

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Financial Statements

December 31, 2007

(Expressed in U.S. dollars)

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

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December 31, 2007

(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, 2007 and the statements of changes in net assets, operations, and cash flow 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, 2007 and the results of its operations and changes in net assets and cash flow 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.

Loewen Kruse

Vancouver, British Columbia
January 10, 2008

Chartered Accountants

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Statement of Financial Position

December 31, 2007

(Expressed in U.S. dollars)

	2007	2006
ASSETS		
CURRENT		
Cash (<i>Note 4</i>)	\$ 323,529	\$ 233,034
Temporary investments	<u>2,189,549</u>	<u>1,856,524</u>
	<u>\$ 2,513,078</u>	<u>\$ 2,089,558</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accrued liabilities	\$ 7,500	\$ 5,000
NET ASSETS - page 3	<u>\$ 2,505,578</u>	<u>\$ 2,084,558</u>
	<u>\$ 2,513,078</u>	<u>\$ 2,089,558</u>

ON BEHALF OF THE BOARD

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Statement of Changes in Net Assets

Year ended December 31, 2007

(Expressed in U.S. dollars)

	2007	2006
NET ASSETS - Beginning of year	2,084,558	1,947,178
Adjustment to net assets related to prior year unrealized gains	179,898	-
ADJUSTED NET ASSETS - Beginning of year	2,264,456	1,947,178
Excess of revenue over expenditures for the year - page 4	241,122	137,380
NET ASSETS - End of year - page 2	\$ 2,505,578	\$ 2,084,558

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Statement of Operations

Year ended December 31, 2007

(Expressed in U.S. dollars)

	2007	2006
REVENUE		
Elsevier royalties	\$ 432,488	\$ 444,532
Investment income	66,578	65,856
Delegate dues	59,584	63,310
International congress refund	57,395	-
Gain on foreign exchange	56,385	71,778
Unrealized investment gains	48,460	-
ICNS	-	64
	720,890	645,540
EXPENDITURES		
ICCN 2010	130,000	30,000
EU chapter	60,000	40,000
Exco expenses	54,585	78,106
NA Chapter	50,000	10,000
Secretariat	41,416	47,129
Editorial support	37,900	38,375
External financial advisor	26,666	24,634
AO Chapter	20,000	-
Legal	15,882	4,900
LA chapter	14,125	6,000
Accounting	9,962	6,411
Insurance	8,863	7,650
Journal subscriptions	7,755	8,815
Postage	1,002	-
Bank charges and interest	988	1,031
WFN	314	274
Treasurer's office	310	707
ICCN 2006	-	175,000
ALS Japan	-	21,915
President's office	-	5,000
FOIFCN	-	1,506
ICNS certificates	-	400
Secretary's office	-	307
	479,768	508,160
EXCESS OF REVENUE OVER EXPENDITURES		
FOR THE YEAR - page 3	\$ 241,122	\$ 137,380

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Statement of Cash Flow

Year ended December 31, 2007

(Expressed in U.S. dollars)

	2007	2006
OPERATING ACTIVITIES		
Excess of revenue over expenditures for the year	\$ 241,122	\$ 137,380
Change in net assets related to prior year unrealized gains	<u>179,898</u>	-
	421,020	137,380
Changes in non-cash working capital:		
Accrued liabilities	<u>2,500</u>	-
Cash flow from operating activities	423,520	137,380
NET INCREASE IN CASH FLOW	423,520	137,380
CASH AND CASH EQUIVALENTS - beginning of year	<u>2,089,558</u>	1,952,178
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 2,513,078</u>	<u>\$ 2,089,558</u>
CASH AND CASH EQUIVALENTS CONSISTS OF:		
Cash	\$ 323,529	\$ 233,034
Temporary investments	<u>2,189,549</u>	<u>1,856,524</u>
	<u>\$ 2,513,078</u>	<u>\$ 2,089,558</u>

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Notes to Financial Statements

Year ended December 31, 2007

(Expressed in U.S. dollars)

1. OPERATIONS

International Federation of Clinical Neurophysiology was registered in Marseille, France in 1953 as a not for 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 annual 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 income includes dividend and interest income, and realized and unrealized investment gains and losses. Unrealized gains and losses on temporary investments held-for-trading are included in investment income and recognized as revenue in the statement of operations.

Royalty and fee revenue are recognized when received.

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. Actual results could differ from these estimates. A significant area requiring the use of management estimates relates to the evaluation of accrued liabilities.

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Notes to Financial Statements

Year ended December 31, 2007

(Expressed in U.S. dollars)

3. FINANCIAL INSTRUMENTS

The company has adopted the new accounting policy guidelines with respect to Financial Instruments effective January 1, 2007. These new guidelines have been applied on a prospective basis. Any gains or losses associated with measurement from prior years have been reflected as an adjustment to the opening net assets.

Fair Value

All financial instruments are initially recorded at their fair market value. Subsequently, all financial instruments are classified as held-for-trading and are measured at their fair value. Any unrealized gains or losses associated with subsequent measurement are recognized immediately in net income.

The organization's carrying value of cash, temporary investments, and accrued liabilities approximates its fair value due to the immediate or short term maturity of these investments.

Currency Risk

Currency risk is the risk to the organization's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The organization is exposed to foreign currency exchange risk on cash and temporary investments held in US dollars.

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. This amount is held in an interest-bearing account with the bank.
