Cyprus neuroscience & technology institute

Registration No. 72

Financial Statements

For the year ended 31 December 2002

Cyprus neuroscience & technology institute

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Cyprus neuroscience & technology institute

Board and advisers

Permanent Board Members	Yiannis Laouris Joulietta Kalli Laouri
Board Members	Harry Anastasiou Pantelis Makris
Ex-Official Board Members	Daniel Hadjittofis Kety Cleridou Christodoulos Laouris
Secretary	Daniel Hadjittofis
Registered office	5 Promitheos off. 11 Nicosia - Cyprus
Auditor	Nearchos Tsangaris
Legal Advisors	Kikis Markides
Bankers	Bank of Cyprus

Cyprus neuroscience & technology institute

Board report
For the year ended 31 December 2002

Financial statements
The board present the report together with the audited financial statements for the year ended 31 December 2002.

Principal Activities
The Institute's main activities is the design and execution of studies and research programs, the organization of scientific, technical and cultural events. To organize, conduct and supervise seminars, congresses, conferences, workshops, and the publication of material in subjects relevant with the aims of Institution.

Results
The income statement for the year is shown on page 4.

Board
The present membership of the board is set out on page 1. The members retain their office.

Auditors
The auditor Nearchos Tsangaris have expressed his willingness to continue in office as auditor, and a resolution proposing his re-appointment will be submitted at the Annual General Meeting.

BY ORDER OF THE BOARD

Daniel Hadjittofis
Secretary

Nicosia 26 September 2004

Auditors' report
to the members of

Cyprus neuroscience & technology institute

I have audited the Financial Statements on pages 8 to 11 and have obtained all the information and explanations we considered necessary. These financial statements are the responsibility of the Institute's management. My responsibility is to express an opinion on these financial statements based on my audit. This report is made solely to the board members, as a body, in accordance with Section 156 of the Companies Law, Cap. 113. My work has been undertaken so that I might state to the board members those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Institute and the board's members as a body, for my audit work, for this report, or for the opinions I have formed.

I conducted my audit in accordance with International Standards on Auditing. Those Standards require that I plan and perform the audit to obtain reasonable assurance about 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion proper books of account have been kept by the Institute and the financial statements, which are in agreement therewith, and have been prepared under the historical cost convention, give a true and fair view of the state of affairs of Cyprus neuroscience & technology institute 31 December 2002 and of profit and cash flows for the year then ended in accordance with International Accounting Standards and comply with the Companies Law, Cap. 113.

Nearchos Tsangaris CAT
Authorised Accountant

Nicosia 27 September 2004

Cyprus neuroscience & technology institute

Income statement
for the year ended 31 December 2002

	Notes	**2002 CY.P.**	2001 CY.P.
Income			
Subscriptions & donations		**86.612**	32.134
Research & Development		**30.000**	-
		116.612	32.134
Expenditure (page 12)		**(103.767)**	(77.325)
Operating surplus/(Deficit)	3	**12.845**	(45.191)
Finance expenses	3	**(724)**	(1)
Surplus/(Deficit) before taxation		**12.121**	(45.192)
Taxation		**(7)**	-
Surplus/(Deficit) after taxation		**12.114**	(45.192)

The notes on pages 8 to 11 form part of the financial statements.

Cyprus neuroscience & technology institute

Balance sheet 31 December 2002

	Notes	**2002 CY.P.**	2001 CY.P.
Assets			
Non – current assets			
Tangible assets	4	**12.171**	11.778
Intangible assets	5	**37.104**	58.233
		49.275	70.011
Investments	6	**84.237**	84.237
Current assets			
Debtors and prepayments		**30.816**	5.384
Cash at bank and in hand	7	**3.358**	110
		34.174	5.494
Total assets		**167.686**	159.742
Equity and liabilities			
Equity			
Reserves		**146.699**	134.585
Current liabilities			
Creditors		**8.058**	15.551
Bank overdraft	7	**3.784**	-
Related companies	8	**9.145**	9.606
		20.987	25.157
Total Equity and liabilities		**167.686**	159.742

The notes on pages 8 to 11 form part of the financial statements.

