

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 2016

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 2016

Trustees and persons co-opted to the board

Prof. Raad Shakir, (UK) President
Prof. William Carroll, (Australia) First vice-president
Prof. Dr. Wolfgang Grisold, (Austria) Secretary general
Dr. Richard Stark, (Australia) Treasurer
Prof. Amadou Gallo Diop, (Senegal)
Prof. Riadh Gouider, (Tunisia)
Prof. Morris Freedman, (Canada)
Prof. Steven Lewis M.D., (USA) (co-opted)

Company registered number

03502244

Charity registered number

1068673

Principal and registered office

Chester House Fulham Green
81-83 Fulham High Street
London
SW6 3JA

Company secretary

Prof. Dr. Wolfgang Grisold

Management Director

Laura Druce

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
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

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 2016. The trustees confirm that the annual report and the 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), applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Since the Federation qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

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, the secretary general and the treasurer. 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 general, c/o the London headquarters office. In a year when officer posts fall vacant, candidates for president, first vice-president, secretary general and treasurer are required to formulate a statement of their goals and objectives for the organisation 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 the WFN website 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

Method of appointment of trustees (continued)

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 recognised 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.

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 and electronic conference calls. The trustees hold these on a monthly basis. The major occasions when face-to-face meetings are possible and organised occur during major scientific conferences when many committee members register, at their own expense. Principally these are the annual meetings of regional or specialist societies meetings such as the American Academy of Neurology and the European Academy of Neurology.

The day-to-day management of the Federation has been delegated to the WFN central office in London.

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 brain 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

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.

The World Federation of Neurology's foremost principle, driving its policy throughout this administration, will be one of global involvement through regional empowerment. This will mean widespread consultation on such matters as nominations for all WFN committees and participation by a large number of stakeholders in the implementation of the administration's policy.

Closer collaboration with the WHO is crucial for the future of neurology and this is a major objective, which is pursued vigorously.

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, establishing training centres in low and low-middle income countries, providing research grants through its grants committee 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.

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 trustees decided in 2015 to reappoint Kenes International as the Federation's core PCO (professional congress organiser) for one Congress only (Kyoto 2017). Bids were solicited for a full three congresses PCO appointment to commence Dubai 2019 were advertised. Following interviews with 3 bidders, Kenes International was appointed as core PCO.

The relationship with Elsevier international publishers of JNS and eNS continued as agreed previously.

The annual Council of Delegates (COD) was held on 12th September 2016 during the International epilepsy congress in Prague. A new trustee, Prof Steven Lewis from Chicago, USA was elected to replace the vacancy created by Prof Gallo Diop from Senegal at the end of his term. The WFN trustees decided to invite Prof. Gallo Diop from Senegal, chairman of the Africa Initiative, to act as a co-opted trustee. This ensures that all educational activities in Africa are represented and coordinated at trustee's level.

The World Congress in Santiago 2015 was a financial success as well. The total revenue received was €2,508,241 and the total expenses were €1,996,038 with a total profit of €512,203 (60% of which is allocated to the WFN). The balance due to WFN net of expenses came to €267,696.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

Review of activities (continued)

As the congress was held in a Latin American country with a burgeoning regional organisation (PAFNS) the WFN prior to the Congress had agreed to allocate US \$25,000 to be used as seed money for establishing PAFNS. The WFN would like to recognise the hard work of the Chilean Neurological Society and would also like to thank Kenes, the PCO, for their efforts. On the 29 October 2016 the first PAFNS congress was held in Cancun, Mexico. This is another milestone in the evolution of Neurology across continents. The Trustees are gratified that success of the world congress in Latin America has led to the formation of a unified and strong regional organisation. The seed funding provided by the WFN was well spent. The WFN is grateful to the AAN for their financial support to PAFNS with a grant of US \$10,000.

The Public Awareness and Action Committee celebrated the third World Brain Day (WBD) on 22 July 2016. The theme was "brain health in an ageing population". There shall be two billion people above the age of 60 years by 2050. Older people are expected to exceed the number of children by 2047. Staying active was the theme and the majority of those individuals will be living in low income economies adding to the pressures on healthcare for all.

Media reports and activities in a large number of national societies were carried out. Many newspaper items and electronic postings were made through social media. This annual activity will continue in years to come.

