

Company Registration Number: 03502244

**SIGNING
COPY**

WORLD FEDERATION OF NEUROLOGY

(a company limited by guarantee and not having a share capital)

Registered Charity Number: 1068673

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2010

GSM&Co

Griffin Stone Moscrop & Co

CHARTERED ACCOUNTANTS & REGISTERED AUDITORS

WORLD FEDERATION OF NEUROLOGY

REPORT AND ACCOUNTS - YEAR ENDED 31 DECEMBER 2010

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WORLD FEDERATION OF NEUROLOGYREPORT OF THE TRUSTEES

The trustees, who act in the role of directors, present their report together with the financial statements of the Federation for the year ended 31 December 2010.

Reference and administrative details, trustees and advisersLegal status

The World Federation of Neurology (WFN) is a company limited by guarantee (registration number 03502244) and a registered charity (number 1068673). It is governed by its Memorandum and Articles of Association.

Principal and registered office

Hill House
Heron Square
Richmond
Surrey
TW9 1EP

Professional advisers

Bankers: National Westminster Bank plc
1 Market Place
Devizes
Wiltshire
SN10 1HR

Solicitors: Hunters
9 New Square
Lincolns Inn
London
WC2A 3QN

Auditors: Griffin Stone Moscrop & Co
41 Welbeck Street
London
W1G 8EA

Directors and trustees

The directors of the charitable company are its trustees for the purpose of charity law and throughout this report and financial statements are collectively referred to as the trustees. As set out in the Articles of Association, the nominating committee chooses a list of candidates for the office of trustee and officer. The officers of the Federation are the president, the first vice-president and the secretary-treasurer general. The Federation may have up to five further trustees, three elected trustees and up to two co-opted trustees chosen by the trustees at any time who will hold office until the next annual general meeting. The first three elected trustees were elected at the 2001 annual general meeting. One elected trustee must retire at each annual general meeting, the longest in office retiring first.

Continued/.....

WORLD FEDERATION OF NEUROLOGYREPORT OF THE TRUSTEES (Continued)**Reference and administrative details, trustees and advisers (Continued)**Directors and trustees (Continued)

The trustees who have served since 1 January 2010 are as follows:-

Dr. Vladimir Hachinski (President)
 Prof. Werner Hacke (First vice-president)
 Dr. Raad Shakir (Secretary-treasurer general)
 Univ. Prof. Dr. Wolfgang Grisold
 Dr. Ryuji Kaji
 Prof. Gustavo Román
 Dr. Donna Bergen (co-opted from 26 September 2010)
 Dr. Stephen Sergay (co-opted from 26 September 2010)

Executive Director

The day-to-day management of the Federation has been delegated to Mr. Keith Newton.

Membership

The membership of the Federation is formed by national neurological societies or equivalent bodies throughout the world. Such a body should have at least five active members in order to be eligible for full membership of the Federation.

Structure, governance and management

The trustees have control of the Federation and its property and funds, and are listed above. The trustees must hold at least four meetings each year. A quorum is three trustees.

The trustees may delegate any of their functions to other committees, including a finance committee, each of which comprises three or more individuals appointed by the trustees and at least one of whom shall be a trustee. All proceedings of the committees are reported to the trustees.

Because membership of the body of trustees and of all WFN committees is international, often making it difficult to arrange face-to-face meetings, extensive use is made, wherever possible, of telephone conference calls. The trustees hold these on a monthly basis. The major occasions when face-to-face meetings are possible and organized occur during major scientific conferences when many committee members register, at their own expense. Principally these are the annual meetings of the American Academy of Neurology (AAN) and the European Federation of Neurological Societies (EFNS).

Recruitment, appointment, induction and training of trustees

The nominating committee of the World Federation of Neurology consists of at least five (5) members, usually drawn from different countries. No trustee may serve on this committee and its proceedings and decision making processes are held in private to avoid any outside pressures and influences. It conducts its business by regular mail and other forms of communication (e-mail, fax etc) and it invites nominations for any officer or trustee posts that fall vacant from delegates, national societies, past and present trustees/officers and committee members. Requirements are that a nominee should be a member with a national and international reputation whose contributions to neurology and, as importantly, his or her commitment to the growth and development of the WFN have been substantial. Consideration is also given, in evaluating nominations, to geography and gender.

Continued....

WORLD FEDERATION OF NEUROLOGYREPORT OF THE TRUSTEES (Continued)**Structure, governance and management (Continued)**Recruitment, appointment, induction and training of trustees (Continued)

Name(s) of individual(s), together with confirmation of their willingness to stand for election, a brief CV and evidence of support from their national society, must be submitted to the secretary-treasurer general, c/o the London secretariat office. In a year when officer posts fall vacant, candidates for president and first vice-president are required to formulate a statement of their goals and objectives for the organization if elected, and these are published in the Federation's newsletter and on its website at least six months before the annual general meeting at which election takes place. The list of candidates agreed by the committee is also published in *World Neurology* and elsewhere as appropriate at least six months prior to the meeting of the council of delegates and further names may be added to it (subject to review by the committee) if submitted by five or more delegates at least 30 days prior to the council meeting.

