

WORLD FEDERATION OF NEUROLOGY
(a company limited by guarantee and not having a share capital)

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

WORLD FEDERATION OF NEUROLOGY
(A company limited by guarantee)

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WORLD FEDERATION OF NEUROLOGY

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE FEDERATION, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2012**

Trustees and persons co-opted to the board

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 M.D.
Dr. Donna Bergen (co-opted)
Dr. Stephen Sergay (co-opted)

Company registered number

03502244

Charity registered number

1068673

Principal and registered office

1 Lyric Square
Hammersmith
London
W6 0NB

Company secretary

Dr. Raad Shakir

Independent auditors

Griffin Stone Moscrop & Co
Chartered Accountants
Statutory Auditors
21-27 Lamb's Conduit Street
London
WC1N 3GS

Bankers

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

Solicitors

Hunters
9 New Square
Lincolns Inn
London
WC2A 3QN

Independent financial adviser

Mr. Nick Millar
Ashburn Wealth Management Limited
84 Grange Road
Darlington
County Durham
DL1 5NP

WORLD FEDERATION OF NEUROLOGY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012

The trustees (who are also directors of the charity for the purposes of the Companies Act 2006) present their annual report together with the audited financial statements of the World Federation of Neurology ("the Federation" or "WFN") for the year ended 31 December 2012. The trustees confirm that the annual report and financial statements of the Federation comply with the current statutory requirements, the requirements of the Federation's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Federation was incorporated as a charitable company limited by guarantee and not having a share capital on 27 January 1998 and is a registered charity.

The Federation is governed by its Memorandum and Articles of Association.

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.

Directors and trustees

The directors of the charitable company are its trustees for the purpose of charity law and those persons co-opted to the board, 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.

Method of appointment of trustees

The nominating committee of the World Federation of Neurology consists of at least five 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.

Names of individuals, 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 (COD) 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

Method of appointment of trustees (continued)

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.

Policies adopted for the induction and training of trustees

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 Charity Commission.

Organisational structure and decision-making

The trustees have control of the Federation and its property and funds. 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 and the European Federation of Neurological Societies.

The day-to-day management of the Federation has been delegated to Mr. Keith Newton, the WFN's executive director.

Risk management

The trustees have assessed the major risks to which the Federation is exposed, in particular those related to the operations and finances of the Federation, and are satisfied that systems and procedures are in place to mitigate exposure to 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 ACTIVITIES

Objects

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 NEUROLOGY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

Aims and objectives

As the representative body of international neurology, the World Federation of Neurology has sought to create alliances for specific purposes with other neurological organisations on the premise that by broadening our approach and focusing our activities, we can have an impact greater than the sum of our individual efforts: together we can do more. As reported last year, the WFN formed the World Brain Alliance in Geneva with ten other organizations. It was founded on the basis that there is no health without brain health, that brain health and health begin with the mother's and the child's health and their education, and that our brains are our future.

Activities for achieving objectives

The Federation seeks to achieve its aims and objectives 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.

Public benefit

In setting objectives and planning for activities, and in preparing this report, the trustees have given due consideration to the Charity Commission's general guidance relating to 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. As noted above, it seeks to do this by undertaking a range of varied activities. The focus of all these activities is the patient, the member of the public.

Grant-making policy

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).

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the Federation has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

ACHIEVEMENTS AND PERFORMANCE

Review of activities

The activities of the WFN have increased considerably during the present administration and have therefore required enhanced infrastructure and support. At a meeting of the trustees in February 2012, it was decided that while there continues to be an advantage in keeping an office in London, this may need to be supplemented by hiring help from professional organizations for particular activities, such as enhanced technologies.

The World Brain Alliance ("the Alliance") has now participated in a high-level ministerial meeting sponsored by the WHO and the Russian Federation, a United Nations consultation, and the General Assembly deliberations that adopted a noncommunicable diseases political resolution. The Alliance continues with its aim of helping to implement these political resolutions, given that most brain diseases fall into the category of noncommunicable diseases. In May 2012, the Alliance also participated in the World Health Assembly in Geneva.

