Vision
To accelerate the pace of understanding disorders of brain development and to implement solutions that improve the lives of affected children and families.

Mission
Through our multidisciplinary collaborative network, NeuroDevNet supports transformative research; provides training opportunities to build the next generation of Canadian researchers; empowers communities with the right tools and information; and translates research findings into early diagnostic, preventative, and therapeutic strategies for children with neurological disorders to live healthier lives.

Objectives

Capacity Building
Train the next generation of experts in brain development disorders.

Research
Support and conduct multidisciplinary research excellence.

Knowledge Transfer
Raise awareness of brain development disorders and disseminate research findings to help with care delivery and policy decisions.

Business Development
Translate research findings into diagnostic, preventative, and therapeutic applications.

Support
NeuroDevNet is made possible by the Networks of Centres of Excellence, a program of the federal government to advance science and technology.

NeuroDevNet proudly acknowledges host support from The University of British Columbia and the Child & Family Research Institute.
Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Message from the Scientific Director</td>
<td>3</td>
</tr>
<tr>
<td>Message from the Chair</td>
<td>4</td>
</tr>
<tr>
<td>Message from the Executive Director</td>
<td>4</td>
</tr>
<tr>
<td>Research - Demonstration Projects</td>
<td>5</td>
</tr>
<tr>
<td>Research - Core Projects</td>
<td>9</td>
</tr>
<tr>
<td>Year in Review</td>
<td>11</td>
</tr>
<tr>
<td>Financial Statements</td>
<td>14</td>
</tr>
<tr>
<td>Partners</td>
<td>19</td>
</tr>
<tr>
<td>Corporate Information</td>
<td>20</td>
</tr>
</tbody>
</table>

**NeuroDevNet**
The University of British Columbia  
Child & Family Research Institute  
950 West 28th Avenue  
Vancouver, BC V5Z 4H4  
www.neurodevnet.ca  
604-875-2424 ext.5436  

**Design**  
basic elements design  

**Photos**  
Lumeo Photography
CHILDREN’S BRAINS ADAPT RAPIDLY to new environments. But brain development begins long before birth, where genes and environment profoundly affect behaviour, language, reasoning, and motor skills. As a new Network of Centres of Excellence (NCE), NeuroDevNet is the first Canada-wide initiative to study children’s brain development from both basic and clinical perspectives. We are passionate about improving children’s lives and giving families hope.

Our successful application to the NCE would not have been possible without the large commitment of time and energy from each of the project and cores leaders that participated in the application. In addition, we received invaluable support from the staff and researchers at the Centre for Molecular Medicine and Therapeutics and the Child & Family Research Institute at the University of British Columbia. We must also thank the small, but excellent, panel of experts who presented our proposal to the NCE reverse site visit team in Ottawa, and left a strong impression of the need for our work. A special note of thanks to Sam Weiss who accompanied us on this visit and agreed to serve as the head of our internationally constituted Scientific Advisory Board. We would like to thank Michael Fehlings for agreeing to serve as Associate Scientific Director, and for his support in the application development phase. We would also like to extend our great appreciation to Bernie Bressler, our inaugural Board Chair, who was actively involved in developing the NeuroDevNet vision, recruited colleagues to the board, and ensured that NeuroDevNet would fulfill its obligations to the NCE.

Before we find solutions, we must start with science. Through our scientific program, we bring together researchers with passion and expertise in brain development, to develop preventative and therapeutic measures for children with neurodevelopmental disorders. Initially, our research will focus on three demonstration projects and three core areas. Our three demonstration projects each examine one developmental disorder: autism spectrum disorder, cerebral palsy, and fetal alcohol spectrum disorder. Project researchers include experts in brain imaging, the interaction of genetics and the environment, and modeling neurodevelopmental disorders. Three cores support these research areas. Leaders in knowledge translation, neuroethics, and neuroinformatics not only pursue their own research, but also provide support in their core area to the demonstration projects.

In the first five years, we aim to make major discoveries of genes that are causally involved in brain dysfunction. This report covers NeuroDevNet’s first four months of operation, from December 2009 to March 31, 2010. Although we are just at our inception, we have high hopes to accelerate our understanding of neurological disorders, and to help children with neurological disorders live healthier lives.

Daniel Goldowitz
Scientific Director, NeuroDevNet
MESSAGE FROM THE Chair

The NeuroDevNet Network of Centres of Excellence integrates two research areas: children and neuroscience. NeuroDevNet is the first Canadian national initiative that brings together an outstanding network of researchers to explore the development and function of the brain. Clinicians, patients and their families, industry, and not-for-profit groups have come together to provide support for this important research program. The ultimate goal will be the development of more effective diagnoses of early alterations in brain function and the discovery of new therapies.

