Expenses	\$ 3,567	\$ 10,714
Office Supplies, Publicity	\$ 4,003	\$ 8,316
Audit Services	\$ 15,919	\$ 8,239
Legal Fees	\$ 20,048	\$ 320
Insurance	\$ 1,834	\$ 1,834
Bank Service Charges	\$ 1,729	\$ 2,453
Credit Card Service	\$ 1,188	\$ 879
	<hr/>	<hr/>
TOTAL	\$ 82,488	\$ 49,255

THE MUHAMMAD SUBUH FOUNDATION
STATEMENTS OF CASH FLOWS FOR THE YEARS
ENDED DECEMBER 31, 2010 AND 2009
(U.S.Dollars)

	<u>2010</u>	<u>2009</u>
<u>Cash Flows from Operating Activities</u>		
Increase in Total Net Assets	\$ 189,220	\$ 685,899
Adjustments to Reconcile Increase in Net Assets to Cash Provided by Operating Activities:		
Depreciation and Amortization	\$ 5,475	\$ 5,475
Unrealized (Gains) on Investments	\$ (209,626)	\$ (560,842)
Provision for uncollectable loan written back	\$ (5,544)	\$ -
Decrease in Accounts Receivable and Other Assets	\$ 48,358	\$ 47,380
(Decrease) / Increase in Accounts and Notes Payable	\$ (86,134)	\$ 63,493
Total Adjustments	<u>\$ (247,471)</u>	<u>\$ (444,494)</u>
Net Cash Used in Operating Activities	\$ (58,251)	\$ 241,405
<u>Cash Flows from Investing Activities</u>		
Loan Repayments from Subud Organizations	\$ 9,577	\$ 16,125
De-investment	\$ 146,739	\$ -
Loans to Subud Organizations	<u>\$ (17,500)</u>	<u>\$ (54,000)</u>
Net Cash Provided by (Used in) investing Activities	\$ 138,816	\$ (37,875)
NET INCREASE IN CASH	<u><u>\$ 80,565</u></u>	<u><u>\$ 203,530</u></u>
Cash - Beginning of Year	\$ 1,500,332	\$ 1,296,802
Cash - End of Year	<u>\$ 1,580,897</u>	<u>\$ 1,500,332</u>
NET INCREASE IN CASH	<u><u>\$ 80,565</u></u>	<u><u>\$ 203,530</u></u>

THE MUHAMMAD SUBUH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Organization, Purpose, Affiliation and Tax Status

The Muhammad Subuh Foundation, a non-profit tax-exempt corporation, was organized August 2, 1991, in the State of Virginia, United States of America, by its parent organization, the World Subud Association. The Foundation was created for the purpose of holding long-term assets of its parent organization and for soliciting contributions from public and private sources, whether or not restricted as to manner, amount, or timing, and to apply these funds to any charitable, educational, literary, or scientific purpose jointly approved by the Foundation Trustees and the Directors of the World Subud Association. The principal office of the Foundation is presently located in Rotterdam, Netherlands, and the Trustees reside in the USA, Asia and Europe.

The World Subud Association, a non-profit tax-exempt corporation organized in the District of Columbia, USA, exercises control over the Foundation through its right to appoint and remove Foundation trustees, its right to one ex-officio position on the Foundation's Board of Trustees, and its right to approve the Foundation's annual budget.

Income Taxes.

On July 6, 1992, the Foundation was granted tax-exempt status as a section 501(c)(3) organization and was recognized as a public charity by the United States Internal Revenue Service. Accordingly, no provision has been made for United States federal or state income taxes.

Classification of Net Assets.

Net assets are assets reduced by liabilities and are reported in the financial statements in three classes: unrestricted net assets, temporarily restricted net assets, or permanently restricted net assets, based on the absence or existence of donor-imposed restrictions.

Permanently restricted net assets generally result from long-lived assets donated for a specific purpose with a donor stipulation that the assets be preserved and not be sold, or from assets donated with donor stipulations that they be invested to provide a permanent source of income, e.g. endowment funds.