The WFN is delighted and wholly supportive of the declaration of the World health assembly on Dementia.

The Website Committee decided to offer three different social media services via Facebook, LinkedIn and Twitter. WFN's Facebook page had acquired 5,932 followers. The WFN LinkedIn group had recruited 2,025 members. Finally, by the end of the year, WFN had registered 2077 Twitter followers.

The Membership Committee proposed to the COD three new member societies Mauritania, Togo and Nepal, only Mauritania was accepted and the other 2 societies were advised to complete their application forms.

The COD dealt with a long standing issue of two societies in Guatemala. After full discussions on the societies which have not been able to reconcile their differences, it was decided to have one officially accepted society which is the Asociacion Guatemalteca de Neurologia.

The Applied Research groups committee continued with its activities and held its annual meeting in Santiago 2015 where 4 new applied research groups were added: Neuro - infectious diseases, Tropical Neurology, Migrant Neurology and neuro – Oncology. In 2016 a process of restructuring of the ARG was initiated, which will be finalized at the Kyoto meeting in 2017 and new chairs will be appointed. Some of the ARGs have been organising successful meetings and congresses.

The collaboration with the World Health Organization has matured and is progressing well. The ICD11 process is being finalised, and is delayed until 2018. The joint linearization on Morbidity and Mortality statistics (JLMMS) version will be published in 2017. This is the common version, which will be used across the world. The specialty Neurology version will be produced in the following year. The issue of including cerebral vascular disease under Neurology chapter was intensely discussed culminating in a face to face meeting with the WHO statistics department on the 21 December 2016. The matter shall be finalised in the spring of 2017.

The WFN and the WHO are also collaborating in the production of the successful Neurology Atlas, second edition, as the first edition is now 12 years old. This process involves gathering information from Ministries of Health and all WFN member societies so that the data are verified and are useful tools for all. Dr Tarun Dua of the WHO at the WCN2015 Santiago presented a draft version.

The education committee is actively promoting travel grants (JTF), the use of continuum with the AAN, and has created Teaching centres, to empower regional education and teaching.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

Review of activities (continued)

Their goal is to provide high-quality fellowship training centres to fulfil educational needs in specific regions of the world. In addition to the accreditation of Rabat (2013), Cairo (2015), Dakar will start the WFN training in 2017. The WFN is planning to accredit further centres in Africa in the future.

In addition to the WFN's efforts in Africa, the WFN has also accredited a teaching centre in Mexico, serving for Meso and South American countries. This Training centre will become operational in 2017.

The WFN continues to support short term training for young African Neurologists termed "department visit". The WFN advertises these visits among member states. Several countries as Turkey, Austria, Germany, Norway and soon Italy participated in Europe for African visitors.

For Meso and South America, the first department visit took place in Canada. In the future also Mexico will participate in the department visits.

The WFN actively participated in the formation of the African Academy of Neurology (AFAN). In the meeting of 27 African in Dakar, the AFAN was established and its bye laws approved in 2015. The president of the WFN, Dr Shakir attended the inauguration and the WFN provided a sum of £25,000 which was taken from the designated fund held by the WFN for Africa which originated from the profits of the WCN in Morocco.

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.

Cash has been managed carefully with an eye to liquidity needs, currencies of income and expected expenditure. At the year-end £500,000 of the circa £950,000 of cash was held in fixed term deposits attracting competitive interest rates. Liquid cash was held predominately in Sterling, along with smaller Dollar and Euro accounts.

The longer-term reserve fund, to which £1 million was assigned in 2010 and a further £500,000 added in 2014, is invested in a range of funds containing government bonds (gilts), high-quality corporate bonds, other fixed-interest securities and global equities. Whilst access to this fund is vital, and a conservative risk profile is to be maintained, the trustees' objective is to generate higher medium-term returns than those available from cash deposits in the current low-interest rate environment.

This fund, which had grown to over £1.9m at the accounting date, has been invested in line with the agreed conservative asset split of 60% in bonds, fixed-interest securities and gilts, and 40% in global equities. This equated to bond holdings of around £1.1m, which in combination with significant cash deposits, gave the Federation a secure and accessible capital base fulfilling the twin roles of income production to support future projects and maintaining reserves in case of a downturn in congress income in the future.

The £830,000 or so in equity funds provides dividend income, but is held predominantly in the hope that it will produce inflation-beating capital growth to support the Federation's work in the longer term.