In the spirit of collaboration and partnership between subspecialty and related organizations, a Specialty Network has been organized by first vice-president, Werner Hacke, which held a very successful inaugural meeting at the time of the World Congress in Marrakesh. It is likely that some multidisciplinary-focused congresses will ensue as a result of this initiative.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

Review of activities (continued)

Three new vice-chairs were appointed to assist the chair of the Applied Research Committee. Some Applied Research Groups (ARGs) were disbanded or became inactive, but by the end of the year some 17 active ARGs remained and, as previously reported, a proposal to form a new group in Coma and Disorders of Consciousness, was received. The formation of a second new group on Outcomes Research was also proposed.

As anticipated in last year's report, the Federation's bi-monthly newsletter, *World Neurology*, ceased to appear in printed format during the course of 2012 and now appears purely as an electronic, on-line publication. It has both a new editor and a new publisher.

A new editor has also been appointed to the Federation's academic journal, the *Journal of the Neurological Sciences*.

As part of the World Federation of Neurology's Africa Initiative, the Turkish Neurological Society (TNS) has offered a one-month visiting programme for neurologists from African countries at Istanbul University Cerrahpasa School of Medicine and Hacettepe University School of Medicine in Ankara. Two candidates were selected from among 16 applicants from several African countries by an evaluation committee consisting of members of the WFN Education Committee and representatives of the TNS. Their visit was funded by a grant provided by the TNS.

Investment performance

The Federation's funds are treated as two portions with different aims, as detailed under the section below headed "Investment Policy and Objectives".

The short- to medium-term working capital is retained in bank deposit accounts and fixed-term bonds. Nominal capital values have been maintained and competitive interest added.

The longer-term reserve fund, to which £1,000,000 was assigned in 2010, is invested in a range of funds containing government bonds (gilts), high-quality corporate bonds, other fixed-interest securities and global equities. During 2012 growth in world stock markets and positive returns from gilt and bond markets have resulted in capital growth of around 7%. Additionally, over the period net income of around 1.5% was received from the investments. So a total return of around 8.5% was achieved during the year which was in line with market movements.

FINANCIAL REVIEW

The finances of the WFN remain healthy with net assets of almost £2.6 million at the end of 2012. The 2013 World Congress in Europe is expected to realise a surplus to allow the Federation to maintain its programme of grants and other educational activities, and hopefully increase them in due course. The organisation recognizes, however, that its charitable objectives are also served by promoting the development of neurology in regions of the world where there is the greatest need. This may be best achieved by taking the World Congress to locations less certain to guarantee a financial return and this must be taken into account.

Reserves policy and funding position

The Charity Commission 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 stand at over £2.4 million, which will not only allow further expansion of the Federation's successful existing programmes, such as its CME programme in developing nations, commensurate with its membership growth, but also permit the WFN administration to embark on other initiatives in line with its charitable objectives.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

Financial activities and affairs

For 2012 the Grants Committee was enlarged to include leaders of nine other brain-related organizations as potential funding partners: World Federation of Neurosurgical Societies (WFNS), International Child Neurology Association (ICNA), Multiple Sclerosis Research Australia (MSRA), European Federation of Neurological Societies (EFNS), International Brain Research Organization (IBRO), International League Against Epilepsy (ILAE), World Stroke Organization (WSO), American Academy of Neurology (AAN) and The *Movement Disorder Society* (MDS). Other than Junior Travelling Fellowships, 14 grants were awarded in 2012 totalling \$208k.

Efforts are being made to make the Federation's fundraising strategy more professional and to that end an 18-month contract was signed with Kenes International.

Junior Travelling Fellowships were awarded to 18 young neurologists from developing countries to allow them to attend major international conferences.

The statement of financial activities on page 11 shows total incoming resources of £430,727 and net resources expended of £219,756 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.