The committee, on request, confidentially advises candidates who have not been shortlisted, and their proposers and immediate supporters, of the reasons for their omission. It is recognized that there may be nominees who fully meet the guidelines for selection mentioned above, but who, for a variety of administrative reasons, cannot be included on the published shortlist. Exclusion is in no way indicative of unsuitability and should not be regarded as such.

At the annual general meeting, the delegates of the member societies elect individuals from the list submitted by the nominating committee to fill any vacancies amongst the officers and the elected trustees owing to retirement or expiry of term of office. New trustees are made aware by the London office of the responsibilities attaching to the position of charity trustee by having their attention drawn to the comprehensive guidance available to them on the website of the UK Charity Commission.

Risk management

The trustees have conducted their own review of the major risks to which the Federation is exposed and systems have been established to manage those risks. There are no significant risks to the funding requirements of the Federation due to the unrestricted reserve built up in previous years. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality for all operational aspects of the Federation. The procedures are reviewed periodically to ensure that they still meet the needs of the Federation.

Objectives and activitiesObjects and principal activities

The objects of the Federation are to improve health worldwide by promoting prevention and the care of persons with disorders of the entire nervous system by:

- Fostering the best standards of neurological practice;
- Educating, in collaboration with neuroscience and other public and private organisations; and
- Facilitating research through its research groups and other means.

The income and property of the Federation are applied solely towards the promotion of its objects.

WORLD FEDERATION OF NEUROLOGYREPORT OF THE TRUSTEES (Continued)**Objectives and activities (Continued)**Aims and objectives

The World Federation of Neurology is the one organization that represents general neurological knowledge at a global level and that can lay claim to be the voice of international neurology. Its main aims in 2010 have been to integrate, prioritize, and help apply advances in combating brain diseases and the promotion of brain health worldwide. The guiding principle has been that the best time to plan change is during a time of stable evolution. Although its resources are relatively modest, the trustees have recognised that many opportunities exist for synergy - working with others, both individuals and organizations. They have therefore planned to focus on modest investment, high-yield activities and at every stage monitor their value and viability as well as question how they will be evaluated according to specific objectives and timescales and in accordance with overall WFN goals.

Activities

A planning and priority retreat was held in London in June 2010 to compile recommendations to be put to the WFN Council of Delegates' meeting during the EFNS congress in Geneva in September 2010. The opportunity was taken to reformulate the WFN's mission: "To foster quality neurology and brain health worldwide".

The organisation has embarked upon a thorough review of its publications and an upgrade of its website, with the intention of looking at ways of improving communications among members of its committees and task forces. A Website and Communications Task Force was established, chaired by first vice-president Prof. Werner Hacke (Germany), and with Prof. Wolfgang Grisold (Austria) and Prof. Jerome K. Engel (USA) as members. The new website is to be designed and managed by a professional company, and will be interactive, flexible, modular, and highly user-friendly and accessible.

An Evaluation and Accreditation Task Force has also been created. The intention is that the WFN's endorsement of a course or congress will mean that the activity in question is of high quality and is practicable.

The Applied Research Committee currently consists of representatives from 27 applied research groups, which vary widely in their activities. Some are very strong and active, others less so. Attempts are being made to improve communications between the groups.

Public benefit

In preparing this report the trustees have considered the Charity Commission's general guidance on public benefit. The WFN's avowed aim is to improve health worldwide by promoting education and research in neurology and the prevention and treatment of disorders of the nervous system. It seeks to do this in a number of ways: by organising congresses and symposia, promoting the highest standards of practice in neurology, encouraging professional interaction and dialogue, publishing and distributing information and journals, making travel grants available, and co-operating and liaising with regional groups, member societies and other bodies. The focus of all these varied activities is the patient, the member of the public.

Continued/.....

WORLD FEDERATION OF NEUROLOGYREPORT OF THE TRUSTEES (Continued)**Achievements and performance**

Another three new member societies joined the WFN during the course of the year: Ivory Coast, Palestine and Yemen. The Federation is now an organisation comprised of 113 professional associations and its influence continues to grow.

The Regional Director for Africa reports that the focus of the Africa Initiative continues to concentrate on educational courses and training across the continent with valuable support from other organisations, such as the European Federation of Neurological Societies (EFNS) and the International Brain Research Organization (IBRO). Former WFN President Johan Aarli, originator of the Africa programme, continues his involvement as advisor to the Initiative.

The Asia Initiative too is placing the emphasis on education in its programme, including a travelling fellowships scheme. The region has more than half of the world's population.