Totals returns in the year of around 11.7% on the long term portfolio consisted of dividend income and interest of around 1.7% and from capital growth of around 10%.

The growth which was predominately in the second half of the year was driven significantly by the Brexit effect. The initial driver for growth was the drop in the sterling. As the Federations funds are priced in sterling the value of all overseas equity holdings was boosted immediately. Secondly, shares in UK companies, trading around the world saw a considerable uplift in price, as they became appealingly good value, relative to seemingly more expensive Dollar denominated shares.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

Investment performance (continued)

Additionally, strong growth in equity markets around the world boosted returns further still. Overall equity funds saw returns of 20% plus in the year, whilst the very cautious bond funds remained broadly stable in capital terms and gave modest income returns of around 1.5% as we'd expect in a low interest rate global environment.

Pay policy for senior staff

Staff salaries are reviewed annually by the board of trustees and agreed.

FINANCIAL REVIEW

The finances of the WFN remain healthy with net assets of just under £3.0m at the end of 2016. The 2015 World Congress in Chile realised a surplus, this was unplanned but obviously welcome. This would allow the Federation to maintain its programme of grants and other educational activities, and hopefully increase them in due course. As anticipated, part of this carried forward surplus was used during 2016 as the Federation continued its charitable works.

Financial activities and affairs

For 2016 the Grants Committee continued its work and the total of 4 grants were approved. This work involved partnering other relating organisations, such as the ILAE.

Junior Travelling Fellowships, of up to £1,000 each, were again awarded in 2016 to 28 young neurologists to enable them to attend international conferences.

The statement of financial activities on page 12 shows total incoming resources of £526,096 and net resources expended of £541,687 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 Limited, they ensure investments are reviewed regularly.

During 2010, the trustees believed it appropriate to set aside £1 million 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.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

PLANS FOR FUTURE PERIODS

The Education Committee is working on a proposal to develop a worldwide Neurology training curriculum, which may be of benefit not only to the WFN Teaching Centres but also to any other neurology training programme, and can also be a useful tool for the development of neurological programs in low income countries.

The major plan for education and training is to consolidate and expand the training centres beyond Africa. The centre for Latin America is agreed to be in Mexico city in addition to the four centres in Africa, namely Rabat and Dakar (francophone) and Cairo and presumably Capetown (Anglophone).

Initial agreement with the Indian Academy of Neurology is progressing for a centre to recruit trainees from South east Asia. Discussions for co-funding from major national neurological societies has been preliminary agreed so that the cost can be spread for the benefit of the training programmes.

There is initial agreement on introducing the CME program to China. From 2015 the Chinese post-graduate neurology program is changing to a nationwide training curriculum to replace the current one, which is hospital/university-based with varied curricula and outcomes. The matter is awaiting the final approval of the Chinese Medical Association. The WFN has offered to help in every way possible in this massive endeavour across China. The offer includes CME training program appraisal as well as course evaluations and, if needed, accreditation.

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

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.

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.

This report was approved by the trustees on 22 August 2017 and signed on their behalf by:

.....
Prof. Raad Shakir

President

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 2016 set out on pages 12 to 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 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; 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, based on the work undertaken in the course of the audit, the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

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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

In the light of our knowledge and understanding of the charitable Federation and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

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 take advantage of the small companies' exemption from the requirement to prepare a strategic report.

David Wells FCA (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
Date:

WORLD FEDERATION OF NEUROLOGY

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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:					
Donations and legacies	2	15,399	2,091	17,490	2,124
Other trading activities	3,4	-	132,793	132,793	124,743
Investments	5	3,417	37,893	41,310	36,054
Charitable activities	6	-	334,503	334,503	483,501
Total income		18,816	507,280	526,096	646,422
Expenditure on:					
Raising funds	4,7	-	11,387	11,387	11,095
Charitable activities	8,13	-	530,300	530,300	671,315
Total expenditure		-	541,687	541,687	682,410
Net income / (expenditure) before investment gains/(losses)		18,816	(34,407)	(15,591)	(35,988)
Net (losses)/gains on investments	17	-	177,750	177,750	(14,860)
Net income / (expenditure) before transfers		18,816	143,343	162,159	(50,848)
Transfers between Funds	20	12,160	(12,160)	-	-
Net income / (expenditure) before other recognised gains and losses		30,976	131,183	162,159	(50,848)
Net movement in funds		30,976	131,183	162,159	(50,848)
Reconciliation of funds:					
Total funds brought forward	23	233,333	2,587,690	2,821,023	2,871,871
Total funds carried forward		264,309	2,718,873	2,983,182	2,821,023

All activities relate to continuing operations.

