

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Financial Statements

December 31, 2003

(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, 2003 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, 2003 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 16, 2004

Loewen Kruse

Chartered Accountants

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Statement of Financial Position

December 31, 2003

(Expressed in U.S. dollars)

	2003	2002
		<i>(Note 4)</i>
ASSETS		
CURRENT		
Cash - <i>Note 7</i>	\$ 378,483	\$ 411,963
Temporary investments	1,114,413	887,811
	<u>\$ 1,492,896</u>	<u>\$ 1,299,774</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 5,000	\$ 5,000
 NET ASSETS - page 3	 <u>\$ 1,487,896</u>	 <u>\$ 1,294,774</u>
	<u>\$ 1,492,896</u>	<u>\$ 1,299,774</u>

CONTINGENT LIABILITY - *Note 5*

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Statement of Operations and Changes in Net Assets

Year ended December 31, 2003

(Expressed in U.S. dollars)

	2003	2002
		(Note 4)
REVENUE		
Elsevier royalties	\$ 308,587	\$ 233,486
Fees	57,701	59,121
Repayments from congresses	53,360	-
Investment income <i>(net of financial advisor fees)</i>	23,673	51,766
	<u>443,321</u>	<u>344,373</u>
EXPENDITURES		
Support for congresses and fellowships	96,767	98,314
EXCO travel and academic activities	82,570	106,138
Concorde administration	40,226	39,278
Editors-in-chief	33,886	34,525
Audit and legal	13,464	5,868
Miscellaneous	1,007	1,787
Loss (gain) on foreign exchange	(17,721)	(8,308)
OCIC Meetings and Federation subsidies	-	373
	<u>250,199</u>	<u>277,975</u>
EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR	193,122	66,398
NET ASSETS - Beginning of year	<u>1,294,774</u>	1,228,376
NET ASSETS - End of year	<u>\$ 1,487,896</u>	<u>\$ 1,294,774</u>

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Statement of Cash Flows

Year ended December 31, 2003

(Expressed in U.S. dollars)

	2003	2002
		<i>(Note 4)</i>
OPERATING ACTIVITIES		
Excess of revenue over expenditures for the year	\$ 193,122	\$ 66,398
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	-	(7,024)
NET INCREASE IN CASH FLOWS	193,122	59,374
CASH AND CASH EQUIVALENTS - beginning of year	<u>1,299,774</u>	<u>1,240,400</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 1,492,896</u>	<u>\$ 1,299,774</u>
CASH AND CASH EQUIVALENTS CONSISTS OF:		
Cash	\$ 378,483	\$ 411,963
Temporary investments	<u>1,114,413</u>	<u>887,811</u>
	<u>\$ 1,492,896</u>	<u>\$ 1,299,774</u>

See notes to financial statements

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Notes to Financial Statements

Year ended December 31, 2003

(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

Investment income, royalty income, and fee income are 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, 2003 was \$1,187,050 (2002 - \$1,164,161)

3. FAIR VALUE OF THE FINANCIAL INSTRUMENTS

The carrying value of 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 or credit risks arising from these financial instruments, other than currency risk owing to the temporary investments held in foreign currency (Canadian dollars).

4. COMPARATIVE FIGURES

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

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Notes to Financial Statements

Year ended December 31, 2003

(Expressed in U.S. dollars)

5. CONTINGENT LIABILITY

The organization is currently seeking legal advice from Paris, France as to the legal structure of the organization. The directors of the organization are unsure as to the legal structure of the organization and are also unsure as to the income tax consequences of the impending legal structure. Consequently, these financial statements do not disclose an income tax liability, because this liability, if any, is not determinable, nor estimatable at the time of the issuance of these financial statements.

6. AGF PRIVATE INVESTMENT MANAGEMENT

As of 2004 the Treasurer of the organization has elected to put all funds available for investment into the AGF Small Business account managed by AGF Private Investment Management. The aim of the investment is twofold: 1) to ensure minimal risk to the organization's assets, and 2) to generate a modest return. This requires a diversified portfolio with a fee of around 1.5%. As of 2004 the Treasurer will be able to report the "gross income generated" and "the fees incurred" as separate line items.

7. RESTRICTED CASH

The Bank of Montreal are 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.