Financial reviewInvestment powers, policy and objectives

Under its Memorandum and Articles of Association, the Federation has the power to make any investment that it sees fit.

The WFN's financial status continues to be one of steady growth, with net assets of over £2.7 million at 31 December 2010. It is vital that the Federation spends wisely in pursuit of its stated charitable objectives, but also that steps are taken to secure the future of the organization.

Reserves policy and funding position

The Charity Commission for England and Wales takes the view that charities such as the Federation can maintain capital sums in reserve rather than spending income as it arises. The Federation has a source of income from the biennial World Congress. The other main sources of income, such as membership dues, royalty income and investment income, are received either monthly or annually.

Hitherto the Federation's policy has been to maintain reserves at around £1.4 million to cover a worst-case scenario of possible losses from two consecutive World Congresses. Fortunately that has not been the case and indeed unrestricted reserves have now accumulated to reach a level of just under £2.5 million, which will not only allow further expansion of the Federation's successful existing programmes, such as its Continuing Medical Education (CME) programme in developing nations, commensurate with its membership growth, but also permit the new administration to embark on other initiatives in line with its charitable objectives.

Financial activities and affairs

The hopes expressed in the 2009 report of the trustees for a successful financial outcome to the Bangkok World Congress were more than met when the Congress's audited accounts appeared and all expectations were exceeded. This will allow the Federation to embark on a period of planned expenditure on specific projects while remaining mindful of the need to safeguard the Federation's future financial health. As mentioned earlier in this report, the focus is on modest investment, high-yield activities which produce added value at low cost.

The office of the editor of the Federation's scientific journal, the *Journal of the Neurological Sciences*, continued to receive support throughout the year, with the publisher, Elsevier, also contributing.

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WORLD FEDERATION OF NEUROLOGYREPORT OF THE TRUSTEES (Continued)**Financial review (Continued)**Financial activities and affairs (Continued)

Junior Travelling Fellowships were again awarded to young neurologists from developing countries to enable them to attend major international conferences.

During the year the trustees appointed Mr Nick Millar, Managing Director of Ashburn Wealth Management Limited, Darlington, County Durham, as Independent Financial Advisor to the WFN. He attended meetings of the trustees and the Finance Committee in Geneva, and presented a summary of their responsibilities under charitable law etc.

The statement of financial activities on page 12 shows total incoming resources of £473,212 and net incoming resources of £82,579 in the year under review.

In the opinion of the trustees the overall state of affairs of the Federation is satisfactory and, in particular, the Federation's assets are available and adequate to fulfil its obligations.

Grants and donations

All of the Federation's resources are dedicated to the achievement of its objectives. There are occasions where it is appropriate for the Federation to make grants and to provide support to individuals and institutions towards the costs of activities and events undertaken for reasons complementary to the Federation's objectives. The trustees consider all grants and donations in detail prior to giving approval (or otherwise).

Plans for future periods

The implementation of some of the projects and programmes identified during the initial twelve months of the current administration will be the next challenge facing the WFN's trustees.

The strengthening of partnerships that have already been established will be important and opportunities to forge further alliances will be taken whenever they present themselves. Since the balance sheet date the WFN has convened a meeting of representatives from several other organisations: the European Brain Council, the International Brain Research Organization, the International Child Neurology Association, the World Federation for NeuroRehabilitation, the World Federation of Neurosurgical Societies, and the World Psychiatric Association all attended an inaugural session in Geneva and signed up to form a World Brain Alliance, while several other organisations that could not be present have now also joined the Alliance.

A draft document, prepared in the name of the World Brain Alliance, entitled "The Brain: A Key in the Fight Against Noncommunicable Diseases" was circulated to all participants at the first Global Ministerial Conference on Healthy Lifestyles and Noncommunicable Disease held in Moscow in April 2011. The objective is to have the brain and neurological care added to the United Nations' agenda and this joint statement sets out the case for inclusion.

Communication between the committees and task force members is to be enhanced by having conference calls set up through the WFN central office.

Dr Mohammad Wasay, as Chair of the Public Awareness and Action Committee, has plans for involving the media in neurological campaigns and has invited a former advertising executive to be part of the Publications Task Force.

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WORLD FEDERATION OF NEUROLOGYREPORT OF THE TRUSTEES (Continued)**Plans for future periods (Continued)**

The WFN is inviting applications for projects through the different committees and task forces.

The Membership Committee is re-evaluating the WFN's dues and voting structure. Societies vary widely in their numbers of members (and the amount they pay in dues), but each currently has the same single vote at meetings of the Council of Delegates (COD). A second task facing the Committee is to try to increase the number of member societies.

In the immediate future, the Africa Initiative plans to undertake the training of neurology residents from African countries at the University of Cairo.

