

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Financial Statements

December 31, 2005

(Expressed in U.S. dollars)

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

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(Expressed in U.S. dollars)

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AUDITORS' REPORT

To the Members of the Executive of the
International Federation of Clinical Neurophysiology

We have audited the statement of financial position of International Federation of Clinical Neurophysiology as at December 31, 2005 and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2005 and the results of its operations and changes in net assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required under the Canada Corporations Act we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Vancouver, British Columbia
January 16, 2006


Chartered Accountants

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Statement of Financial Position

December 31, 2005

(Expressed in U.S. dollars)

	2005	2004
ASSETS		
CURRENT		
Cash (Note 4)	\$ 254,560	\$ 184,667
Temporary investments	<u>1,697,618</u>	<u>1,495,565</u>
	<u>\$ 1,952,178</u>	<u>\$ 1,680,232</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accrued liability	\$ 5,000	\$ 5,000
 NET ASSETS - page 3	 <u>\$ 1,947,178</u>	 <u>\$ 1,675,232</u>
	<u>\$ 1,952,178</u>	<u>\$ 1,680,232</u>

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Statement of Operations and Changes in Net Assets

Year ended December 31, 2005

(Expressed in U.S. dollars)

	2005	2004
		(Note 5)
REVENUE		
Elsevier royalties	\$ 421,102	\$ 378,765
Investment income	76,991	47,269
Fees	62,430	55,548
Repayments from congresses	1,229	10,709
	<u>561,752</u>	<u>492,291</u>
EXPENDITURES		
EXCO travel and academic activities	87,878	87,321
Elsevier payments	53,564	21,629
Concorde administration	50,633	60,386
Support for congresses and fellowships	41,630	94,064
Audit and legal	28,148	5,354
Financial advisor fees	24,187	21,299
EXCO officers	4,434	4,651
Bank charges	1,140	1,084
WFN dues	297	304
IFCN website	-	2,466
FOIFCN	-	1,903
Loss (gain) on foreign exchange	(2,105)	4,494
	<u>289,806</u>	<u>304,955</u>
EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR	271,946	187,336
NET ASSETS - Beginning of year	1,675,232	1,487,896
NET ASSETS - End of year	\$ 1,947,178	\$ 1,675,232

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Statement of Cash Flows

Year ended December 31, 2005

(Expressed in U.S. dollars)

	2005	2004
OPERATING ACTIVITIES		
Excess of revenue over expenditures for the year	<u>\$ 271,946</u>	<u>\$ 187,336</u>
NET INCREASE IN CASH FLOWS	271,946	187,336
CASH AND CASH EQUIVALENTS - beginning of year	<u>1,680,232</u>	<u>1,492,896</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 1,952,178</u>	<u>\$ 1,680,232</u>
CASH AND CASH EQUIVALENTS CONSISTS OF:		
Cash	<u>\$ 254,560</u>	<u>\$ 184,667</u>
Temporary investments	<u>1,697,618</u>	<u>1,495,565</u>
	<u>\$ 1,952,178</u>	<u>\$ 1,680,232</u>

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Notes to Financial Statements

Year ended December 31, 2005

(Expressed in U.S. dollars)

1. OPERATIONS

International Federation of Clinical Neurophysiology was registered in Marseille, France in 1953 as a non-profit organization, involved in the education and dissemination of clinical neurophysiology. The organization was incorporated on May 10, 2005 under the Canada Corporations Act as a not for profit organization under the Income Tax Act and as such is exempt from income taxes.

2. ACCOUNTING POLICIES

Basis of Presentation

These financial statements are expressed in U.S. dollars. Accounts in other currencies have been translated into U.S. dollars. Monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year. Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

Revenue Recognition

Investment, royalty and fee revenue are recognized when received.

Temporary Investments

Temporary investments are recorded at the lower of cost and market value. The market value of temporary investments as at December 31, 2005 was \$1,981,645 (2004 - \$1,662,033).

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates include providing for accruals. Actual results could differ from these estimates.

3. FAIR VALUE OF THE FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, temporary investments, and accrued liabilities. It is management's opinion that the organization is not exposed to any significant credit, currency, or interest rate risk as a result of these financial instruments. The fair value of these instruments approximates their carrying value, except for the carrying value of temporary investments, as disclosed in Note 2.

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4. RESTRICTED CASH

The Bank of Montreal is withholding \$60,000 as coverage for the organization's Mastercard credit card, as security. This sum will be released when the present Treasurer's term of office ends.

5. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform to the current year's presentation.