Investment policy and objectives

Under its Memorandum and Articles of Association, the Federation has the power to make any investment that it sees fit. The trustees, mindful of their charitable goals, are concerned to ensure they hold in balance the following objectives:

- To retain sufficient funds on short notice to cover administrative expenses, and fund capital projects;
- To generate an income from investments to increase reserves and support the Federation's work; and
- To seek capital appreciation to maintain the real (inflation-adjusted) value of assets over the longer term.

In this respect they look to hold a range of deposits and investments which are well-diversified and suitable. They appreciate the need for advice and, whilst not delegating discretionary investment management to their advisers, Ashburn Wealth Management, they ensure investments are reviewed regularly.

During 2010, the trustees believed it appropriate to set aside £1,000,000 which, whilst not restricted in its use, is regarded as a long-term reserve fund. This element is invested in a range of widely-diversified passive funds with the aim of achieving a long-term return in excess of inflation. Broadly, 60% is held in low-risk gilt and bond funds, with the remaining 40% in equity funds. It is understood this may result in volatility in the short term, but gives better prospects of long-term growth.

The remainder of the Federation's capital is to be held predominately in liquid bank deposits, fixed-term deposits, or other fixed-interest securities. Capital protection, allied with reliable and competitive interest, is the primary investment objective of this element.

PLANS FOR FUTURE PERIODS

The World Brain Alliance will be part of the European Year of the Brain 2014, which is being planned by the European Brain Council. The aim is to create an annual brain year (Europe in 2014, the Americas in 2015, and so on) on a rotational basis.

The price negotiations for the use of the congress centre in Chile for the World Congress in 2015 were successfully concluded and the delegates' decision to hold the meeting in the capital, Santiago, was confirmed. At the council meeting during the 2013 Vienna World Congress, delegates will have to choose the site of the 2017 meeting, to take place in the Asia-Oceania region. Three cities are bidding to host the 2017 Congress: Hong Kong, Kyoto, Japan and Seoul, South Korea.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

PLANS FOR FUTURE PERIODS (continued)

The Latin American Initiative has been formally established and has already resulted in the election of the WFN regional director by a democratic process, rather than by appointment as in the past. The regional director and his colleagues now have the responsibility of working towards the formation of a Latin American Federation of Neurological Societies. This potential federation has also invited Canada and the American Academy of Neurology to eventually join it, in which case it would become a Pan American Federation of Neurological Societies.

Through the Asian Initiative, there are hopes that neurology can be fostered in some of the less-developed parts of that huge region.

FUNDS HELD AS CUSTODIAN TRUSTEE

At 31 December 2012 the Federation held funds totalling £16,247 (2011 - £41,276) on behalf of the Migraine and Headache Research Group, an interest group affiliated to the Federation. This amount is included within creditors falling due within one year at the balance sheet date. Monies are passed on to the Group as requested.

MEMBER SOCIETIES' LIABILITY

The member societies of the Federation guarantee to contribute an amount not exceeding £1 per member society to the assets of the charity in the event of winding up.

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of World Federation of Neurology for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

WORLD FEDERATION OF NEUROLOGY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

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 this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the trustees on 6 September 2013 and signed on their behalf by:

.....
Dr. Raad Shakir

Secretary-treasurer general

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

We have audited the financial statements of World Federation of Neurology for the year ended 31 December 2012 set out on pages 11 to 27. 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 opinion we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the trustees' responsibilities statement, 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 trustees' report 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 2012 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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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 trustees' report.

David Wells (senior statutory auditor)