The Latin America Initiative will help support the Pan American Congress of Neurology to be held in La Paz, Bolivia in March, 2012. The Initiative is also planning to contribute to the development of a new residency programme in Panama, similar to that developed in Honduras by Prof. Marco T. Medina with WFN support.

But the most exciting event will come towards the end of 2011, in November, when the WFN holds the first of its biennial world congresses, in Marrakesh, Morocco. It will also be the first time the congress will have taken place on the African continent and represents a new experience for everyone involved in its organisation.

Other mattersStatement of trustees' responsibilities

The trustees are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards applicable to smaller entities (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and the incoming resources and application of resources, including the income and expenditure, of the company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to the auditors

As far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware. All of the trustees have taken all steps that he ought to as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

WORLD FEDERATION OF NEUROLOGY

REPORT OF THE TRUSTEES (Continued)

Other matters (Continued)

Auditors

A resolution to re-appoint Griffin Stone Moscrop & Co., Chartered Accountants and Statutory Auditors, as auditors of the company will be proposed at the annual general meeting.

In preparing the above report the trustees have taken advantage of the provisions of the Companies Act 2006 applicable to companies subject to the small companies regime.

Approved by the trustees on 23 September 2011 and signed on their behalf by:-

A handwritten signature in black ink, appearing to read 'Dr. R. Shakir', written in a cursive style with a large initial 'D'.

DR. R. SHAKIR
TRUSTEE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE WORLD FEDERATION OF NEUROLOGY

We have audited the financial statements of the World Federation of Neurology for the year ended 31 December 2010 which comprise the summary income and expenditure account, the statement of financial activities, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the Federation's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Federation's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Federation and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities set out on page 7, the trustees (who are also the directors of the Federation for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Federation's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Federation's affairs as at 31 December 2010, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE WORLD FEDERATION OF NEUROLOGY (Continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the report of the trustees.



David Wells (Senior Statutory Auditor)
For and on behalf of Griffin Stone Moscrop and Co.
Chartered Accountants and Statutory Auditors

41 Welbeck Street
London W1G 8EA

3 October 2011

WORLD FEDERATION OF NEUROLOGY
SUMMARY INCOME AND EXPENDITURE ACCOUNT

<u>FOR THE YEAR ENDED:</u>	<u>31 DECEMBER 2010</u>	<u>2009</u>
	<u>Note</u>	
Income	1b)	
Total incoming resources, as shown in the statement of financial activities on page 12	473,212	983,334
<u>Deduct: Expenditure</u>	1c)	
Total resources expended, as shown in the statement of financial activities on page 12	390,633	347,616
	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/>	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/>
	82,579	635,718
Realised gain on disposal of investment assets	-	3,312
	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/>	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/>
Net income for the year	£ 82,579	639,030
	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/>	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/>

Continuing operations

None of the Federation's activities were acquired or discontinued during the above two financial years.

Total recognised gains and losses

Being a registered charity, any of the Federation's recognised gains or losses for the above two financial years not included in the summary income and expenditure account are shown in the statement of financial activities.

The attached notes form part of these accounts and should be read in conjunction therewith.

WORLD FEDERATION OF NEUROLOGYSTATEMENT OF FINANCIAL ACTIVITIES

	<u>FOR THE YEAR ENDED:</u>	<u>31 DECEMBER 2010</u>			<u>2009</u>	
		<u>Note</u>	<u>Unrestricted fund</u>	<u>Restricted funds</u>	<u>Total funds</u>	<u>Total funds</u>
Incoming resources		1b)				
Incoming resources from generated funds						
Voluntary income		2	1,200	-	1,200	1,102
Activities for generating funds		3	100,686	-	100,686	131,208
Investment income		4	35,224	3,934	39,158	53,721
Incoming resources from charitable activities		5	332,168	-	332,168	797,303
Other incoming resources						
Gain on exchange			-	-	-	-
Total incoming resources			469,278	3,934	473,212	983,334
<u>Deduct: Resources expended</u>		1c)				
Costs of generating funds		6	5,596	-	5,596	-
Costs of charitable activities		7	347,610	-	347,610	314,927
Governance costs		11	37,427	-	37,427	32,689
Total resources expended			390,633	-	390,633	347,616
Net incoming resources for the year before transfers			78,645	3,934	82,579	635,718
Transfers between funds		19	-	-	-	-
Net incoming resources for the year before other recognised gains and losses			78,645	3,934	82,579	635,718
Other recognised gains and losses						
Gains on investment assets						
Realised			-	-	-	3,312
Unrealised		20	1,588	-	1,588	-
Net movement in funds for the year			80,233	3,934	84,167	639,030
Funds, 31 December 2009, brought forward			2,377,770	265,564	2,643,334	2,004,304
Funds, 31 December 2010, carried forward			£ 2,458,003	269,498	2,727,501	2,643,334

The Federation's only unrestricted fund is its general fund.

