

**Cyprus neuroscience & technology institute**  
Registration No. 72

**Financial Statements**  
For the year ended 31 December 2005

# Cyprus neuroscience & technology institute

## Index of Contents

	<b>PAGE</b>
Board and advisers	1
Board report	2
Auditors' report	3
Income statement	4
Balance sheet	5
Statement of changes in equity	6
Cash flow statement	7
Notes to the financials statements	8 - 11
Expenditure and Interest paid	12

# Cyprus neuroscience & technology institute

## Board and advisers

### Board President

Dr. Yiannis Laouris

### Board Members

Dr. Joulietta Kalli Laouri

Dr. Harry Anastasiou

Dr. Nikleia Eteokleous

George Tziapouras

Xenia Constantinou

Pantelis Makris

Dr. Christodoulos Laouris

### International Advisory Board

Prof. Peter Gerjets

Prof. Sc. Med Emeritus Peter Schwartze

Prof. Gary Gumper

Prof. Dr. med. Uwe Windhorst

Prof. Emeritus Regents Douglas Stuart

### Secretary

Xenia Constantinou

### Registered office

5 Promitheos off. 3 & 11

1065 Nicosia - Cyprus

### Auditor

Nearchos Tsangaris CAT

### Legal Advisors

Kikis Markides

### Bankers

Bank of Cyprus

# Cyprus neuroscience & technology institute

## Board report For the year ended 31 December 2005

### Financial statements

The board present the report together with the audited financial statements for the year ended 31 December 2005.

### 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 2006

**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 2005 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 2006

# Cyprus neuroscience & technology institute

## Income statement for the year ended 31 December 2005

	Notes	2005 C.Y.P.	2004 C.Y.P.
<b>Income</b>	3	<b>80.258</b>	78.988
Expenditure (page 12)		<b>(75.784)</b>	(78.133)
<b>Operating surplus</b>	3	<b>4.474</b>	855
Finance expenses	3	<b>(255)</b>	(457)
<b>Surplus before taxation</b>		<b>4.219</b>	398
Taxation		-	-
<b>Surplus after taxation</b>		<b>4.219</b>	398

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

# Cyprus neuroscience & technology institute

## Balance sheet 31 December 2005

	Notes	2005 C.Y.P.	2004 CY.P.
<b>Assets</b>			
<b>Non – current assets</b>			
Tangible assets	4	2.502	5.890
Intangible assets	5	-	407
		<u>2.502</u>	<u>6.297</u>
<b>Investments</b>	7	<u>84.237</u>	<u>84.237</u>
<b>Current assets</b>			
Debtors and prepayments		102.240	74.974
Cash at bank and in hand	6	15	12.310
		<u>102.255</u>	<u>87.284</u>
<b>Total assets</b>		<u>188.994</u>	<u>177.818</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Reserves		<u>158.602</u>	<u>154.383</u>
<b>Current liabilities</b>			
Creditors		2.484	3.090
Bank overdraft	6	542	12.189
Related companies	8	27.366	8.156
		<u>30.392</u>	<u>23.435</u>
<b>Total Equity and liabilities</b>		<u>188.994</u>	<u>177.818</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 2005

---

	<b>Retained earnings CY.P.</b>
Balance 1 January 2005	154.383
Surplus of the year	4.219
<b>Balance 31 December 2005</b>	<b><u>158.602</u></b>

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 2005

	2005 CY.P.	2004 CY.P.
<b>Cash flows from operating activities</b>		
Profit for the year before taxation	4.219	398
<b>Adjustments for:</b>		
Depreciation	3.388	3.389
Amortization	407	4.400
Interest received	(2)	(3)
Interest paid	257	460
<b>Profit before working capital changes</b>	<u>8.269</u>	<u>8.644</u>
Increase in debtors	(27.266)	(19.158)
Decrease in creditors	(606)	(5.883)
Increase in related companies	19.210	3.763
<b>Cash used in operating activities</b>	<u>(393)</u>	<u>(12.634)</u>
Interest paid	(257)	(460)
<b>Net cash used in operating activities</b>	<u>(650)</u>	<u>(13.094)</u>
<b>Cash from investing activities</b>		
Purchase of tangible fixed assets	-	(390)
Interest received	2	3
<b>Net cash from/(used in) investing activities</b>	<u>2</u>	<u>(387)</u>
<b>Decrease in cash and cash equivalents</b>	<u>(648)</u>	<u>(13.481)</u>
<b>Cash and cash equivalents at the beginning of the year (Notes 6)</b>	121	13.602
<b>Cash and cash equivalents at the end of the year (Notes 6)</b>	<u>(527)</u>	<u>121</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 2005