for and on behalf of

Griffin Stone Moscrop & Co

Chartered Accountants
Statutory Auditors

21-27 Lamb's Conduit Street
London
WC1N 3GS
13 September 2013

WORLD FEDERATION OF NEUROLOGY
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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2	-	1,396	1,396	952
Activities for generating funds	3	-	111,518	111,518	111,106
Investment income	4	5,505	53,652	59,157	54,711
Incoming resources from charitable activities	5	-	258,187	258,187	402,661
Other incoming resources	6	-	469	469	21,380
Total incoming resources		5,505	425,222	430,727	590,810
Resources expended					
Costs of generating funds:					
Investment management costs	7	-	7,573	7,573	8,911
Charitable activities:					
Cost of activities in furtherance of the Federation's objects	9	25,068	149,820	174,888	131,824
Grant funding of activities:					
Grants to individuals	10	-	16,095	16,095	30,622
Grants to institutions	11	-	129,411	129,411	119,692
Support costs	12	-	231,369	231,369	206,677
Governance costs	13	-	91,147	91,147	56,210
Total resources expended		25,068	625,415	650,483	553,936
Net (resources expended)/incoming resources before investment asset disposals		(19,563)	(200,193)	(219,756)	36,874
Gains on disposals of investment assets		-	825	825	2,712
Net (resources expended)/incoming resources before revaluations		(19,563)	(199,368)	(218,931)	39,586
Gains/(losses) on revaluations of investment assets	17	-	67,077	67,077	(21,542)
Net movement in funds for the year		(19,563)	(132,291)	(151,854)	18,044
Total funds at 1 January 2012		255,487	2,490,058	2,745,545	2,727,501
Total funds at 31 December 2012	20	235,924	2,357,767	2,593,691	2,745,545

The notes on pages 14 to 27 form part of these financial statements.

WORLD FEDERATION OF NEUROLOGY
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**SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Total income	5,505	425,222	430,727	590,810
Less: Total expenditure	25,068	625,415	650,483	553,936
Net (expenditure)/income for the year before investment asset disposals	(19,563)	(200,193)	(219,756)	36,874
Gains on disposal of investment assets	-	825	825	2,712
Net (expenditure)/income for the year	(19,563)	(199,368)	(218,931)	39,586

The notes on pages 14 to 27 form part of these financial statements.

WORLD FEDERATION OF NEUROLOGY

(A company limited by guarantee)

REGISTERED NUMBER: 03502244

**BALANCE SHEET
AS AT 31 DECEMBER 2012**

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	16		1,826		1,445
Investments	17		1,053,159		985,257
			<u>1,054,985</u>		<u>986,702</u>
Current assets					
Stocks		1,117		1,117	
Debtors	18	335,106		436,720	
Cash at bank and in hand		1,316,430		1,462,656	
		<u>1,652,653</u>		<u>1,900,493</u>	
Creditors: amounts falling due within one year	19		<u>(113,947)</u>		<u>(141,650)</u>
Net current assets			<u>1,538,706</u>		<u>1,758,843</u>
Net assets			<u>2,593,691</u>		<u>2,745,545</u>
Charity funds					
Restricted funds	20		235,924		255,487
Unrestricted funds	20		2,357,767		2,490,058
Total funds			<u>2,593,691</u>		<u>2,745,545</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the trustees on 6 September 2013 and signed on their behalf, by:

.....
Dr. Raad Shakir

Secretary-treasurer general

The notes on pages 14 to 27 form part of these financial statements.

WORLD FEDERATION OF NEUROLOGY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

The statement of financial activities on page 11 is a requirement of the SORP. The summary income and expenditure account on page 12 is required under the provisions of the Companies Act 2006.

1.2 Company status

The Federation is a company limited by guarantee. The members of the company are the member societies. In the event of the Federation being wound up, the liability in respect of the guarantee is limited to £1 per member society.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Federation and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Federation for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in Note 20 to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 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 incoming resources, including membership dues, royalty income, grants and donations, are included in the statement of financial activities when the Federation is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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.

1.5 Donated goods

Donated goods, comprising journals given to the Federation by a 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

1. Accounting policies (continued)

1.6 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities.

Support costs are those costs incurred directly in support of expenditure on the objects of the Federation. Governance costs are those incurred in connection with administration of the Federation and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.7 Tangible fixed assets and depreciation

Other than assets held under finance leases (see Note 1.9), tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	-	20% straight line
Fixtures, fittings and equipment	-	20% straight line

1.8 Investments

Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

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

1.9 Leasing

Assets obtained under finance leases are capitalised at their fair values as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Federation. Obligations under such agreements are included in creditors net of the finance charges allocated to future periods. The finance element of each rental payment is charged to the statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.10 Operating leases

Rentals under operating leases are charged to the statement of financial activities in the period to which they relate.