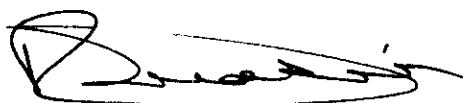
The attached notes form part of these financial statements and should be read in conjunction therewith.

WORLD FEDERATION OF NEUROLOGY

<u>BALANCE SHEET</u>		<u>31 DECEMBER 2010</u>	<u>2009</u>
	<u>Note</u>		
Fixed assets			
Tangible assets	13	2,370	2,790
Investments	14	751,588	-
		<u>753,958</u>	<u>2,790</u>
Current assets			
Stocks	1i)	1,117	1,117
Debtors	15	490,010	1,019,449
Investments	16	-	-
Cash at bank and in hand		1,604,346	1,754,468
		<u>2,095,473</u>	<u>2,775,034</u>
<u>Deduct: Creditors: amounts falling due within one year</u>	17	<u>120,793</u>	<u>131,078</u>
Net current assets		<u>1,974,680</u>	<u>2,643,956</u>
Total assets less current liabilities		<u>2,728,638</u>	<u>2,646,746</u>
<u>Deduct: Creditor: amounts falling due after more than one year</u>	18	<u>1,137</u>	<u>3,412</u>
Net assets		<u>£ 2,727,501</u>	<u>2,643,334</u>
Funds	19		
Unrestricted fund - General fund		2,458,003	2,377,770
Restricted funds		269,498	265,564
		<u>£ 2,727,501</u>	<u>2,643,334</u>

The trustees have taken advantage in the preparation of the financial statements of the provisions of the Companies Act 2006 applicable to companies subject to the small companies regime.

Approved and authorised for issue by the trustees on 23 September 2011 and signed on their behalf by:-



DR. R. SHAKIR
TRUSTEE

Company Registration Number: 03502244

The attached notes form part of these accounts and should be read in conjunction therewith.

WORLD FEDERATION OF NEUROLOGY

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of the investments, in accordance with the provisions of the Companies Act 2006, the Statement of Recommended Practice - Accounting and Reporting by Charities issued in March 2005 ("the SORP"), and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities) which have been applied consistently (except as otherwise stated). The summary income and expenditure account on page 11 is required under the provisions of the Companies Act 2006. The statement of financial activities on page 12 is a requirement of the SORP.

b) Income and incoming resources

Investment income is accounted for as received. The Federation's share of any surplus arising from a World Congress is estimated until final accounts of that Congress become available, at which time an adjustment is made for the difference between the Federation's estimated and actual share of the surplus. All other income, including membership dues, royalty income, grants and donations, is taken into account in the period to which it relates.

Where a donor specifies that a donation or grant given to the Federation is for a particular restricted purpose, or where funds have been raised for a particular restricted purpose, this income is included in the incoming resources of the appropriate restricted fund.

c) Expenditure and resources expended

All expenditure is taken into account on the accruals basis.

d) Donated goods

Donated goods, comprising journals given to the Federation by the publisher, are included in both incoming resources (see Note 2) and resources expended (see Note 9) at a value equivalent to the cost that would have been charged thereby.

e) Foreign currency

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the exchange rate in operation at the date of each transaction. Differences on exchange are included in the statement of financial activities as incoming resources or resources expended, as appropriate.

f) Lease commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Federation, are capitalised in the balance sheet at their fair values and are depreciated over the shorter of the primary lease periods and their estimated useful working lives. The capital elements of future obligations under leases are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged in the profit and loss account over the primary periods of the leases and represent a constant proportion of the balance of capital repayments outstanding. Rentals payable under operating leases are charged to the statement of financial activities in the period to which they relate.

g) Realised and unrealised gains and losses on current asset investments

All gains or losses on current asset investments are accounted for when identified.

h) Tangible fixed assets

Other than assets held under finance leases (see 1f) above), tangible fixed assets are included at cost. Depreciation is provided on these assets so as to write off the cost of each asset over its estimated useful working life at the rate of 20% per annum on the straight line basis.

WORLD FEDERATION OF NEUROLOGYNOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010 (Continued)1. Accounting policies (Continued)

i) Stocks

Stocks, comprising ties and scarves held for resale, are stated at the lower of cost and net realisable

j) Investments

Investments are included in current assets at their market values at the balance sheet date, any surplus or deficit on revaluation being included in net movement in funds in the statement of financial activities.

k) Expenses of trustees

Trustees are reimbursed necessarily-incurred expenses. These are included in the appropriate category of resources expended. Such expenses totalled £13,375 during the year ended 31 December 2010 (2009 - £26,381), relating to travel, accommodation, subsistence and office expenses, and were reimbursed to 6 (2009 - 3) of the trustees.

l) Taxation

As a registered charity the Federation is generally not liable to taxation on its surplus or capital gains. It is not, however, exempt from value added tax. Irrecoverable value added tax is included in the cost of those items to which it relates.

m) Restricted funds

The Federation has a number of restricted funds, each arising from specific restrictions placed by donors or from the raising of funds for particular restricted purposes. Further explanations of the nature of each fund are included in Note 19 to the financial statements.

