

**Cyprus Neuroscience & Technology Institute**  
Registration No. 72

**Financial Statements**  
For the year ended 31 December 2008

# Cyprus Neuroscience & Technology Institute

## Index of Contents

|                                    | <b>PAGE</b> |
|------------------------------------|-------------|
| Board and advisers                 | 1           |
| Board's report                     | 2 - 3       |
| Auditors' report                   | 4           |
| Income statement                   | 5           |
| Balance sheet                      | 6           |
| Statement of changes in equity     | 7           |
| Cash flow statement                | 8           |
| Notes to the financials statements | 9 - 13      |
| Expenditure and Interest paid      | 14          |

# Cyprus Neuroscience & Technology Institute

## Board and advisers

### Board President

Dr. Yiannis Laouris

### Board Members

Dr. Joulietta Kalli Laouri

Dr. Harry Anastasiou

Dr Aleco Christakis

Romina Laouri

Elia Petridou

George Tziapouras

### International Advisory Board

Prof. Peter Gerjets

Prof. Sc. Med Emeritus Peter Schwartze

Prof. Gary Gumpert

Prof. Dr. med. Uwe Windhorst

Prof. Emeritus Regents Douglas Stuart

### Secretary

Kerstin Wittig

### Registered office

5 Promitheos off. 4 & 9

1065 Nicosia - Cyprus

### Auditor

Nearchos Tsangaris CAT

### Legal Advisors

Kikis Makrides

40, Kyriacos Matsis Ave.

Ahenaem Build, 4<sup>th</sup> floor off. 402

Nicosia

### Bankers

Bank of Cyprus

# Cyprus Neuroscience & Technology Institute

## Board's report

For the year ended 31 December 2008

### Financial statements

The Board of Directors presents the report together with the audited financial statements for the year ended 31 December 2008.

### Principal Activities

1. Designing and execution of studies and research programs with future orientation in areas related to the human brain and learning, technology and social change, global society, conflict transformation and global peace.”
2. Development of new models of education based on recent advances in cognitive science and computing.
3. Worldwide operations focused on international development, cooperation, humanitarian support, justice, transparency and advocacy of human rights, especially the right of education and the enhancement of inter-ethnic and international peace.
4. Organization of scientific, technical and cultural events or programs in issues relevant to the aims of the organization.
5. Organize, conduct and supervise seminars, congresses, conferences, workshops; deliver courses; offer educational and/or information services in the above sectors with the aim of sensitization, enlightenment or training of the modern active citizens.
6. Collaboration with universities, other institutions, organizations, and individual active citizens in Cyprus and abroad to promote the aims of the organization.
7. Serve as provider of information and consultant in academic, commercial, scientific and technical subjects.
8. Discovery, research, study, encouragement, support and promotion of new innovative ideas and methods, techniques, scientific technological, electronic systems and generally intellectual property.
9. Promotion of research in Cyprus and abroad in collaboration with other organizations, public or private, local or international for the achievement of our aims.
10. Promote Cyprus as a supporter of Development & IT education, scientific research and peace in the three continents around her, thus contributing towards consolidation of peace and prosperity in the wider geopolitical region.
11. Publication of material in subjects relevant with the aims of Institute.

### Structure

The Cyprus Neuroscience & Technology Institute is a non-profit, non-Governmental, non-partisan independent Organization active in programs with future orientation in areas related to human brain-modern technology-social transformation and the repercussions of relevant research for humanity. All projects fall into one larger category, which lies at the interface between science and society. It has the following operating units:

Brain, Neuroscience & Special Education  
 Civil Society and Future Affairs Unit  
 Technology For Peace Unit  
 Youth Promoting Peace Unit  
 Brain, Neuroscience & Special Education Unit  
 Alternative Media Initiative  
 Humanitarian Affairs Unit

# Cyprus Neuroscience & Technology Institute

**Board's report (Continued)**  
**For the year ended 31 December 2008**

## **Results**

The income statement for the year is shown on page 5.

## **Board**

The Secretary informed that Xenia Constatinou was replaced by Kerstin Wittig as secretary of Board.