1.11 Stocks

Stocks, comprising ties and scarves held for resale, are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs.

1.12 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of each transaction.

Exchange gains and losses are recognised in the statement of financial activities as incoming resources or resources expended, as appropriate.

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**NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.13 Expenses of trustees

Trustees are reimbursed necessarily-incurred expenses. These are included in the appropriate category of resources expended or prepayments. Such reimbursements, relating to travel, accommodation, subsistence and office expenses, totalled £50,223 during the year ended 31 December 2012 (2011 - £25,138) and were made to 8 (2011 - 8) of the trustees and persons co-opted to the board. A further £3,303 was reimbursed to one of those trustees via their place of employment.

In addition, a travel grant of £1,000 was paid to an individual via one of the trustees.

1.14 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.

2. Voluntary income

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Donations	-	1,396	1,396	952

Donations wholly comprise the value of journals given to the Federation.

3. Activities for generating funds

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
National membership dues	-	111,368	111,368	110,213
Affiliate and corporate membership dues	-	150	150	893
	-	111,518	111,518	111,106

4. Investment income

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Income from listed investments	1,602	15,614	17,216	15,131
Bank and other interest	3,903	38,038	41,941	39,580
	5,505	53,652	59,157	54,711

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Incoming resources from charitable activities

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Share of surplus from the XX World Congress of Neurology	-	13,785	13,785	151,182
Royalties receivable	-	244,402	244,402	251,479
	-	258,187	258,187	402,661
	-	258,187	258,187	402,661

Share of surplus from the XX World Congress of Neurology is recognised in accordance with Note 1.4 and includes £4,595 (2011 - £50,394) relating to the Federation's designated fund, the Africa Initiative fund.

6. Other incoming resources

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Other incoming resources	-	469	469	21,380
	-	469	469	21,380
	-	469	469	21,380

In 2011 other incoming resources represented full and final settlement of legal action that the Federation was considering bringing against Dr. Julien Bogousslavsky, a former trustee, regarding funds misappropriated in 2003.

7. Investment management costs

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Commission and independent financial adviser's fees and expenses	-	7,573	7,573	8,911
	-	7,573	7,573	8,911
	-	7,573	7,573	8,911

8. Analysis of resources expended on charitable activities

	Activities undertaken directly (Note 9) 2012 £	Grant funding of activities (Notes 10,11) 2012 £	Support costs (Note 12) 2012 £	Total 2012 £	Total 2011 £
Charitable activities	174,888	145,506	231,369	551,763	488,815
	174,888	145,506	231,369	551,763	488,815
	174,888	145,506	231,369	551,763	488,815

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

9. Cost of activities in furtherance of the Federation's objects

	Total 2012 £	Total 2011 £
Africa Project costs	12,281	8,843
Publishing costs	47,450	25,144
Website and computer costs	10,798	11,936
COD and standing committees (including meetings and travel)	73,918	85,901
Research groups	30,441	-
	174,888	131,824
	174,888	131,824

Publishing costs includes £25,068 (2011 - £13,033) relating to the Federation's restricted funds.
COD and standing committees includes £1,396 (2011 - £952) relating to the cost of journals donated to the Federation.

10. Grants to individuals

	Number	Total 2012 £	Number	Total 2011 £
Charitable activities	13	16,095	22	30,622
	13	16,095	22	30,622
	13	16,095	22	30,622

Name of grant	Number	Total 2012 £	Number	Total 2011 £
Junior Travelling Fellowships (JTFs)	18	18,000	18	18,000
Adjustment to prior years' JTFs	(5)	(5,000)	-	-
WFN medal awards	-	-	2	6,238
Visiting professor award	1	3,095	-	-
	14	16,095	20	24,238
	14	16,095	20	24,238
Soriano Lecture award	-	-	1	3,123
Victor and Clara Soriano award	-	-	1	3,261
	-	-	2	6,384
	-	-	2	6,384
Total grants to individuals	14	16,095	22	30,622
	14	16,095	22	30,622

Junior Travelling Fellowships comprise travel grants to enable attendance at international conferences.