We have assembled an outstanding team, from across Canada and internationally, to help realize our vision. Our international Scientific Advisory Board provided critical support for our application, and will continue to provide guidance and their expertise to our researchers. We have also appointed a qualified and passionate Board of Directors to provide their support and guidance. Our administrative team, led by our Executive Director, Nicola Lewis, has extensive experience in the health sector. Join us to share our passion for helping children overcome neurodevelopmental disorders.

Bernie Bressler  
Chair, Board of Directors, NeuroDevNet

MESSAGE FROM THE Executive Director

From the moment NeuroDevNet was chosen as a new NCE, we have been working to establish the centre and operations. Already, research collaborations are underway, and new partnerships and projects are germinating. An initial activity undertaken was to create our brand. Through a series of sessions, a visual identity was established and our mission and vision was articulated. Strategic planning is underway to help us realize our goals.

The early months at NeuroDevNet have been busy, building operational infrastructure, occupying office space, acquiring office equipment, and setting up the information systems necessary to effectively operate. Working with the Neuroinformatics core, internal communications platforms have been built to help coordinate information and share ideas.

Planning the inaugural Brain Conference, with the support of an Advisory Committee, began. Speakers were invited, and a date and venue were selected within the first three months of operation.

In the years to come, NeuroDevNet will become a robust network of investigators, not-for-profit groups, clinicians, patients, and families, working together to find solutions for neurodevelopmental disorders. I am proud to be a part of this exciting project, and I look forward to working with our growing network on shared goals.

Nicola Lewis  
Executive Director, NeuroDevNet
EURODEVNET’S initial research focuses on three developmental disorders: autism spectrum disorder, cerebral palsy, and fetal alcohol spectrum disorder.

Three demonstration projects each examine one developmental disorder, and three core areas collectively support these research themes. NeuroDevNet’s research aims to accelerate our understanding of brain development disorders to find solutions for affected children and families.
DEMONSTRATION PROJECT

Autism Spectrum Disorders (ASD)

The autism spectrum disorders (ASD), characterized by social and communication challenges and a pattern of repetitive behaviours and interests, are lifelong neurological conditions that profoundly affect development and life experience. At an estimated prevalence of 1 in 110, the ASDs are among the most common developmental disorders. The immense emotional and financial pressures ASD exerts on families and other caregivers, as well as the often-reduced quality of life associated with the disorder, makes a strong case for concentrated, multidisciplinary efforts aimed at improving outcomes and understanding causes.

Our project aims to characterize the genetic basis of neurobiological vulnerability to ASD, to better understand variation in brain and behavioural development in affected individuals. State-of-the-art ‘deep sequencing’ techniques will be used to identify specific ASD-associated variants across the genome. The effects of these variants on brain development and connectivity will be assessed in neuroimaging studies of children with ASD. We will also examine the clinical utility of these variants in predicting ASD diagnosis, developmental course, and long-term outcomes in persons with ASD, taking advantage of rich longitudinal data from ongoing clinical studies. We also anticipate that identifying ASD susceptibility genes will help pinpoint molecular pathways for the development of biologically-based therapeutics.

The NeuroDevNet ASD project has benefited from progress achieved during the period of December 2009 to March 31, 2010. Ongoing gene discovery and subsequent investigation aimed at understanding the full clinical expression of genetic variants associated with ASD1, as well as recent multi-year renewal of federal funding for our longitudinal studies, provides a very strong foundation for our NeuroDevNet research.

We are committed to working with key stakeholders (including persons with ASD and parents, clinicians, health and policy decision-makers, and industry partners) to ensure that these discoveries are meaningful to families and society as a whole, so that we can optimally capitalize on new genomic advances and deliver them to the broader community in the most effective way. Stakeholder workshops and other ongoing communication strategies will be aimed at sustained and meaningful engagement of all partners in this knowledge translation process.

---

Cerebral Palsy (CP)

Cerebral palsy is the most common cause of physical and developmental impairment in children. It is most frequently caused by an abnormality of the developing brain, or an injury acquired during pregnancy, delivery or during the first weeks of life. While all children with cerebral palsy will have neuromotor impairment, up to half of children with cerebral palsy will also experience epilepsy, intellectual limitations, impairments of hearing and/or vision, language difficulties, behavioural challenges, and skeletal deformities such as scoliosis. As part of this NCE, our project will create a multi-regional Canadian registry to identify potential risk factors related to pregnancy and interactions of the environment and genetics. In addition, we will develop animal models of cerebral palsy that mimic the human condition, in order to further understand and test the mechanisms of brain injury, and to find approaches that either protect the brain or enhance its recovery from injury. By integrating this knowledge across different research approaches and translating findings into clinical practice, we will further our goal to improve the lives of those children and families impacted by cerebral palsy and to prevent some cases of cerebral palsy in the future.
Fetal Alcohol Spectrum Disorder (FASD)

The Fetal Alcohol Spectrum Disorder demonstration project examines gene-environment interactions, predictive biomarkers, and the relationship between structural alterations in the brain and functional outcomes.