## **Auditors**

The auditor Nearchos Tsangaris has 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

**Kerstin Wittig**  
**Secretary**

Nicosia 7 April 2010

**Auditors' report  
to the members of**

***Cyprus neuroscience & technology institute***

I have audited the Financial Statements on pages 5 to 13 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 2008 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**  
Authorized Accountant

Nicosia 7 April 2010

# Cyprus Neuroscience & Technology Institute

## Income statement

For the year ended 31 December 2008

|                                | Notes | 2008<br>EUR      | 2007<br>EUR. |
|--------------------------------|-------|------------------|--------------|
| <b>Income</b>                  | 3     | <b>914.420</b>   | 673.753      |
| Other income                   |       | <b>3.883</b>     | 552          |
| Expenditure (page 14)          |       | <b>(904.660)</b> | (585.275)    |
| Diminution in investment value |       | -                | (75.713)     |
| <b>Operating surplus</b>       | 3     | <b>13.643</b>    | 13.317       |
| Finance expenses               | 3     | <b>(694)</b>     | (2.179)      |
| <b>Surplus before taxation</b> |       | <b>12.949</b>    | 11.138       |
| Taxation                       |       | -                | -            |
| <b>Surplus after taxation</b>  |       | <b>12.949</b>    | 11.138       |

The notes on pages 9 to 13 form part of the financial statements.

# Cyprus Neuroscience & Technology Institute

## Balance sheet 31 December 2008

|                                     | Notes | 2008<br>EUR    | 2007<br>EUR    |
|-------------------------------------|-------|----------------|----------------|
| <b>Assets</b>                       |       |                |                |
| <b>Non – current assets</b>         |       |                |                |
| Tangible assets                     | 4     | 34.073         | 27.124         |
| Intangible assets                   | 5     | 26.556         | 59.700         |
|                                     |       | <u>60.629</u>  | <u>86.824</u>  |
| <b>Investments</b>                  | 7     | <u>68.214</u>  | <u>68.214</u>  |
| <b>Current assets</b>               |       |                |                |
| Debtors and prepayments             |       | 505.543        | 415.575        |
| Cash at bank and in hand            | 6     | 66.453         | 8.596          |
|                                     |       | <u>571.996</u> | <u>424.171</u> |
| <b>Total assets</b>                 |       | <u>700.839</u> | <u>579.209</u> |
| <b>Equity and liabilities</b>       |       |                |                |
| <b>Equity</b>                       |       |                |                |
| Reserves                            |       | <u>317.619</u> | <u>304.670</u> |
| <b>Current liabilities</b>          |       |                |                |
| Creditors                           |       | 171.208        | 21.556         |
| Bank overdraft                      | 6     | 181.644        | 222.615        |
| Related companies                   | 8     | 30.368         | 30.368         |
|                                     |       | <u>383.220</u> | <u>274.540</u> |
| <b>Total Equity and liabilities</b> |       | <u>700.839</u> | <u>579.209</u> |

.....  
Yiannis Laouris – President

The notes on pages 9 to 13 form part of the financial statements.

# Cyprus Neuroscience & Technology Institute

## Statement of changes in equity For the year ended 31 December 2008

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|                                 | <b>Retained<br/>earnings<br/>EUR</b> |
|---------------------------------|--------------------------------------|
| Balance 1 January 2008          | 304.670                              |
| Surplus of the year             | 12.949                               |
| <b>Balance 31 December 2008</b> | <b><u>317.619</u></b>                |

The notes on pages 9 to 13 form part of the financial statements.