WFN medal awards comprise honoraria awarded in recognition of service to international neurology and scientific achievement in neurology.

The visiting professor award comprises a grant to cover travel, accommodation and subsistence.

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NOTES TO THE FINANCIAL STATEMENTS
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11. Grants to institutions

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Charitable activities	-	129,411	129,411	119,692
			2012	2011
Name of institution	Grant description		£	£
University of Illinois	Stroke survey		13,056	12,786
The Movement Disorder Society	Program for unserved countries in Africa		3,530	-
WHO	Revision of ICD-10		31,920	31,229
National Hospital Abuja	Neuroimaging training in West Africa		14,667	-
Grigioni Foundation for Parkinson's Disease	Neurology training for non-neurologists in Ghana		6,355	-
Northumbria Healthcare NHS Foundation Trust	Parkinson's disease nurse specialist course for East Africa		6,871	-
Wake Forest School of Medicine	International maternal newborn stroke registry		6,354	-
Norfolk and Norwich University Hospital NHS Trust	Neurology teaching in Zimbabwe		9,246	-
International League Against Epilepsy	Development of mobile clinic for neurological care in Haiti		10,944	-
Taiwan Neurological Society	Education grant for Asian neurology		8,099	7,966
Children's Hospital, Boston	Blaze EEG: a web-based EEG platform		7,542	-
University of Cape Town	Training and retraining child neurologists		9,403	9,369
WFN Pan American Association	Meeting facilitation costs		1,424	-
International Child Neurology Association	Children with epilepsy		-	12,492
Neurological and Psychiatric Society of Zambia	Bringing EMG/NCV to Zambia		-	10,174
The University of Edinburgh	Cognitive clinics worldwide		-	21,993
The Aga Khan University, Pakistan	Neurology training in Afghanistan		-	6,121
Michigan State University	Paediatric neurology elect training		-	5,621
Dr. B. Scherokman	Neurology training for non-neurologists		-	1,941
			129,411	119,692

The grant to Dr. Scherokman is not for the benefit of the recipient and so is not classified as a grant to an individual.

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NOTES TO THE FINANCIAL STATEMENTS
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12. Support costs

	Total	Total
	2012	2011
	£	£
Website and computer costs	7,199	10,433
Secretarial and office expenses	28,562	31,586
Plaques and medals	-	4,249
Insurance	1,317	2,914
Bank charges	1,417	1,190
Loss/(profit) on exchange	22,696	(2,756)
Finance lease charges	751	1,035
Office rent	38,985	34,315
Accountancy charges	4,440	2,003
Wages and salaries	111,510	108,000
National insurance	13,351	12,783
Depreciation	1,141	925
	231,369	206,677
	231,369	206,677

Office rent is incurred under operating leases for the use of office space.

13. Governance costs

	Restricted	Unrestricted	Total	Total
	funds	funds	funds	funds
	2012	2012	2012	2011
	£	£	£	£
President's expenses	-	47,059	47,059	16,606
Trustees' meeting and other expenses	-	36,288	36,288	32,104
Auditors' remuneration	-	7,800	7,800	7,500
	-	91,147	91,147	56,210
	-	91,147	91,147	56,210

14. Net incoming resources

These are stated after charging:

	2012	2011
	£	£
Depreciation of tangible fixed assets:		
- owned by the Federation	790	486
- held under finance lease	351	439
Auditors' remuneration	7,800	7,500
	7,800	7,500
	7,800	7,500

During the year, no trustees received any remuneration (2011 - the same).

During the year, no trustees received any benefits in kind (2011 - the same).