Prenatal alcohol exposure is a major, preventable cause of behavioural and cognitive deficits in children. Despite extensive research, a unique neurobehavioural profile for children affected by prenatal alcohol exposure remains elusive. A fundamental question to be addressed in this research project is how genetic and environmental factors interact with gestational alcohol exposure to produce neurobehavioural and neurobiological deficits in children.

From December, 2009 - March 31, 2010, we hired a full-time Study Coordinator who will oversee the multi-site investigation for the FASD project, and a Programmer (0.5 time position) who will interact with the Neuroinformatics core on data management and analysis for the FASD Project. We also prepared a full submission of the FASD Project for review by the Scientific Advisory Board, and submitted a proposal for a joint workshop between NeuroDevNet and GRAND NCE. In addition, we identified FASD Clinics in Vancouver, Calgary, Edmonton, Cold Lake, Kingston and Ottawa willing to participate in the FASD Project.

The core objectives of the NeuroDevNet team in FASD over the first three years of funding is to create an integrated research program of basic and clinical investigations that will: (i) Identify genetic and epigenetic modifications that may be predictive of the neurobehavioural and neurobiological dysfunctions induced in offspring by gestational alcohol exposure; and (ii) Determine the relationship between structural alterations in the brain induced by gestational alcohol exposure and functional outcomes in offspring.

The overarching hypothesis to be tested is that neurobehavioural and neurobiological dysfunctions induced by gestational alcohol exposure are correlated with the genetic background of the affected child and/or epigenetic modifications in gene expression. Each child enrolled in the study will undergo psychometric and neurobehavioral tests, and will be examined for physiological, genetic and epigenetic markers. Established animal models will be used in parallel with the human studies to confirm the role of candidate genes and epigenetic marks suggested by the human studies, and to correlate these with neurobehavioral, neuroanatomical and physiological outcomes.

The identification of genetic and epigenetic markers that are predictive of the severity of behavioural and cognitive deficits in children affected by gestational alcohol exposure will have a profound impact on our ability to identify children at risk and provide a guide for the development of novel treatments or interventions.
Knowledge Translation (KT)

Knowledge translation (KT) highlights the importance of the interface between knowledge creation and application of innovations for the common good of the child. The KT core had the opportunity to meet in July 2010 to devise a work plan and logic model for moving KT forward within NeuroDevNet.

A major component of the work plan includes an environmental scan consisting of an online survey and key informant interviews. To date we have completed the online survey and are in the process of doing some descriptive analysis of the results. We have also conducted six interviews and anticipate conducting a total of twelve to fifteen interviews. The interviews will be thematically coded and analyzed. Together these results will provide a basis for developing a catalogue of services and baseline data for building capacity by identifying training and workshop needs desired by our members.

Other initiatives being led by the KT core include the development of an interactive consumer website. While this is a major undertaking, it will provide NeuroDevNet with a unique presence and vehicle for dissemination of neuroscience information and research about and from our three research areas to our patient, family and non-profit stakeholders. In turn, it will enable patients and families to submit queries to our scientists about the research we are conducting.

Other ongoing efforts being led by KT include the development of educational content focused on knowledge translation for member access on our website; a section on KT for a thematic issue on NeuroDevNet in Seminars in Pediatric Neurology; identifying topics and teams relevant for knowledge synthesis; development of webinars for training, of which a first one being planned is an overview of knowledge synthesis; promoting and creating venues to support ongoing communication, collaboration and networking for our members.