Temporarily restricted net assets are those assets donated for (a) support of particular operating activities, (b) temporary investment for a specified term, (c) use in a specified future period, or (d) acquisition and use of long-lived assets such as buildings.

Unrestricted net assets (capital use fund) generally result from receipt of unrestricted contributions, grants, interest and dividends, revenues from providing services, raising contributions, and performing administrative functions.

The only limitations on the use of unrestricted net assets are the broad limits resulting from the nature of the Foundation, the environment in which it operates, the purposes specified in the articles of incorporation or bylaws, limits from contractual agreements with suppliers and creditors, and self-imposed limits such as voluntary resolutions by the Trustees to designate a portion of its unrestricted net assets to function as an endowment (e.g., the capital preservation fund).

Recognition of Income

In 2010 and 2009 contributions were solicited from individual Subud members, businesses, and Subud organizations worldwide and no solicitations were made to the general public. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Pledges for contributions are recorded as income when received and allowances are provided for pledges estimated to be uncollectable.

Cost is recorded in the same period as revenue, other cost and expense is recognised in the period to which it relates.

Property and Equipment.

Property is recorded at cost or at estimated fair value at the date of gift, if donated. Maintenance, repairs, and renewals are expensed, and additions and improvements are capitalized. Depreciation is computed on a straight-line basis over the estimated useful life of the asset. Depreciation for long-term assets for the year ended December 31, 2010 amounts to \$ 5,475 (2009: \$ 5,475).

A long standing issue concerning the ownership of the Archive House in Jakarta, Indonesia, has been resolved. The Foundation is not the owner of the Archive House. By consequence the property has been removed from the accounts of the Foundation. and the value of \$ 7,440 at the start of 2009 has been charged to the statement of activities.

Depreciation summary: Land & Buildings

Property	Value at Acquisition	Prior Accum. Depreciation	Current year depreciation	Total accum. Depreciation	Value 2010
Amanecer, Colombia	\$ 238,982	\$ 90,335	\$ 5,475	\$ 95,810	\$ 143,172
Archive House, Indonesia	\$ 31,000	\$ 23,560	\$ 7,440	\$ 31,000	\$ -
Totals	\$ 269,982	\$ 113,895	\$ 12,915	\$ 126,810	\$ 143,172

The Foundation owned no equipment and all operations were carried out using facilities and office equipment owned by individual officers, trustees, or by affiliated organisations.

Investments.

The Foundation adopts Statement of Financial Accounting Standards No. 124, *Accounting for Certain Investments Held by Not for Profit Organizations*, in 1996. Under SFAS No. 124, investments in equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities and changes in net assets. For unlisted investments the valuation is based on the net equity value as per the most recent financial data or, if this value is unknown, on the nominal value of the investment.

Other assets and liabilities.

All other assets and liabilities are stated at face value.

Statement of Cash Flows.

The Foundation considers all cash on hand, demand cash balances, and highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents for purposes of the statement of cash flows.

Currency Valuation.

All values presented in the financial statements are stated in United States dollars. Assets and liabilities denominated in foreign currencies are translated into US dollars at year end. Transactions in foreign currencies are translated at the exchange rate in effect at the time of the transaction. The exchange results are recorded under financial income and expense in the income statement.

NOTE 2 CASH

The Foundation maintains demand deposit bank accounts in US and Dutch banks for operations and a capital fund designated as such by the Trustees. There are no restrictions placed on these cash balances by the respective banks.