# Cyprus Neuroscience & Technology Institute

## Cash flow statement

For the year ended 31 December 2008

|   | 2008<br>EUR      | 2007<br>EUR      |
|---|------------------|------------------|
| <b>Cash flows from operating activities</b>                             |                  |                  |
| Surplus for the year before taxation                                    | 12.949           | 11.138           |
| <b>Adjustments for:</b>   |                  |                  |
| Depreciation  | 9.267            | 6.985            |
| Amortization  | 33.144           | 33.114           |
| Interest received   | (1.932)          | (44)             |
| Interest paid   | 2.626            | 2.223            |
| <b>Profit before working capital changes</b>                            | <u>56.054</u>    | <u>53.416</u>    |
| Increase in debtors   | (89.968)         | (200.426)        |
| Increase in creditors   | 149.652          | 1.264            |
| Increase in related companies   | -                | 4.114            |
| <b>Cash from/(used in) operating activities</b>                         | <u>115.738</u>   | <u>(141.632)</u> |
| Interest paid   | (2.626)          | (2.223)          |
| <b>Net cash from/(used in) operating activities</b>                     | <u>113.112</u>   | <u>(143.855)</u> |
| <b>Cash from investing activities</b>                                   |                  |                  |
| Purchase of fixed assets  | (16.216)         | (92.546)         |
| Interest received   | 1.932            | 44               |
| Diminution in investment value  |                  | 75.713           |
| <b>Net cash used in investing activities</b>                            | <u>(14.284)</u>  | <u>(16.789)</u>  |
| <b>Increase/(Decrease) in cash and cash equivalents</b>                 | <u>98.828</u>    | <u>(160.643)</u> |
| <b>Cash and cash equivalents at the beginning of the year (Notes 6)</b> | <u>(214.019)</u> | <u>(53.376)</u>  |
| <b>Cash and cash equivalents at the end of the year (Notes 6)</b>       | <u>(115.191)</u> | <u>(214.019)</u> |

The notes on pages 9 to 13 form part of the financial statements.

# Cyprus Neuroscience & Technology Institute

## Notes to the financial statements 31 December 2008

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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 EUR. 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 (Continued) 31 December 2008

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### 2 Accounting policies (continued)

#### **Foreign currency transactions**

Transactions in foreign currencies, other than EUR, 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 own social insurance and income tax contributions.

Part of staff income is paid through international programs that directly fund activities of the institute and therefore this type of income does not appear in the institute's financial statements.

#### **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 (Continued) 31 December 2008

### 3 Surplus for the year before taxation

Surplus is stating after charging:

|                          | <b>2008</b>       | 2007              |
|--------------------------|-------------------|-------------------|
|                          | <b>EUR</b>        | EUR               |
| Auditor remuneration     | <b>1.495</b>      | 7.860             |
| Depreciation             | <b>9.267</b>      | 6.985             |
| Amortization             | <b>33.144</b>     | 33.114            |
|                          | <u>          </u> | <u>          </u> |
| <b>Net finance costs</b> |                   |                   |
| Interest received        | <b>(1.932)</b>    | (44)              |
| Interest paid            | <b>2.626</b>      | 2.223             |
|                          | <u>          </u> | <u>          </u> |
|                          | <b>694</b>        | 2.179             |
|                          | <u>          </u> | <u>          </u> |

# Cyprus Neuroscience & Technology Institute

## Notes to the financial statements (Continued) 31 December 2008

### 4 Tangible non-current assets

|                           | Furniture,<br>Fittings &<br>Equipment<br>EUR | Books<br>EUR  | Computers<br>EUR | Total<br>EUR  |
|---------------------------|--|---------------|------------------|---------------|
| <b>Cost</b>               |  |               |                  |               |
| Balance 1.1.2008          | 13.163                                       | 18.473        | 35.513           | 67.149        |
| Additions                 | 9.582  | -             | 6.634            | 16.216        |
| Disposals                 | -  | -             | -                | -             |
| <b>Balance 31.12.2008</b> | <b>22.745</b>                                | <b>18.473</b> | <b>42.147</b>    | <b>83.365</b> |
| <b>Depreciation</b>       |  |               |                  |               |
| Balance 1.1.2008          | 4.825  | 18.439        | 16.761           | 40.025        |
| Charge for the year       | 2.274  | 34            | 6.959            | 9.267         |
| Disposals                 | -  | -             | -                | -             |
| <b>Balance 31.12.2008</b> | <b>7.099</b>                                 | <b>18.473</b> | <b>23.720</b>    | <b>49.292</b> |
| <b>Net book value</b>     |  |               |                  |               |
| <b>Balance 31.12.2008</b> | <b>15.645</b>                                | <b>-</b>      | <b>18.428</b>    | <b>34.073</b> |
| Balance 31.12.2007        | 8.338  | 34            | 18.752           | 27.124        |

