

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Financial Statements

December 31, 2002

(Expressed in U.S. dollars)

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY
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December 31, 2002
(Expressed in U.S. dollars)

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LOEWEN KRUSE

CHARTERED ACCOUNTANTS

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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, 2002 and the statements of operations and changes in net assets 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, 2002 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.

Vancouver, British Columbia
January 10, 2003

Loewen Kruse

Chartered Accountants

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Statement of Financial Position

December 31, 2002

(Expressed in U.S. dollars)

	2002	2001 (Note 4)
ASSETS		
CURRENT		
Cash	\$ 151,262	\$ 57,527
Temporary investments	<u>1,148,512</u>	<u>1,182,873</u>
	<u>\$ 1,299,774</u>	<u>\$ 1,240,400</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 5,000	\$ 12,024
	<u>\$ 1,294,774</u>	<u>\$ 1,228,376</u>
	<u>\$ 1,299,774</u>	<u>\$ 1,240,400</u>

NET ASSETS - page 3

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Statement of Operations and Changes in Net Assets

Year ended December 31, 2002

(Expressed in U.S. dollars)

	2002	2001 (Note 4)
REVENUE		
Elsevier Royalties	\$ 233,486	\$ 196,937
Fees	59,121	40,483
Investment income	51,766	45,315
	<u>344,373</u>	<u>282,735</u>
EXPENDITURES		
Support for congresses and fellowships	98,314	86,577
EXCO travel and academic activities:		
Brazil	46,250	-
Bangkok	38,018	-
Barcelona	21,870	-
Prior year's travel and academic activities	-	161,546
Concorde administration	39,278	-
Editors-in-chief	34,525	32,730
Audit and legal	5,868	-
Executive committee administration	-	17,717
Miscellaneous	1,787	670
OCIC Meetings and Federation subsidiaries	373	15,315
Loss (gain) on foreign exchange	(8,308)	20,775
	<u>277,975</u>	<u>335,330</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR	66,398	(52,595)
NET ASSETS - Beginning of year	1,228,376	1,280,971
NET ASSETS - End of year	\$ 1,294,774	\$ 1,228,376

See notes to financial statements

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Statement of Cash Flows

Year ended December 31, 2002

(Expressed in U.S. dollars)

	<u>2002</u>	<u>2001</u>
		(Note 4)
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures for the year	\$ 66,398	\$ (52,595)
Changes in non-cash working capital:		
Prepaid expenses	-	6,409
Accounts payable	(7,024)	(3,901)
	<u>59,374</u>	<u>(50,087)</u>
NET INCREASE (DECREASE) IN CASH FLOWS		
	<u>1,240,400</u>	<u>1,290,487</u>
CASH AND CASH EQUIVALENTS - beginning of year		
	<u>\$ 1,299,774</u>	<u>\$ 1,240,400</u>
CASH AND CASH EQUIVALENTS		
CONSISTS OF:		
Cash	\$ 151,262	\$ 57,527
Temporary investments	<u>1,148,512</u>	<u>1,182,873</u>
	<u>\$ 1,299,774</u>	<u>\$ 1,240,400</u>

See notes to financial statements

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Notes to Financial Statements

Year ended December 31, 2002

(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.

2. ACCOUNTING POLICIES

Basis of Presentation

These financial statements are expressed in U.S. dollars.

Revenue Recognition

Unrestricted investment income is recognized as revenue when earned. Royalty income is recognized when received.

Temporary Investments

Temporary investments are recorded at the lower of cost and market value. Market value of temporary investments as at December 31, 2002 was \$1,164,161 (2001 - \$1,182,873)

Foreign Exchange

Revenue and expenditures denominated in foreign currencies are translated at the average exchange rate during the month they are incurred. Current assets and liabilities denominated in foreign currencies are translated at the rate effective as of the date of the statement of financial position. Non-current assets and liabilities are translated at the rate of exchange on the date of transaction.

Use of Estimates

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the evaluation of accounts receivable and accrued interest.

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Notes to Financial Statements

Year ended December 31, 2002

(Expressed in U.S. dollars)

3. FAIR VALUE OF THE FINANCIAL INSTRUMENTS

The carrying value of cash, temporary investments, and accounts payable and accrued liabilities approximates the fair value of these financial instruments due to their short-term maturity or capacity of prompt liquidation. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

4. COMPARATIVE FIGURES

Certain comparative figures have been re-stated to conform to the current year's presentation.