	<u>Unrestricted</u> <u>fund</u>	<u>Restricted</u> <u>funds</u>	<u>2010</u> <u>Total</u>	<u>2009</u> <u>Total</u>
2. <u>Voluntary income</u>				
Donations	£ 1,200	-	1,200	1,102
Donations wholly comprise the value of journals given to the Federation.				
3. <u>Activities for generating funds</u>				
Membership dues	100,536	-	100,536	101,880
Affiliate and corporate membership	150	-	150	29,328
	£ 100,686	-	100,686	131,208
4. <u>Investment income</u>				
Bank and other interest received	£ 35,224	3,934	39,158	53,721
5. <u>Incoming resources from charitable activities</u>				
Royalties receivable	217,128	-	217,128	282,932
Share of surplus arising from the XIX World Congress of Neurology 2009, Thailand	115,040	-	115,040	514,371
	£ 332,168	-	332,168	797,303

WORLD FEDERATION OF NEUROLOGYNOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010 (Continued)

	<u>Unrestricted</u> <u>fund</u>	<u>Restricted</u> <u>funds</u>	<u>2010</u> <u>Total</u>	<u>2009</u> <u>Total</u>
6. <u>Costs of generating funds</u>				
Investment management costs	£ 5,596	-	5,596	-
7. <u>Costs of charitable activities</u>				
Grants payable in furtherance of the Federation's objects (see Note 8)	54,710	-	54,710	25,426
Costs of activities in furtherance of the Federation's objects (see Note 9)	96,680	-	96,680	103,084
Support costs (see Note 10)	196,220	-	196,220	186,417
	<u>£ 347,610</u>	<u>-</u>	<u>347,610</u>	<u>314,927</u>
8. <u>Grants payable in furtherance of the Federation's objects</u>				
Presentation awards	16,000	-	16,000	19,000
WFN medal awards	6,452	-	6,452	-
The Stroke Group - sponsorship of the Synergium Conference	32,258	-	32,258	-
Soriano Lectureship fund	-	-	-	3,213
Victor and Clara Soriano fund	-	-	-	3,213
	<u>£ 54,710</u>	<u>-</u>	<u>54,710</u>	<u>25,426</u>
<p>The presentation awards comprise 16 (2009 - 19) travel awards, all of which were paid to individuals to attend international conferences (2009 - the same).</p> <p>The WFN medal awards comprise 2 honoraria, both of which were paid to individuals, in recognition of service to international neurology and scientific achievement in neurology.</p>				
9. <u>Costs of activities in furtherance of the Federation's objects</u>				
Africa project costs	1,443	-	1,443	16,784
Publishing costs	12,077	-	12,077	15,511
Website and computer costs	1,038	-	1,038	1,898
Management committee				
COD and standing committees, including meetings and travel	82,122	-	82,122	68,891
	<u>£ 96,680</u>	<u>-</u>	<u>96,680</u>	<u>103,084</u>

COD and standing committees includes £1,200 (2009 - £1,102) relating to the cost of journals donated to the Federation.

WORLD FEDERATION OF NEUROLOGYNOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010 (Continued)

	<u>Unrestricted</u> <u>fund</u>	<u>Restricted</u> <u>funds</u>	<u>2010</u> <u>Total</u>	<u>2009</u> <u>Total</u>
10. <u>Support costs</u>				
Secretarial and office expenses	154,738	-	154,738	144,030
Plaques and medals	-	-	-	5,811
Insurance	1,798	-	1,798	1,777
Accountancy charges	1,921	-	1,921	1,713
Website and computer costs	692	-	692	1,265
Bank charges	701	-	701	1,447
Loss on exchange	34,121	-	34,121	27,740
Depreciation	1,198	-	1,198	1,668
Loss on disposal of tangible fixed asset	85	-	85	-
Finance lease charges	966	-	966	966
	<u>£ 196,220</u>	<u>-</u>	<u>196,220</u>	<u>186,417</u>

Secretarial and office expenses includes £31,951 (2009 - £30,779) in respect of operating leases for the use of office space.

11. Governance costs

President's expenses	21,004	-	21,004	10,118
Trustees' meeting and other expenses	9,213	-	9,213	15,638
Auditors' remuneration	7,210	-	7,210	6,933
	<u>£ 37,427</u>	<u>-</u>	<u>37,427</u>	<u>32,689</u>

12. a) Employees

	<u>2010</u>	<u>2009</u>
Staff costs during the year comprised:-		
Wages and salaries	100,000	93,600
Social security costs	11,338	10,286
	<u>£ 111,338</u>	<u>103,886</u>

The Federation had two full-time employees during the year (2009 - the same), both of whom were involved in administrative duties.