Our team sees the development of KT as a dynamic and iterative process that will grow and change with our members’ needs, release of research products, and with the ongoing development of NeuroDevNet as a leading organization in children’s brain development research.
Neuroethics

The Neuroethics core provides ethics partnerships for NeuroDevNet researchers through the infrastructure they have created for robust research collaboration, training, and outreach. Our project leaders encourage critical ethical thinking in all NeuroDevNet project proposals, and provide guidance and participation throughout the life of NeuroDevNet research projects. Toward this goal, a key objective is to identify intersecting and unique ethical and social challenges for FASD, CP, and ASD. In NeuroDevNet’s first year, we have already begun to determine receptivity and barriers to emerging research on neurotechnology from the perspective of affected individuals and those who care for them, and are examining how the products of research move into the open marketplace. Some critical questions include the following: What effects will cultural diversity have on receptivity? Are barriers ubiquitous? How are new products promoted in the open marketplace and are the claims about them supported by scientific evidence? Taken together, the immediate and long-term results of our work will culminate in recommendations and guidelines for best practices for NeuroDevNet projects. In addition, we are working hand-in-hand with the NeuroDevNet administrative staff to create internships in science communication for NeuroDevNet Trainees, and with the KT core to develop ethically sensitive knowledge transfer messages that can be used to increase public understanding of the sciences and solutions for neurodevelopmental disorders.

Neuroinformatics

Neuroinformatics is the application of computational methods and information technology to research on the nervous system. The interdisciplinary and high-technology approaches used in NeuroDevNet research generate vast quantities of data that no human can handle or understand without the help of a computer. NeuroDevNet thus requires sophisticated mechanisms for the collection, management, storage, distribution, and analysis of numerous types of data coming from multiple sites across Canada. The Neuroinformatics core was established to meet these needs. The core is establishing databases, software and web resources for NeuroDevNet, working closely with the demonstration project research teams, to help handle the challenges posed by large quantities of clinical, brain imaging, and genetics data. For example, we have established a patient registry database system for the cerebral palsy demonstration project. Ongoing work includes the implementation of systems for managing human and animal genetic and phenotypic data, and standardized databases for brain imaging data storage. The core is situated as a key hub between the projects, working to connect information about multiple aspects of brain development, and to help identify relationships among neurodevelopmental disorders. By advancing the ability to query and analyze huge quantities of complex data, the Neuroinformatics core will play an important role in mining new knowledge from the research in NeuroDevNet. Our long-term goal is to give brain development researchers the ability to effectively use data not just from NeuroDevNet, but information from research conducted by researchers anywhere in the world.

For more information, visit www.neurodevnet.ca
Team Work

With an initial skeleton staff during the first four months of operation, NeuroDevNet began to set up administrative procedures and processes. This included incorporation as a not-for-profit organization and the completion of the funding agreement between NeuroDevNet, the University of British Columbia, and the tri-councils: CIHR, SSHRC, and NSERC. Office space was secured for NeuroDevNet’s administrative centre at the Children’s & Women’s Health Centre of British Columbia, thanks to support from the Child & Family Research Institute and the University of British Columbia.

We immediately began to recruit experienced staff members to help us build NeuroDevNet. For our administrative team, we sought experts in knowledge translation, business development, training and education, as well as finance, communication, and administration.

NeuroDevNet recruited outstanding individuals to our provisional Board of Directors, and approved four new members in January 2010. To guide our research program, an international Scientific Advisory Board was constituted in March 2010. Other inaugural committees were formed shortly afterwards, including the Research Management Committee, Training and Education Committee, and the Communications Committee.

To support our growing administrative team, the Neuroinformatics core group installed communication and information technologies, such as an internal wiki, a relational contact management database, and an initial website.

Training and Education

During the application process, NeuroDevNet received letters of support from a number of public, private, and not-for-profit organizations interested in pursuing training partnerships. These groups have been re-engaged to develop opportunities for training and education. To date, principal agreements and the training requirements for workshops and other training activities have been established.

Business Development

A key part of our network activities includes commercialization plans to take research findings and create products, therapies, and diagnostic tools. Between February and March 2010, a series of meetings were held that linked industry, other Networks of Centres of Excellence, and affiliated research groups. One meeting held in early March included the Centre for Drug Research Development, the UBC Brain Research Centre, and Astra Zeneca to explore collaborative opportunities.
Research

NeuroDevNet’s research program was launched in January 2010 at the first face-to-face meeting between the Research Steering Committee and project leads. Each core and demonstration project was required to resubmit their research proposal for review by the International Scientific Advisory Board, and investigators at the January meeting established evaluation criteria to support the application review process. At this inaugural meeting, network investigators laid the groundwork for building a robust neuro-developmental network.

Communication

One of our first projects was to form NeuroDevNet’s visual identity. A logo and brand guidelines were constructed and early planning for a professional website began. Other necessary tools included the development of a system to track media coverage of NeuroDevNet in the popular and university press. Continual submissions to the press have resulted in media attention for NeuroDevNet as part of building brand awareness.