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NOTES TO THE FINANCIAL STATEMENTS
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15. Staff costs and other information

Staff costs were as follows:

	2012	2011
	£	£
Wages and salaries	111,510	108,000
Social security costs	13,351	12,783
	<hr/> 124,861 <hr/>	<hr/> 120,783 <hr/>

The average monthly number of employees during the year was as follows:

	2012	2011
	No.	No.
Administrative staff (full-time)	2	2
	<hr/> 2 <hr/>	<hr/> 2 <hr/>

The number of higher paid employees was:

	2012	2011
	No.	No.
In the band £60,001 - £70,000	0	1
In the band £70,001 - £80,000	1	0
	<hr/> 1 <hr/>	<hr/> 1 <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

16. Tangible fixed assets

	Motor vehicle (in Zambia) £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 January 2012	2,257	6,428	8,685
Additions	-	1,522	1,522
Disposals	-	(2,462)	(2,462)
	<u>2,257</u>	<u>5,488</u>	<u>7,745</u>
At 31 December 2012	<u>2,257</u>	<u>5,488</u>	<u>7,745</u>
Depreciation			
At 1 January 2012	2,257	4,983	7,240
Charge for the year	-	1,141	1,141
On disposals	-	(2,462)	(2,462)
	<u>2,257</u>	<u>3,662</u>	<u>5,919</u>
At 31 December 2012	<u>2,257</u>	<u>3,662</u>	<u>5,919</u>
Net book value			
At 31 December 2012	<u>-</u>	<u>1,826</u>	<u>1,826</u>
At 31 December 2011	<u>-</u>	<u>1,445</u>	<u>1,445</u>

The net book value of an asset held under a finance lease, included above, is as follows:

	31 December 2012 £	31 December 2011 £
Fixtures, fittings and equipment	<u>-</u>	<u>351</u>

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

17. Fixed asset investments

	Listed securities £
Market value	
At 1 January 2012	985,257
Additions, at cost	482,894
Disposals, at market value, 1 January 2012	(482,069)
Revaluation at 31 December 2012 (see Note 22)	67,077
	<u>1,053,159</u>
At 31 December 2012	<u>1,053,159</u>
Historical cost	<u>1,011,625</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Fixed asset investments (continued)

Investments at market value comprise:

	UK £	Overseas £	2012 £	2011 £
Listed investments	<u>1,018,244</u>	<u>34,915</u>	<u>1,053,159</u>	<u>985,257</u>
			31 December 2012 £	31 December 2011 £
Aviva Investors Investment Funds ICVC				
- International Index Tracking Fund Accumulation Shares (Retail)			66,723	60,944
Dimensional Funds ICVC				
- Emerging Markets Core Equity Fund Income Shares			64,337	58,108
Dimensional Funds ICVC				
- Global Short Bond Fund Income Shares			498,672	482,069
Dimensional Funds ICVC				
- International Value Fund Income Shares			52,361	48,366
Dimensional Funds ICVC				
- UK Smaller Companies Fund Income Shares			59,520	46,827
Dimensional Funds ICVC - UK Value Fund Income Shares			79,931	67,556
Legal & General All Stocks Index Linked Gilt Index Trust				
- Income Units			104,886	105,761
Legal & General UK Index Trust - 'R' Income Units			91,813	84,315
Dimensional Funds Plc				
- European Small Companies Fund 'C' Income Shares			8,552	7,201
Dimensional Funds Plc				
- Global Small Companies Fund GBP Income Shares			4,776	4,298
Dimensional Funds Plc				
- Pacific Basin Small Companies Fund 'C' Income Shares			8,423	8,083
Dimensional Funds Plc				
- US Small Companies Fund 'C' Income Shares			13,165	11,729
			<u>1,053,159</u>	<u>985,257</u>

18. Debtors

			2012 £	2011 £
Other debtors			25,648	10,763
Prepayments and accrued income			309,458	425,957
			<u>335,106</u>	<u>436,720</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

19. Creditors:
Amounts falling due within one year

	2012 £	2011 £
Net obligations under finance leases	-	1,136
Other creditors	93,127	131,934
Accruals and deferred income	20,820	8,580
	113,947	141,650
	113,947	141,650