During the year ended 31 December 2010, one employee (2009 - the same) received emoluments in the £60,000 to £69,999 band.

b) Payments to trustees

No fee or remuneration was paid to any trustee (2009 - the same).

WORLD FEDERATION OF NEUROLOGY

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010 (Continued)

13. Tangible fixed assets

	<u>Fixtures, fittings and equipment</u>	<u>Motor vehicle (in Zambia)</u>	<u>Total</u>
Cost			
At 31 December 2009	6,005	2,257	8,262
Additions in the year	1,313	-	1,313
Disposals in the year	(890)	-	(890)
At 31 December 2010	<u>6,428</u>	<u>2,257</u>	<u>8,685</u>
Depreciation			
At 31 December 2009	3,215	2,257	5,472
Disposals in the year	(355)	-	(355)
Charge for the year	1,198	-	1,198
At 31 December 2010	<u>4,058</u>	<u>2,257</u>	<u>6,315</u>
Net book value, 31 December 2010	£ 2,370	-	2,370
Net book value, 31 December 2009	<u>£ 2,790</u>	<u>-</u>	<u>2,790</u>

The Federation's fixtures, fittings and equipment are used for management and administration purposes.

The net book value of fixtures, fittings and equipment above includes £790 (2009 - £1,361) in respect of an asset held under a finance lease. Depreciation charged in the year in respect of this asset amounted to £571 (2009 - the same).

14. Fixed asset investments

	<u>2010</u>	<u>2009</u>
Additions, at cost	750,000	
Increase arising on revaluation at 31 December 2010 (see Note 20)	1,588	-
Market value, 31 December 2010, carried forward	£ 751,588	-
Historical cost, 31 December 2010	<u>£ 750,000</u>	<u>-</u>

WORLD FEDERATION OF NEUROLOGYNOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010 (Continued)

<u>14. Fixed asset investments (Continued)</u>	<u>2010</u>	<u>2009</u>	
The market value of fixed asset investments comprises the following:-			
Investments listed on the London Stock Exchange			
Aviva Investors Investment Funds ICVC	International Index Tracking Fund Accumulation Shares (Retail)	31,421	-
Dimensional Funds ICVC	Emerging Markets Core Equity Fund Income Shares	31,477	-
Dimensional Funds ICVC	Global Short Bond Fund Income Shares	492,943	-
Dimensional Funds ICVC	International Value Fund Income Shares	26,211	-
Dimensional Funds ICVC	UK Smaller Companies Fund Income Shares	25,868	-
Dimensional Funds ICVC	UK Value Fund Income Shares	35,753	-
Legal & General All Stocks Index Linked Gilt Index Trust	Income Units	51,075	-
Legal & General UK Index Trust	'R' Income Units	40,894	-
	<hr/>	735,642	<hr/>
Investments listed on the Irish Stock Exchange			
Dimensional Funds Plc	European Small Companies Fund 'C' Income Shares	4,738	-
Dimensional Funds Plc	Pacific Basin Small Companies Fund 'C' Income Shares	4,828	-
Dimensional Funds Plc	US Small Companies Fund 'C' Income Shares	6,380	-
	<hr/>	15,946	<hr/>
	<hr/>	£ 751,588	<hr/>
<u>15. Debtors</u>	<u>2010</u>	<u>2009</u>	
Other debtors	250,211	207,928	
Prepayments and accrued income	239,799	811,521	
	<hr/>	490,010	<hr/>
	<hr/>	1,019,449	<hr/>
At 31 December 2009 other debtors included an interest-free loan of £45,000 to The Neurological Society of Thailand for the XIX World Congress of Neurology, held in Bangkok during 2009. This was repaid in full in March 2010.			
<u>16. Current asset investments</u>	<u>2010</u>	<u>2009</u>	
Market value, 31 December 2009, brought forward	-	156,688	
Disposals, at market value, 31 December 2009	-	(156,688)	
	<hr/>	<hr/>	
Market value, 31 December 2010	£ -	-	
	<hr/>	<hr/>	

WORLD FEDERATION OF NEUROLOGY

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010 (Continued)

<u>17. Creditors: amounts falling due within one year</u>	<u>2010</u>	<u>2009</u>
Amounts payable under finance lease (see Note 22)	2,274	2,274
Membership dues received in advance	-	963
Taxation and social security	3,360	-
Other creditors	106,939	111,979
Accruals	8,220	15,862
	<u>£ 120,793</u>	<u>131,078</u>

<u>18. Creditor: amounts falling due after more than one year</u>	<u>2010</u>	<u>2009</u>
Amounts payable under finance lease (see Note 22)	<u>£ 1,137</u>	<u>3,412</u>