The notes on pages 15 to 30 form part of these financial statements.

WORLD FEDERATION OF NEUROLOGY

(A company limited by guarantee)

REGISTERED NUMBER: 03502244

**BALANCE SHEET
AS AT 31 DECEMBER 2016**

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	16		3,467		5,069
Investments	17		1,910,039		1,704,463
			<u>1,913,506</u>		<u>1,709,532</u>
Current assets					
Stocks		1,031		1,031	
Debtors	18	1,045,579		554,849	
Cash at bank and in hand		150,751		712,028	
			<u>1,197,361</u>	<u>1,267,908</u>	
Creditors: amounts falling due within one year	19	(127,685)		<u>(156,417)</u>	
Net current assets			<u>1,069,676</u>		<u>1,111,491</u>
Net assets			<u>2,983,182</u>		<u>2,821,023</u>
Charity funds					
Restricted funds	20		264,309		233,333
Unrestricted funds	20		2,718,873		2,587,690
Total funds			<u>2,983,182</u>		<u>2,821,023</u>

The financial statements were approved by the trustees on 22 August 2017 and signed on their behalf, by:

.....
Prof. Raad Shakir

President

The notes on pages 15 to 30 form part of these financial statements.

WORLD FEDERATION OF NEUROLOGY
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**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash used in operating activities	23	<u>(574,761)</u>	<u>(229,749)</u>
Cash flows from investing activities:			
Dividends and interest from investments		41,310	36,053
Purchase of tangible fixed assets		-	(3,221)
Proceeds from sale of investments		69,119	10,000
Purchase of investments		<u>(96,945)</u>	<u>(32,983)</u>
Net cash provided by investing activities		<u>13,484</u>	<u>9,849</u>
Change in cash and cash equivalents in the year		(561,277)	(219,900)
Cash and cash equivalents brought forward		<u>712,028</u>	<u>931,928</u>
Cash and cash equivalents carried forward	24	<u><u>150,751</u></u>	<u><u>712,028</u></u>

WORLD FEDERATION OF NEUROLOGY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

World Federation of Neurology meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

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 the notes to the financial statements.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting Policies (continued)

1.4 Income

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, grant and donations are recognised once the Federation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably

For legacies, entitlement is taken as the earlier of the date on which either: the Federation is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Federation has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Federation, or the Federation is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. 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:

Fixtures, fittings and equipment - 20% straight line

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting Policies (continued)

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the statement of financial activities incorporating income and expenditure account.

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

1.9 Operating leases

Rentals under operating leases are charged to the statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.10 Stocks

Stocks 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 and an appropriate proportion of fixed and variable overheads.

1.11 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 the transaction.

Exchange gains and losses are recognised in the statement of financial activities incorporating income and expenditure account.

1.12 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Federation; this is normally upon notification of the interest paid or payable by the Bank.

1.13 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.14 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting Policies (continued)

1.15 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Federation anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

1.16 Financial instruments

The Federation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.17 Pensions

The Federation contributes to personal pension plans for each of its employees. The pension cost to the Federation is charged to the statement of financial activities on the basis of a constant percentage of the employee earnings.

1.18 Expenses of trustees

Trustees are reimbursed necessarily-incurred expenses, either by reimbursement or by direct payment to a third party. These are included in the appropriate category of resources expended or prepayments. Such reimbursements, relating to travel, accommodation, subsistence and office expenses, totalled £50,159 during the year ended 31 December 2016 (2015 - £38,152) and were made to 8 (2015 - 6) of the trustees and persons co-opted to the board.

1.19 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.

1.20 Redundancy payments

Redundancy payments are approved by the board of trustees and are recognised in the period to which they relate.