### 5 Intangible assets

|                           | Computers<br>Software<br>EUR |
|---------------------------|------------------------------|
| <b>Cost</b>               |                              |
| Balance 1.1.2008          | 271.244                      |
| Additions                 | -                            |
| Disposals                 | -                            |
| <b>Balance 31.12.2008</b> | <b>271.244</b>               |
| <b>Amortization</b>       |                              |
| Balance 1.1.2008          | 211.544                      |
| Charge for the year       | 33.144                       |
| <b>Balance 31.12.2008</b> | <b>244.688</b>               |
| <b>Net book value</b>     |                              |
| <b>Balance 31.12.2008</b> | <b>26.556</b>                |
| Balance 31.12.2007        | 59.700                       |

# Cyprus Neuroscience & Technology Institute

## Notes to the financial statements (Continued) 31 December 2008

|   | 2008<br>EUR      | 2007<br>EUR      |
|---|------------------|------------------|
| <b>6 Cash and Cash equivalents</b>                  |                  |                  |
| Cash and cash equivalents consist of the following: |                  |                  |
| Cash in hand and at bank                            | 66.453           | 8.596            |
| Bank overdraft                                      | (181.644)        | (222.615)        |
|   | <u>(115.191)</u> | <u>(214.019)</u> |
|   | =====            | =====            |
| <b>7 Investments</b>                                |                  |                  |
| Cyber Group Ltd (Misnted Ltd)                       | 8.413            | 8.413            |
| T.M.F. Multimedia factory Ltd                       | 51.258           | 51.258           |
| Ekkotek Ltd   | 8.543            | 8.543            |
|   | <u>68.214</u>    | <u>68.214</u>    |
|   | =====            | =====            |
| <b>8 Related Companies</b>                          |                  |                  |
| Cyber Group Ltd (Misnted Ltd)                       | (38.838)         | (38.838)         |
| T.M.F Multimedia factory Ltd                        | 53.799           | 53.799           |
| Ekkotek Ltd   | 15.408           | 15.408           |
|   | <u>30.369</u>    | <u>30.369</u>    |
|   | =====            | =====            |

# Cyprus Neuroscience & Technology Institute

## Expenditure & Interest paid For the year ended 31 December 2008

|                                   | 2008<br>EUR    | 2007<br>EUR    |
|-----------------------------------|----------------|----------------|
| <b>Expenditure</b>                |                |                |
| Personnel Expenditures            | 413.205        | 290.553        |
| Rent                              | 32.709         | 22.060         |
| Phone, Fax, Telegrams             | 4.457          | 3.513          |
| Internet                          | 2.300          | 3.322          |
| Water                             | 724            | 104            |
| Electricity                       | 5.620          | 960            |
| Cleaning                          | 3.804          | 1.934          |
| Postage                           | 1.503          | 1.128          |
| Messenger / Delivery              | 1.100          | 205            |
| Printing                          | 57.342         | 11.463         |
| Stationery                        | 6.702          | 3.020          |
| Accounting Fees                   | 254            | 150            |
| Audit Fees                        | 1.495          | 7860           |
| Legal Fees                        | 1.533          | 200            |
| Subscriptions & Membership        | 4.067          | 198            |
| Office Common expenses            | 1.056          | 800            |
| Insurances                        | 952            | 106            |
| Motor Car Expenses                | 942            | 195            |
| Publication Expenses              | 1.671          | 500            |
| Computer expenses                 | 8.747          | 2.038          |
| Seminars/Workshops/Conferences    | 16.576         | 13.643         |
| Translations                      | 17.555         | 3.921          |
| Repairs & Maintenance             | 1.417          | 108            |
| Local Transportation & unloading  | 5.314          | 3005           |
| Travelling Abroad                 | 81.576         | 54.527         |
| Workshops/Meetings Catering       | 10.908         | 6.587          |
| Business Meals                    | 2.019          | 1.233          |
| Taxes & Licences                  | 1105           | 596            |
| Partners payment                  | 158.948        | 99.564         |
| Advertising Expenses              | 12.784         | 863            |
| PR Expenses                       | 3.860          | 10.250         |
| Sundry expenses                   | 4              | 572            |
| Amortization of computer software | 33.144         | 33.114         |
| Depreciation                      |                |                |
| Furniture & fittings              | 2.274          | 1.317          |
| Computers                         | 6.959          | 5.632          |
| Books                             | 34             | 34             |
| <b>Total expenditure (page 5)</b> | <b>904.660</b> | <b>585.275</b> |
| <b>Interest paid</b>              |                |                |
| Bank charges & interest (page 11) | 694            | 2.223          |