<u>19. Funds</u>	<u>Unres- -tricted fund</u>	<u>Restricted funds</u>	<u>Total funds 2010</u>	<u>Total funds 2009</u>
Balances, 31 December 2009, brought forward	2,377,770	265,564	2,643,334	2,004,304
Incoming resources	469,278	3,934	473,212	983,334
Resources expended	(390,633)	-	(390,633)	(347,616)
Transfer between funds	-	-	-	-
Gains on investment assets	1,588	-	1,588	3,312
Balances, 31 December 2010, carried forward	<u>£ 2,458,003</u>	<u>269,498</u>	<u>2,727,501</u>	<u>2,643,334</u>

Restricted funds

	<u>Balances, 31.12.2009, brought forward</u>	<u>Incoming resources</u>	<u>Resources expended</u>	<u>Transfers between funds</u>	<u>Balances, 31.12.2010, carried forward</u>
Research Committee fund	30,867	457	-	-	31,324
Soriano Lectureship fund	12,487	185	-	-	12,672
Victor and Clara Soriano fund	182,953	2,710	-	-	185,663
World Neurology Newsletter fund	36,296	538	-	-	36,834
Continuing Medical Education (CME) fund	2,961	44	-	-	3,005
Total restricted funds	<u>£ 265,564</u>	<u>3,934</u>	<u>-</u>	<u>-</u>	<u>269,498</u>

WORLD FEDERATION OF NEUROLOGYNOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010 (Continued)19. Funds (Continued)

Analysis of net assets between funds	<u>Unres- -tricted fund</u>	<u>Restricted funds</u>	<u>Total funds 2010</u>
Tangible fixed assets	2,370	-	2,370
Investments	751,588	-	751,588
Stocks	1,117	-	1,117
Debtors	490,010	-	490,010
Cash at bank and in hand	1,334,848	269,498	1,604,346
Creditors: amounts falling due within one year	(120,793)	-	(120,793)
Creditor: amounts falling due after more than one year	(1,137)	-	(1,137)
	<u>£ 2,458,003</u>	<u>269,498</u>	<u>2,727,501</u>

Sufficient resources are held in appropriate forms to enable each fund to be applied in accordance with any restrictions.

The Research Committee fund

This is available to support the activities of the Research Committee and its constituent research groups.

The Soriano Lectureship fund

This represents gifts received from Victor and Clara Soriano in support of the Soriano Lecture, which takes place at the Fulton Symposium during each World Congress, held every two years, plus interest thereon and net of appropriate expenditure. The lecturer receives a bronze plaque and an honorarium of US\$5,000 plus business class airfare.

The Victor and Clara Soriano fund

This represents gifts received from Victor and Clara Soriano in support of the Victor and Clara Soriano Award Lecture, which also takes place during each World Congress, plus interest thereon and net of appropriate expenditure. The lecturer receives a bronze plaque and an honorarium of US\$5,000 plus business class airfare.

The World Neurology Newsletter fund

This represents a grant received to fund the production and distribution of the Federation's newsletter, net of appropriate expenditure.

The Continuing Medical Education (CME) fund

This comprises a number of separate funds each set up to receive income for, and to meet expenditure in respect of, continuing education in neurology in a particular part of the world.

WORLD FEDERATION OF NEUROLOGYNOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010 (Continued)

	<u>2010</u>	<u>2009</u>
20. <u>Reconciliation of movements in unrealised gains and losses on investment assets</u>		
Unrealised losses, 31 December 2009, brought forward	-	(8,638)
Unrealised losses brought forward realised during the year	-	8,638
Net unrealised gain arising on revaluation at 31 December 2010 (see Note 14)	1,588	-
	<hr/>	<hr/>
Unrealised gains, 31 December 2010, carried forward	£ 1,588	-
	<hr/> <hr/>	<hr/> <hr/>

21. Members' liability

The liability of the member societies is limited by guarantee up to a maximum of £1 per member society.

22. Obligations under leases

Amounts due under finance lease:

Amounts payable:

In one year or less	3,273	3,205
In more than one year but not more than two years	1,637	3,205
In more than two years but not more than five years	-	1,604
	<hr/>	<hr/>
	4,910	8,014
<u>Less: Finance charges allocated to future periods</u>	(1,499)	(2,328)
	<hr/>	<hr/>
	£ 3,411	5,686
	<hr/> <hr/>	<hr/> <hr/>

Finance lease obligations are analysed as follows:

Current obligations	2,274	2,274
Non-current obligations	1,137	3,412
	<hr/>	<hr/>
	£ 3,411	5,686
	<hr/> <hr/>	<hr/> <hr/>

At 31 December 2010 the Federation was committed to paying £32,630 (2009 - £21,300) during the year ending 31 December 2011 in respect of an operating lease for the use of office space, which expires within two to five years (2009 - within one year) of the balance sheet date.

23. Material incoming resources

The major sources of material incoming resources are corporations, organizations and individuals involved in, or with an active interest in, the medical profession.