2. Income from donations and legacies

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	15,399	2,091	17,490	2,124

In 2015, of the total income from donations and legacies, £2,124 was to unrestricted funds and £ NIL was to restricted funds

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

3. Income from other trading activities

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
National membership dues	-	132,793	132,793	124,726
	-	132,793	132,793	124,726

In 2015, of the total income from other trading activities, £124,726 was to unrestricted funds and £ NIL was to restricted funds.

4. Trading activities

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Charity trading income				
Revenue from sale of ties	-	-	-	17
Fundraising trading expenses				
Cost of ties sold	-	-	-	2
Net income from trading activities	-	-	-	15

5. Investment income

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from listed investments	2,709	30,039	32,748	29,676
Bank and other interest	708	7,854	8,562	6,378
	3,417	37,893	41,310	36,054

In 2015, of the total investment income, £33,082 was to unrestricted funds and £2,972 was to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. Income from charitable activities

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Share of surplus from the XXII World Congress of Neurology	-	-	-	224,412
Share of surplus from ICNMD conference	-	21,608	21,608	-
Royalties receivable	-	312,895	312,895	259,089
	<u>-</u>	<u>334,503</u>	<u>334,503</u>	<u>483,501</u>

In 2015, of the total income from charitable activities, £483,501 was to unrestricted funds and £ NIL was to restricted funds.

Share of surplus from the XXI World Congress of Neurology is recognised in accordance with Note 1.4.

7. Investment management costs

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Commission and independent financial adviser's fees and expenses	-	11,387	11,387	11,093

8. Analysis of resources expended by activities

	Activities undertaken directly (Note 9) 2016 £	Grant funding of activities (Note 10,11) 2016 £	Support costs (Note 12) 2016 £	Total 2016 £	Total 2015 £
Charitable activities	172,258	23,443	281,054	476,755	625,933

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

	Total 2016 £	Total 2015 £
Africa Project costs	-	7,729
Publishing costs	53,347	47,802
Website and computer costs	23,684	12,697
COD and standing committees (including meetings, travel and CME costs)	86,774	107,954
WCN presidential reception	-	12,003
Regional initiatives	8,453	41,275
	<u>172,258</u>	<u>229,460</u>

COD and standing committees includes £1,644 (2015 - £1,450) relating to the cost of journals donated to the Federation.

10. Grant to individuals

Name of grant	Number	Total 2016 £	Number	Total 2015 £
Junior Travelling Fellowships (JTFs)	28	29,000	12	12,043
WFN medal awards	-	-	2	6,068
Zika working group	1	24,319	-	-
	<u>29</u>	<u>53,319</u>	<u>14</u>	<u>18,111</u>
Total unrestricted grants				
	-	-	1	3,010
Soriano Lecture award	-	-	1	3,373
Victor and Clara Soriano award	-	-	2	6,383
	<u>-</u>	<u>-</u>	<u>2</u>	<u>6,383</u>
Total restricted grants				
	<u>29</u>	<u>53,319</u>	<u>16</u>	<u>24,494</u>
Total grants to individuals				

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. Grant to institutions

Name of institution	Grant description	2016 £	2015 £
Dayanand Medical College, Punjab	Impact of epilepsy on arranged marriages in South Asia	7,756	5,019
Indian Academy of Neurology Institute of Human Behaviour and Allied Sciences, India	Training accredited social health activist to assist in stroke prevention in rural communities	6,080	-
	Returned unexpended grant	(6,590)	-
	Research on Assessments of Vitamin B12 and evaluation of neurological symptoms in Zambia	9,912	-
Michigan State University University of Nairobi	Returned unexpended grant	(31,496)	-
Other grants written off	Previous grants awarded not to be paid	(15,538)	-
Columbia University Medical Center, New York	Neurorehabilitation in paediatric survivors of cerebral malaria in Malawi	-	10,318
Kazakh National Medical University, Almaty	Neurology programme in Kazakhstan	-	2,404
Moroccan Foundation Against Neurological Diseases	Prevalence of major neurological disorders in Morocco	-	4,486
National Institute of Mental Health and Neurosciences, Bangalore	Establishing headache services in Bangalore	-	10,119
	Translation and adaptation of a neuropsychological battery in Arabic language and normalization in the Moroccan population	-	16,865
The Moroccan Society of Neurology	International course of neuroepidemiology	-	3,373
University of Bari Aldo Moro, Italy	Diagnosis and management of dementia across the world (with focus on Africa and Latin America)	-	10,119
University of Edinburgh, Scotland	Peripheral neuropathy in HAART-naïve patients	-	8,737
University Hospital Fann, Dakar		-	
		(29,876)	71,440