20. Statement of funds

	Brought forward £	Incoming resources £	Resources expended £	Gains/ (losses) £	Carried forward £
Designated fund					
Africa Initiative fund	50,394	5,681	-	-	56,075
	50,394	5,681	-	-	56,075
General funds					
General fund	2,439,664	419,541	(625,415)	67,902	2,301,692
Total unrestricted funds	2,490,058	425,222	(625,415)	67,902	2,357,767
	2,490,058	425,222	(625,415)	67,902	2,357,767
Restricted funds					
Research Committee fund	31,953	688	-	-	32,641
Soriano Lectureship fund	9,803	212	-	-	10,015
Victor and Clara Soriano fund	186,126	4,010	-	-	190,136
World Neurology Newsletter fund	24,540	528	(25,068)	-	-
Continuing Medical Education (CME) fund	3,065	67	-	-	3,132
	255,487	5,505	(25,068)	-	235,924
Total funds	2,745,545	430,727	(650,483)	67,902	2,593,691
	2,745,545	430,727	(650,483)	67,902	2,593,691

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

20. Statement of funds (continued)

Africa Initiative fund

This represents 20% of the net surplus (amounting to one third of the Federation's share) from the XX World Congress of Neurology, held in November 2011 in Marrakesh, Morocco, less qualifying expenditure. The trustees took the decision to designate this amount for the benefit of neurology in Africa.

Research Committee fund

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

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.

Victor and Clara Soriano fund

This represents gifts received from Victor and Clara Soriano in support of the Victor and Clara Soriano 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.

World Neurology Newsletter fund

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

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.

Summary of funds

	Brought forward £	Incoming resources £	Resources expended £	Gains/ (losses) £	Carried forward £
Designated fund	50,394	5,681	-	-	56,075
General fund	2,439,664	419,541	(625,415)	67,902	2,301,692
	<u>2,490,058</u>	<u>425,222</u>	<u>(625,415)</u>	<u>67,902</u>	<u>2,357,767</u>
Restricted funds	255,487	5,505	(25,068)	-	235,924
	<u>2,745,545</u>	<u>430,727</u>	<u>(650,483)</u>	<u>67,902</u>	<u>2,593,691</u>

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NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of net assets between funds

	Restricted funds	Unrestricted funds	Total funds	Total funds
	2012	2012	2012	2011
	£	£	£	£
Tangible fixed assets	-	1,826	1,826	1,445
Fixed asset investments	-	1,053,159	1,053,159	985,257
Current assets	235,924	1,416,729	1,652,653	1,900,493
Creditors due within one year	-	(113,947)	(113,947)	(141,650)
	<u>235,924</u>	<u>2,357,767</u>	<u>2,593,691</u>	<u>2,745,545</u>

22. Reconciliation of movements in unrealised gains and losses on investment assets

	2012	2011
	£	£
Unrealised (losses)/gains at 1 January 2012	(19,896)	1,588
Net unrealised (gains)/losses brought forward realised during the year	(5,647)	58
Unrealised gains/(losses) on revaluation at 31 December 2012 (see Note 17)	67,077	(21,542)
Unrealised gains/(losses) at 31 December 2012	<u>41,534</u>	<u>(19,896)</u>

23. Grant commitments

	Total 2012 US\$	Total 2011 US\$
At 31 December 2012 the Federation had commitments as follows:		
Commitments (in US\$) in respect of grants approved for projects which have not been accrued in the financial statements but will form part of grants in 2013, subject to the fulfilment of conditions	<u>-</u>	<u>88,220</u>

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NOTES TO THE FINANCIAL STATEMENTS
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24. Operating lease commitments

At 31 December 2012 the Federation had annual commitments under non-cancellable operating leases as follows:

	2012	Office space
	£	2011
		£
Expiry date:		
Within 1 year	24,000	-
Between 2 and 5 years	-	32,630
	<u> </u>	<u> </u>

Although the Federation had the above commitment at the balance sheet date, during 2013 the landlord gave notice that the lease was to be terminated and so only part of the above amount was actually paid.

25. 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.