Cyprus neuroscience & technology institute

Statement of changes in equity
for the year ended 31 December 2002

	Retained earnings CY.P.
Balance 1 January 2002	134.585
Surplus of the year	12.114
Balance 31 December 2002	**146.699**

The notes on pages 8 to 11 form part of the financial statements.

Cyprus neuroscience & technology institute

Cash flow statement
For the year ended 31 December 2002

	2002 CY.P.	2001 CY.P.
Cash flows from operating activities		
Profit/(Loss) for the year before taxation	**12.121**	(45.192)
Adjustments for:		
Depreciation	**3.334**	2.820
Amortization	**33.111**	29.117
Interest received	**(78)**	(63)
Interest paid	**802**	64
Profit/(loss) before working capital changes	**49.290**	(13.254)
(Increase)/Decrease in debtors	**(25.432)**	15.927
(Decrease)/Increase in creditors	**(7.493)**	13.551
Decrease in related companies	**(461)**	(12.332)
Cash from operating activities	**15.904**	3.892
Interest paid	**(802)**	(64)
Taxation paid	**(7)**	-
Net cash from operating activities	**15.095**	3.828
Cash from investing activities		
Purchase of tangible fixed assets	**(3.727)**	(247)
Interest received	**78**	63
Purchase of intangible assets	**(11.982)**	-
Investments	**-**	(5.000)
Net cash paid to investing activities	**(15.631)**	(5.184)
Decrease in cash and cash equivalents	**(536)**	(1.356)
Cash and cash equivalents at the beginning of the year (Notes 6)	**110**	1.466
Cash and cash equivalents at the end of the year (Notes 6)	**(426)**	110

The notes on pages 8 to 11 form part of the financial statements.

Cyprus neuroscience & technology institute

Notes to the financial statements
31 December 2002

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1. GENERAL

Incorporation

The Institute was incorporated in Nicosia, Cyprus in July 1994 as a non profit making Institute in accordance with the provisions of the Cyprus Companies Law, Cap.113.

Activities

The Institute's main activities is the design and execution of studies and research programs, the organization of scientific, technical and culture events. To organize, conduct and supervise seminars, congresses, conferences, workshops and the publication of material in subjects relevant with the aims of Institution.

2. ACCOUNTING POLICIES

General

The principal accounting policies, all of which have been applied consistently in relation to material assets, liabilities, profits or losses and cash flows for the accounting year and to the presentation of the financial affairs of the Institute are set out below.

Basis of preparation

The financial statements which are expressed in CY.P. have been prepared using the historical cost convention, and in accordance with applicable International Financial Reporting Standards. The Institute maintains its statutory records in accordance with the Cyprus Companies Law, cap.113.

Revenue recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

Fixed assets

The fixed assets are stated at cost less accumulated depreciation.

The cost price of fixed assets comprises of the purchase price, including import duties and non-refundable purchase taxes and directly attributable costs of bringing the asset to its present location and condition.
Depreciation is computed using the estimated economic useful lives of the assets. The straight-line method is used at the following depreciation rates:

Furniture and equipment	10%
Books	20%
Computers	20%

Cyprus neuroscience & technology institute

Notes to the financial statement
31 December 2002

2 Accounting policies (continued)

Foreign currency transactions
Transactions in foreign currencies, other than CY.P., during the year have been translated at the exchange rates prevailing at the dates of the transaction. Balance sheet items denominated in foreign currencies have been translated at the exchange rates prevailing at the balance sheet date. Exchange gains or losses arising on settlement and translation of other foreign currency items have been included in the income statement.

Debtors
Debtors are shown net of specific provisions for bad and doubtful debts. Provision for bad and doubtful debts is made only for specific debtors when payment is considered doubtful.

Cash and cash equivalents
Cash and cash equivalents consists of cash and balances with banks and short-term deposits with an original maturity of three months or less.

Finance costs
Finance costs are written off in the income statement when they are incurred.

Intangible assets
Intangible assets are recognised according to the provisions of IAS 38 and are amortised over the period of the useful economic life of the asset.