---

### 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 2005

---

### 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 2005

### 3 Profit for the year before taxation

Profit is stated after charging:

	<b>2005</b>	2004
	<b>CY.P.</b>	CY.P.
Auditor remuneration	<b>1.358</b>	1.150
Depreciation	<b>3.389</b>	3.339
Amortization	<b>407</b>	4.400
	<hr/>	<hr/>
<b>Income</b>		
Subscriptions and grants	<b>50.258</b>	37.198
Research and Development	<b>28.000</b>	41.790
Services Rented	<b>2.000</b>	-
	<hr/>	<hr/>
	<b>80.258</b>	78.988
	<hr/>	<hr/>
<b>Net finance costs</b>		
Interest received	<b>(2)</b>	(3)
Interest paid	<b>257</b>	460
	<hr/>	<hr/>
	<b>255</b>	457
	<hr/>	<hr/>

### 4 Tangible non-current assets

	Furniture & Fittings CY.P.	Books CY.P.	Computers CY.P.	Total CY.P.
<b>Cost</b>				
Balance 1.1.2005	3.656	10.812	4.304	18.772
Additions	-	-	-	-
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance 31.12.2005</b>	<b>3.656</b>	<b>10.812</b>	<b>4.304</b>	<b>18.772</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
Balance 1.1.2005	1.133	8.546	3.203	12.882
Charge for the year	365	2.162	861	3.388
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance 31.12.2005</b>	<b>1.498</b>	<b>10.708</b>	<b>4.064</b>	<b>16.270</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
<b>Balance 31.12.2005</b>	<b>2.158</b>	<b>104</b>	<b>240</b>	<b>2.502</b>
	<hr/>	<hr/>	<hr/>	<hr/>
Balance 31.12.2004	2.523	2.266	1.101	5.890
	<hr/>	<hr/>	<hr/>	<hr/>

# Cyprus neuroscience & technology institute

## Notes to the financial statements 31 December 2005

### 5 Intangible assets

	<b>Computers Software CY.P.</b>	
<b>Cost</b>		
Balance 1.1.2005	100.551	
Additions	-	
Disposals	-	
<b>Balance 31.12.2005</b>	<b>100.551</b>	
<b>Amortisation</b>		
Balance 1.1.2005	100.144	
Charge for the year	407	
<b>Balance 31.12.2005</b>	<b>100.551</b>	
<b>Net book value</b>		
<b>Balance 31.12.2005</b>	<b>-</b>	
	<b>407</b>	
		<b>2005 CY.P.</b>
		<b>2004 CY.P.</b>

### 6 Cash and Cash equivalents

Cash and cash equivalents consist of the following:

Cash in hand and at bank	15	12.310
Bank overdraft	(542)	(12.189)
	<b>(527)</b>	<b>121</b>

### 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
	<b>84.237</b>	<b>84.237</b>

### 8 Related Companies

Cyper Group Ltd (Misnted Ltd)	(10.731)	(10.731)
T.M.F Multimedia factory Ltd	31.487	31.487
Ekkotek Ltd	6.610	(12.600)
	<b>27.366</b>	<b>8.156</b>

# Cyprus neuroscience & technology institute

## Expenditure & Interest paid For the year ended 31 December 2005

	2005 CY.P.	2004 CY.P.
<b>Expenditure</b>		
Rent	2.250	2.260
Work by thirds	19.672	42.882
Telephone, telegrams & postages	3.090	2.728
Printing & stationery	561	2.013
Subscriptions & donations	198	2.057
Research activities & seminar expenses	21.544	5.510
Audit fees	1.358	1.150
Legal fees	-	218
Rent of furniture & equipment	345	345
Transport & unloading	777	816
Travelling abroad	14.673	4.641
Cleaning expenses	156	231
Entertainment & gifts to researchers	2.911	1.587
Computer expenses	3.099	62
Electricity	232	536
Repairs & maintenance	517	29
Advertising	-	2.193
Insurance	433	-
Messenger expenses	173	207
Administrative expenses	-	690
Sundry	-	189
Amortization of computer software	407	4.400
Depreciation		
Furniture & fittings	365	366
Computers	861	861
Books	2.162	2.162
	-----	-----
<b>Total expenditure (page 4)</b>	<b>75.784</b>	<b>78.133</b>
	=====	=====
<b>Interest paid</b>		
Bank charges & interest (page 10)	257	460
	=====	=====