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

12. Support costs

	Total 2016 £	Total 2015 £
Website and computer costs	16,258	9,030
Secretarial and office expenses	30,486	21,762
Plaques and medals	-	4,139
Insurance	1,204	1,185
Bank charges	3,352	3,462
(Gain)/Loss on exchange	(16,244)	31,161
Office rent and services	45,695	53,437
Accountancy charges	2,554	3,870
WFN history book costs	-	3
PR and advertising	9,660	4,553
Wages and salaries	160,811	135,544
National insurance	11,852	14,132
Pension costs	13,823	16,908
Depreciation	1,603	1,353
	281,054	300,539

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

13. Governance costs

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Governance Auditors' remuneration	-	3,386	3,386	7,230
Trustees' meeting and other expenses	-	45,351	45,351	23,408
President's expenses	-	4,808	4,808	14,744
	-	53,545	53,545	45,382

14. Net incoming resources

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the Federation	1,602	1,353
Auditors' remuneration - audit	3,386	7,230
Pension costs	13,823	16,908

During the year, no trustees received any remuneration (2015 - the same).

During the year, no trustees received any benefits in kind (2015 - the same).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

15. Staff costs and other information

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	160,811	135,544
Social security costs	11,852	14,132
Pension costs	13,823	16,908
	<hr/> 186,486 <hr/>	<hr/> 166,584 <hr/>

The average number of persons employed by the Federation during the year was as follows:

	2016	2015
	No.	No.
Administrative staff (full-time)	3	3

The number of higher paid employees was:

	2016	2015
	No.	No.
In the band £70,001 - £80,000	0	1

During the year one member of key management personnel received redundancy payments of £35,433 (2015 - £nil).

During the year, contributions made by the Federation to the personal pension plans of higher paid employees totalled £6,625 (2015 - £10,587).

The key management personnel of the Federation comprise the Executive Director and Management Director. The total employee benefits of these 2 (2015 – 2) key management personnel were £157,655 (2015: £152,109), including employer national insurance and pension contribution costs.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

16. Tangible fixed assets

	Fixtures, fittings and equipment £
Cost	
At 1 January 2016 and 31 December 2016	11,979
Depreciation	
At 1 January 2016	6,910
Charge for the year	1,602
At 31 December 2016	8,512
Net book value	
At 31 December 2016	3,467
At 31 December 2015	5,069

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 2016	1,704,463
Additions at cost	96,945
Disposals at market value, 1 January 2016	(61,820)
Revaluations at 31 December 2016	170,451
At 31 December 2016	1,910,039
Historical cost	1,664,703

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

17. Fixed asset investments (continued)

Investments at market value comprise:

	2016 £	2015 £
Listed investments	1,910,039	1,704,463

All the fixed asset investments are held in the UK

Material investments

	31 December 2016 £	31 December 2015 £
Dimensional Funds ICVC		
- Emerging Markets Core Equity Fund Income Shares	121,001	90,875
Dimensional Funds ICVC		
- Emerging Markets Core Equity Fund Accumulation Shares	-	6,911
Dimensional Funds ICVC		
- Global Short Bond Fund Income Shares	476,915	453,852
Dimensional Funds ICVC		
- UK Smaller Companies Fund Income Shares	91,342	85,523
Dimensional Funds ICVC - UK Value Fund Income Shares	141,010	97,279
Legal & General All Stocks Index Linked Gilt Index Trust		
- Income Units	121,744	102,568
Legal & General UK Index Trust - 'I' Income Units	152,775	126,652
Dimensional Funds Plc		
- Global Short Term Investment Grade Fixed GBP Income Shares	475,791	453,380
Dimensional Funds Plc		
- Global Sustainable Core Equity GBP Income Shares	271,166	245,232
Dimensional Funds Plc		
- Global Targeted Value Income Shares	58,295	42,191
	1,910,039	1,704,463

18. Debtors

	2016 £	2015 £
Other debtors	850,897	231,873
Prepayments and accrued income	194,682	322,976
	1,045,579	554,849

As at 31 December 2016, £837,770 (2015 - £231,873) of other debtors is represented by uninvested cash or cash held in short term fixed interest deposits held by the charity's investment managers.