NOTE 3 INVESTMENTS

Equity and debt investments with readily determinable fair values:

		2010			2009		
		Value at Acquisition date	Fair Value	Appreciation (Depreciation)	Value at Acquisition date	Fair Value	Appreciation (Depreciation)
Morgan Stanley portfolio		\$ -	\$ -	\$ -	\$ 1,245,226	\$ 1,331,999	\$ 86,773
Kalimantan Gold Corp.	0	\$ 57,360	\$ 11,242	\$ (46,118)	\$ 57,360	\$ 6,701	\$ (50,659)
E.C.T. Ltd.	0	\$ 5,531	\$ 17,303	\$ 11,772	\$ 5,531	\$ 28,755	\$ 23,224
Fidelity		\$ 1,176,169	\$ 1,250,631	\$ 74,462			
Total		\$ 1,239,060	\$ 1,279,176	\$ 40,116	\$ 1,308,117	\$ 1,367,455	\$ 59,338

Other equity investments:

	% held	2010			2009		
		Value at Acquisition date	Fair Value	Appreciation (Depreciation)	Value at Acquisition date	Fair Value	Appreciation (Depreciation)
Oakenhall, Ltd.	23.8	\$ 46,730	\$ 49,286	\$ 2,556	\$ 46,730	\$ 49,286	\$ 2,556
Pelham House Ltd.	0	\$ 1,725	\$ 1,552	\$ (258)	\$ 1,725	\$ 1,622	\$ (258)
Sonorex Oil and Gas Ltd	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Kalimantan Investment Corporation	10.5	\$ 418,498	\$ 377,981	\$ (40,517)	\$ 418,498	\$ 234,174	\$ (184,324)
Total		\$ 466,953	\$ 428,819	\$ (38,219)	\$ 466,953	\$ 285,082	\$ (182,026)

Total Investments		\$ 1,706,013	\$ 1,707,995	\$ 1,897	\$ 1,775,070	\$ 1,652,537	\$ (122,688)
-------------------	--	--------------	--------------	----------	--------------	--------------	--------------

Regarding the total of 800,000 shares Environmental Clean Technologies Ltd (E.C.T. Ltd.), 700,000 shares are held on behalf of the World Subud Association Inc. and 100,000 shares on behalf of Subud Australia Inc.

Total Unrealized Gains on Investments in 2010 amount to \$ 209,626.

NOTE 4 RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets as of December 31, 2010 and 2009, were as follows:

	<u>2010</u>	<u>2009</u>
Subud Houses	\$ 95,008	\$ 161,408
Humanitarian	\$ -	\$ 9,612
E.S.I. W.S.A/Oz	\$ 17,303	\$ 28,755
Media Unit	\$ 40,000	\$ 60,000
Yayasan Tambuhak Sinta	\$ -	\$ 3,558
World Subud Ass. Inc. (BLF)	\$ -	\$ -
Youth Support Fund (I.Y.T.F.)	\$ 2,858	\$ -
Various	\$ -	\$ 699
Total	\$ 155,169	\$ 264,032

Permanently restricted net assets as of December 31, 2010 and 2009, were as follows:

	<u>2010</u>	<u>2009</u>
Permanent Capital Fund:		
Farkas Endowment	\$ 463,257	\$ 440,701
Bapak Legacy Fund	\$ 641,999	\$ 389,060
Subud Australia Fund	\$ 70,688	\$ 67,762
Total	\$ 1,175,944	\$ 897,523

NOTE 5 FINANCIAL INSTRUMENTS

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of:

Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

As a normal course of business operations the Foundation will have funds on deposit in various correspondent financial institutions in excess of federal deposit insurance ceilings. The Foundation does not anticipate any loss as a result of this activity.

Concentration of Credit Risk Arising from Notes Receivable

The Foundation holds a non-interest bearing promissory note of IDR 507,650,000 from Yayasan Muhammad Subuh (YMS) in Jakarta, Indonesia, to secure its rights on certain properties in Cilandak, Jakarta. At 31 December 2010 this was equivalent to \$57,039 using an exchange rate of IDR 8900 to \$1.

The Foundation holds a non-interest bearing promissory note of NOK 2,910,200 from FloChem a/s and its owners in Norway. At 31 December 2010 the balance was NOK 1,455,100. This was equivalent to \$199,482 using an exchange rate of NOK 5.83551 to \$1. The holding value in the accounts has been discounted in a previous year by \$25,384 leaving a value at 31 December 2010 of \$174,098.

The note is to be paid in annual instalments of minimum 10 % per year. Instalments due within one year have been included under Accounts Receivable.

