

Cyprus neuroscience & technology institute
Registration No. 72

Financial Statements
For the year ended 31 December 2004

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
Dr. Niklia Eteokleous
George Tziapouras
Xenia Constantinou

Ex-Officio Board Members

Daniel Hadjittofis
Christodoulos Laouris

Secretary

Xenia Constantinou

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 2004

Financial statements

The board present the report together with the audited financial statements for the year ended 31 December 2004.

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

Xenia Constantinou
Secretary

Nicosia 10 February 2005

**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 at 31 December 2004 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 10 February 2005

Cyprus neuroscience & technology institute

Income statement for the year ended 31 December 2004

	Notes	2004 C.Y.P.	2003 C.Y.P
Income		78.988	99.991
Expenditure (page 12)		(78.133)	(92.055)
Operating surplus	3	855	7.936
Finance expenses	3	(457)	(650)
Surplus before taxation		398	7.286
Taxation		-	-
Surplus after taxation		398	7.286

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

Cyprus neuroscience & technology institute

Balance sheet 31 December 2004

	Notes	2004 CY.P.	2003 CY.P.
Assets			
Non – current assets			
Tangible assets	4	5.890	8.889
Intangible assets	5	407	4.807
		<u>6.297</u>	<u>13.696</u>
Investments	7	<u>84.237</u>	<u>84.237</u>
Current assets			
Debtors and prepayments		74.974	55.816
Cash at bank and in hand	6	12.310	22.863
		<u>87.284</u>	<u>78.679</u>
Total assets		<u>177.818</u>	<u>176.612</u>
Equity and liabilities			
Equity			
Reserves		<u>154.383</u>	<u>153.985</u>
Current liabilities			
Creditors		3.090	8.973
Bank overdraft	6	12.189	9.261
Related companies	8	8.156	4.393
		<u>23.435</u>	<u>22.627</u>
Total Equity and liabilities		<u>177.818</u>	<u>176.612</u>

.....
Yiannis Laouris – President

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 2004

	Retained earnings CY.P.
Balance 1 January 2004	153.985
Surplus of the year	398
Balance 31 December 2004	<u>154.383</u>

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 2004

	2004 CY.P.	2003 CY.P.
Cash flows from operating activities		
Profit for the year before taxation	398	7.286
Adjustments for:		
Depreciation	3.389	3.339
Amortization	4.400	33.516
Interest received	(3)	(6)
Interest paid	460	656
Profit before working capital changes	<u>8.644</u>	<u>44.791</u>
Increase in debtors	(19.158)	(25.000)
(Decrease)/Increase in creditors	(5.883)	915
Increase/(Decrease) in related companies	3.763	(4.752)
Cash (used in)/from operating activities	<u>(12.634)</u>	<u>15.954</u>
Interest paid	(460)	(656)
Net cash (used in)/from operating activities	<u>(13.094)</u>	<u>15.298</u>
Cash from investing activities		
Purchase of tangible fixed assets	(390)	(57)
Interest received	3	6
Purchase of intangible assets	-	(1.219)
Net cash used in investing activities	<u>(387)</u>	<u>(1.270)</u>
(Decrease)/Increase in cash and cash equivalents	<u>(13.481)</u>	<u>14.028</u>
Cash and cash equivalents at the beginning of the year (Notes 6)	13.602	(426)
Cash and cash equivalents at the end of the year (Notes 6)	<u>121</u>	<u>13.602</u>

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

Cyprus neuroscience & technology institute

Notes to the financial statements

31 December 2004

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 2004

2 Accounting policies (continued)

Foreign currency transactions

Transactions in foreign currencies, other than C.Y.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.

Staff costs

Most CNTI personnel and associates are registered as self employed and are responsible for paying their social insurance contributions.

Part of staff income is paid through international programs that directly fund activities of the institute.

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 2004

3 Profit for the year before taxation

Profit is stated after charging:

	2004 CY.P.	2003 CY.P.
Staff costs	-	8.274
Auditor remuneration	1.150	1.110
Depreciation	3.389	3.339
Amortization	4.400	33.516
	<u> </u>	<u> </u>
Net finance costs		
Interest received	(3)	(6)
Interest paid	460	656
	<u> </u>	<u> </u>
	<u>457</u>	<u>650</u>
	<u> </u>	<u> </u>

4 Tangible non-current assets

	Furniture & Fittings CY.P.	Books CY.P.	Computers CY.P.	Total CY.P.
Cost				
Balance 1.1.2004	3.366	10.712	4.304	18.382
Additions	290	100	-	390
Disposals	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance 31.12.2004	3.656	10.812	4.304	18.772
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation				
Balance 1.1.2004	767	6.384	2.342	9.493
Charge for the year	366	2.162	861	3.389
Disposals	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance 31.12.2004	1.133	8.546	3.203	12.882
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value				
Balance 31.12.2004	2.523	2.266	1.101	5.890
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance 31.12.2003	2.599	4.328	1.962	8.889
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Cyprus neuroscience & technology institute

Notes to the financial statements 31 December 2004

5 Intangible assets

	Computers	Software
	CYP	CYP
Cost		
Balance 1.1.2004	100.551	
Additions	-	
Disposals	-	
Balance 31.12.2004	100.551	
Amortisation		
Balance 1.1.2004	95.744	
Charge for the year	4.400	
Balance 31.12.2004	100.144	
Net book value		
Balance 31.12.2004	407	
Balance 31.12.2003	4.807	
	2004	2003
	CY.P.	CY.P.

6 Cash and Cash equivalents

Cash and cash equivalents consist of the following:

Cash in hand and at bank	12.310	22.863
Bank overdraft	(12.189)	(9.261)
	121	13.602

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)	(10.731)	(14.494)
T.M.F Multimedia factory Ltd	31.487	31.487
Ekkotek Ltd	(12.600)	(12.600)
	8.156	4.393

Cyprus neuroscience & technology institute

Expenditure & Interest paid For the year ended 31 December 2004

	2004 CY.P.	2003 CY.P.
Expenditure		
Salaries & other benefits	-	8.274
Rent	2.260	4.800
Work by thirds	42.882	14.754
Audit fees	1.150	1.110
Telephone, telegrams & postages	2.728	1.749
Printing & stationery	2.013	3.730
Subscriptions & donations	2.057	101
Seminar expenses	5.510	9.810
Festival expenses	-	1.553
Legal fees	218	-
Rent of furniture & equipment	345	-
Transport & unloading	816	1.816
Travelling abroad	4.641	4.749
Cleaning expenses	231	685
Entertaining expenses	1.587	1.004
Computer expenses	62	265
Electricity	536	406
Repairs & maintenance	29	-
Advertising	2.193	195
Insurance	-	30
Messenger expenses	207	100
Sundry	189	68
Amortization of computer software	4.400	33.516
Administrative expenses	690	-
Depreciation		
Furniture & fittings	366	337
Computers	861	861
Books	2.162	2.142
	<hr/>	<hr/>
Total expenditure (page 4)	78.133	92.055
	<hr/> <hr/>	<hr/> <hr/>
Interest paid		
Bank charges & interest	460	584
Interest on social insurance fund	-	72
	<hr/>	<hr/>
Total interest paid (page 10)	460	656
	<hr/> <hr/>	<hr/> <hr/>