WORLD FEDERATION OF NEUROLOGY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

19. Creditors: Amounts falling due within one year

	2016 £	2015 £
Other taxation and social security	2,434	5,052
Other creditors	88,085	93,387
Accruals and deferred income	37,166	57,978
	<u>127,685</u>	<u>156,417</u>

20. Statement of funds

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains £	Carried forward £
Designated funds						
Africa Initiative fund	33,499	479	-	-	-	33,978
Prof. Theodore Munsat fund	2,209	490	-	-	-	2,699
	<u>35,708</u>	<u>969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,677</u>
General funds						
General fund	2,551,982	506,311	(541,687)	(12,160)	177,750	2,682,196
Total unrestricted funds	<u>2,587,690</u>	<u>507,280</u>	<u>(541,687)</u>	<u>(12,160)</u>	<u>177,750</u>	<u>2,718,873</u>
Restricted funds						
Research Committee fund	34,070	499	-	-	-	34,569
Soriano Lectureship fund	4,172	61	-	-	-	4,233
Victor and Clara Soriano fund	191,821	2,809	-	-	-	194,630
Continuing Medical Education (CME) fund	3,270	48	-	-	-	3,318
Latin America Initiative fund	-	15,399	-	12,160	-	27,559
	<u>233,333</u>	<u>18,816</u>	<u>-</u>	<u>12,160</u>	<u>-</u>	<u>264,309</u>
Total funds	<u>2,821,023</u>	<u>526,096</u>	<u>(541,687)</u>	<u>-</u>	<u>177,750</u>	<u>2,983,182</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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.

Prof. Theodore Munsat fund

This represents donations received in memory of Prof. Theodore Munsat. A decision in relation to the use of these funds is yet to be taken.

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.

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.

Latin American Initiative fund

Represents seed money held for the Pan-American Federation until they establish its legal status. The transfer in of £12,160 from unrestricted funds was approved by the trustees during the year.

Summary of funds

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains £	Carried forward £
Designated funds	35,708	969	-	-	-	36,677
General fund	2,551,982	506,311	(541,687)	(12,160)	177,750	2,682,196
	2,587,690	507,280	(541,687)	(12,160)	177,750	2,718,873
Restricted funds	233,333	18,816	-	12,160	-	264,309
	2,821,023	526,096	(541,687)	-	177,750	2,983,182

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

21. Analysis of net assets between funds

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	3,467	3,467	5,069
Fixed asset investments	-	1,910,039	1,910,039	1,704,463
Current assets	264,309	933,052	1,197,361	1,267,907
Creditors due within one year	-	(127,685)	(127,685)	(156,416)
	<u>264,309</u>	<u>2,718,873</u>	<u>2,983,182</u>	<u>2,821,023</u>

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

	2016 £	2015 £
Unrealised gains at 1 January 2016	76,987	94,094
Net unrealised gains brought forward realised during the year	(2,101)	(2,121)
Unrealised (losses)/gains on revaluation at 31 December 2016 (see Note 17)	170,451	(14,986)
Unrealised gains at 31 December 2016	<u>245,337</u>	<u>76,987</u>

23. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net income/(expenditure) for the year (as per Statement of financial activities)	162,159	(50,848)
Adjustment for:		
Depreciation charges	1,602	1,353
(Gains)/losses on investments	(177,750)	14,860
Dividends and interest from investments	(41,310)	(36,053)
Decrease in stocks	-	2
Increase in debtors	(490,730)	(203,863)
(Decrease)/increase in creditors	(28,732)	44,800
Net cash used in operating activities	<u>(574,761)</u>	<u>(229,749)</u>

24. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	150,751	712,028
Total	<u>150,751</u>	<u>712,028</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

25. Pension commitments

Included within Accruals and deferred income (please see Note 20 Creditors: Amounts falling due within one year) is £Nil (2015 - £1,650) relating to pension contributions payable into defined contribution schemes as at 31 December 2016.

26. Operating lease commitments

At 31 December 2016 the total of the charity's future minimum lease payments under non-cancellable operating leases was:

	2016	2015
	£	£
Amounts payable:		
Within 1 year	23,480	22,151

Lease payments recognised as an expense in the SOFA total £38,922 (2015 - £26,377).

27. Material incoming resources

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