Concentration of Credit Risk Arising from Long-Term Investments

The Foundation's long-term investment portfolio consists principally of shares in the Kalimantan Investment Company, privately held. Due to the development of the global financial crisis the future of that company is uncertain. The value of the investment holding is described in Note 3.

NOTE 6 DONATED SERVICES AND FACILITIES

In 2010 and 2009 professional services were contributed to the Foundation. There is no value for these donated services reflected in the accompanying financial statements since non-financial assets were not enhanced, specialized skills were not involved, and the services were not of a nature typically purchased by the Foundation. Nevertheless, a substantial number of trustees and officers have donated significant amounts of time in attempting to raise contributions and organize Foundation activities.

The use of operating facilities has been donated by the owners of such facilities. The estimated rental value of these facilities is not reflected in the accompanying financial statements since the use was intermittent and there was no objective basis available by which to measure the value of such facilities.

NOTE 7 REGULATORY REQUIREMENTS

Generally, charitable organizations with their principal offices in the State of Virginia and gross proceeds in excess of \$ 25,000 are required to register with the state and pay a small registration fee. However, in 2010 and 2009, no cash or property contributions were received from individuals or organizations domiciled in the State of Virginia, thereby exempting the Foundation from registering in the state of its principal office.

The Foundation's annual proceeds are generally in excess of \$ 25,000, and accordingly, annual information returns are required to be filed with the United States Internal Revenue Service.

NOTE 8 LOANS FROM TRUSTEES

In March 1996, six trustees lent the Foundation a total of \$ 51,100 to purchase shares in the newly formed Kalimantan Gold Corporation. The terms of these loans were payback on demand by the individual trustee, no interest, profits to the account of the Foundation, losses to the individual trustee. As of December 31, 2010, the value of the balance of \$ 15,000 (2009: \$ 15,000) notes payable to trustees was \$ 2,563 (2009: \$ 1, 528) because of decreases in the stock's price. It is anticipated that the lenders will not call these loans until the share price increases.

NOTE 9 EURO LOAN

In 1999 the Foundation received an interest free loan of Euro 68,000. The loan is under certain conditions (hardship clause) recallable by the lender; on decease of the lender the loan falls to the Foundation. Any revenues on the amount lent are revenues of the Foundation.

NOTE 10 NOTES RECEIVABLE - SUBUD ORGANIZATIONS

<u>Organization</u>	<u>Amount Outstanding</u>		<u>Terms</u>
	<u>31/12/2010</u>	<u>31/12/2009</u>	
Adi Puri, Indonesia	\$ 32,000	\$ 36,000	Zero percent interest; annual payments of \$ 4,000 over 10 years
Subud Surinam	\$ 9,000	\$ 10,000	Zero percent interest; annual payments of \$ 1,000 over 10 years
Subud Chile	\$ 13,873	\$ 15,000	Zero percent; annual payments of \$ 1,000 over 15 years.
Subud Sao Paulo	\$ 10,000	\$ 11,000	Zero percent; annual payments of \$ 1,000; repayment to start December 1, 2005.
Subud DR Congo	\$ 15,000	\$ -	
Subud Mexico (1)	\$ 3,200	\$ 3,200	Zero percent; annual payments of \$ 400 over 15 years; repayment started January 1998
Subud Mexico (2)	\$ 3,200	\$ 3,200	Zero percent; 14 annual payments of \$ 300, final payment \$ 800, starting from April 1, 1999
Subud Malang	\$ -	\$ 1,000	Zero percent: annual payments of \$ 2,000 . Principal reduced 2009
Subud Colombia	\$ 3,395	\$ 4,845	Zero percent; annual payments of \$ 700 starting April 1, 2000.
Subud Matadi, DRC	\$ 1,000	\$ -	
Subud Bogota	\$ 1,500	\$ -	
M.E.C., RDC	\$ 4,000	\$ 4,000	Interest 7%; repayment in 5 years.
	\$ 96,168	\$ 88,245	
Allowance for uncollectable debts	\$ -	\$ (5,545)	
Total	\$ 96,168	\$ 82,700	