Comparative figures
Where necessary, comparative figures are adjusted to conform to changes in presentation in the current year.

Cyprus neuroscience & technology institute

Notes to the financial statements
31 December 2002

3 Profit for the year before taxation

Profit is stating after charging:

	2002 CY.P.	2001 CY.P.
Staff costs	**16.679**	12.268
Auditor remuneration	**690**	500
Depreciation	**3.334**	2.820
Amortization	**33.111**	29.117
Net finance costs		
Interest received	**(78)**	(63)
Interest paid	**802**	64
	724	1

4 Tangible non-current assets

	Furniture & Fittings CY.P.	**Books CY.P.**	**Computers CY.P.**	**Total CY.P.**
Cost				
Balance 1.1.2002	998	10.500	3.100	14.598
Additons	2.311	212	1.204	3.727
Disposals	-	-	-	-
Balance 31.12.2002	**3.309**	**10.712**	**4.304**	**18.325**
Depreciation				
Balance 1.1.2002	100	2.100	620	2.820
Charge for the year	331	2.142	861	3.334
Disposals	-	-	-	-
Balance 31.12.2002	**431**	**4.242**	**1.481**	**6.154**
Net book value				
Balance 31.12.2002	**2.878**	**6.470**	**2.823**	**12.171**
Balance 31.12.2001	898	8.400	2.480	11.778

Cyprus neuroscience & technology institute

Notes to the financial statements
31 December 2002

5 Intangible assets

	Computers Software CYP
Cost	
Balance 1.1.2002	87.350
Additions	11.982
Disposals	-
Balance 31.12.2002	**99.332**
Amortisation	
Balance 1.1.2002	29.117
Charge for the year	33.111
Balance 31.12.2002	**62.228**
Net book value	
Balance 31.12.2002	**37.104**
Balance 31.12.2001	58.233

	2002 CY.P.	2001 CY.P.
6 Cash and Cash equivalents		
Cash and cash equivalents consist of the following:		
Cash in hand and at bank	**3.358**	110
Bank overdraft	**(3.784)**	-
	(426)	110
7 Investments		
At cost price		
Cyper Group Ltd (Misnted Ltd)	**49.237**	49.237
T.M.F. Multimedia factory Ltd	**30.000**	30.000
Ekkotek Ltd	**5.000**	5.000
	84.237	84.237
8 Related Companies		
Cyper Group Ltd (Misnted Ltd)	**(11.494)**	(11.033)
T.M.F Multimedia factory Ltd	**33.239**	33.239
Ekkotek Ltd	**(12.600)**	(12.600)
	9.145	9.606

Cyprus neuroscience & technology institute

Expenditure & Interest paid
For the year ended 31 December 2002

	2002 CY.P.	2001 CY.P.
Expenditure		
Salaries & other benefits	**16.679**	12.268
Research and development expenses	**-**	15.734
Rent	**4.840**	2.748
Work by thirds	**7.036**	9.025
Audit fees	**690**	500
Telephone, telegrams & postages	**1.378**	507
Printing & stationery	**2.017**	196
Subscriptions & donations	**1.045**	-
Seminar expenses	**21.208**	722
Festival expenses	**1.526**	-
Film production expenses	**901**	-
Rent of furniture & equipment	**901**	39
Transport & unloading	**447**	787
Travelling abroad	**6.128**	906
Cleaning expenses	**275**	120
Entertaining expenses	**420**	196
Computer expenses	**732**	598
Electricity	**470**	-
Repairs & maintenance	**314**	59
Advertising	**166**	649
Staff training	**-**	68
Messenger expenses	**150**	-
Sundry	**-**	266
Amortization of computer software	**33.111**	29.117
Depreciation		
Furniture & fittings	**331**	100
Computers	**861**	620
Books	**2.141**	2.100
Total expenditure (page 4)	**103.767**	77.325
Interest paid		
Bank charges & interest	**376**	64
Interest on social insurance fund	**426**	**-**
Total interest paid (page 10)	**802**	64