Logo

NeuroDevNet’s spiral logo communicates change, progression, and evolution. Its bright multi-colour palette emphasizes the network’s focus on children. The neurons, which are also interpreted as stars, undergo transformation. Starting from a smaller yellow neuron, denoting hope, the neurons rise to a crescendo, ending in a green neuron, signifying health. The text includes green, the colour of the developed healthy neuron, and purple, denoting the network’s wealth of knowledge. At the centre to the logo is a red maple leaf, revealing the Canadian roots and identity of the network. The first annual report begins with the first neuron in our spiral with the theme hope (yellow), and progresses through discovery (red), knowledge (purple), transformation (blue), inspiration and health (green).
Annual Scientific Conference

Preparations for our inaugural conference began in early 2010. Goals for the conference included launching the NeuroDevNet NCE, engaging the neurodevelopmental research community, and beginning to build the research network. We also hoped to develop outreach with families, care-givers, and affected children, strengthen communication between the demonstration and core projects, and increase interdisciplinary understanding of scientific advances made in each project area.

Significant progress was made in conference planning efforts during February and March. This included conference budget development, date, location, and venue selection, and conference marketing initiation. The scientific program was developed and keynote speakers identified and invited.

Networking

As a new NCE, NeuroDevNet is still largely unknown to the scientific community. Initial efforts to raise awareness within this community have included the promotion of NeuroDevNet by our Scientific Director, Daniel Goldowitz, at a number of networking meetings. In January, Dr. Goldowitz presented a seminar and met with faculty members to discuss opportunities for collaboration at the University of Toronto. Three meetings in February also gave Dr. Goldowitz the opportunity to discuss NeuroDevNet. One of these meetings took place at the Canadian Institute for Advanced Research, with the Experience-based Brain and Biological Development research group. Dr. Goldowitz also presented NeuroDevNet at the first monthly Innovation BC meeting, and at the University of British Columbia Pediatric Grand Rounds.
Auditors’ Report

To the Directors of
Neurodevelopment Network, Inc.

WE HAVE AUDITED THE STATEMENTS of financial position of Neurodevelopment Network, Inc. (the “Network”) as at March 31, 2010 and the statements of operations and cash flows for the period from December 9, 2009 (date of incorporation) to March 31, 2010. These financial statements are the responsibility of the Network’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Network as at March 31, 2010 and the results of its operations and its cash flows from December 9, 2009 to March 31, 2010 in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP
Chartered Accountants
Vancouver, British Columbia
September 8, 2010

Neurodevelopment Network, Inc.

STATEMENT OF FINANCIAL POSITION
March 31, 2010

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td></td>
</tr>
<tr>
<td>Cash — held in trust by the host institution</td>
<td>$1,868,873</td>
</tr>
<tr>
<td>Equipment (Note 3)</td>
<td>7,009</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$1,875,882</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>113,644</td>
</tr>
<tr>
<td>Deferred contributions (Note 4)</td>
<td>1,755,229</td>
</tr>
<tr>
<td>Deferred capital contributions (Note 4)</td>
<td>7,009</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$1,875,882</strong></td>
</tr>
</tbody>
</table>

| NET ASSETS | $ - |

APPROVED BY THE BOARD

Bernie Bressler, Chair, Board of Directors

Henri Rothschild, Board of Directors
Neurodevelopment Network, Inc.

**STATEMENT OF OPERATIONS**
For the period from December 9, 2009 (date of incorporation) to March 31, 2010

<table>
<thead>
<tr>
<th>2010</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>REVENUES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Grants from Networks of Centres of Excellence (Note 4)</td>
<td>$ 191,627</td>
</tr>
<tr>
<td></td>
<td>EXPENDITURES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Communications</td>
<td>1,667</td>
</tr>
<tr>
<td></td>
<td>Networking</td>
<td>35,647</td>
</tr>
<tr>
<td></td>
<td>Office</td>
<td>2,691</td>
</tr>
<tr>
<td></td>
<td>Platform startup</td>
<td>26,969</td>
</tr>
<tr>
<td></td>
<td>Professional fees</td>
<td>12,547</td>
</tr>
<tr>
<td></td>
<td>Salaries and benefits</td>
<td>96,092</td>
</tr>
<tr>
<td></td>
<td>Technology transfer</td>
<td>10,089</td>
</tr>
<tr>
<td></td>
<td>Travel</td>
<td>5,925</td>
</tr>
<tr>
<td></td>
<td>Excess of revenues over expenditures and net assets, end of period</td>
<td>$ -</td>
</tr>
</tbody>
</table>

Neurodevelopment Network, Inc.

**STATEMENT OF CASH FLOWS**
For the period from December 9, 2009 (date of incorporation) to March 31, 2010

<table>
<thead>
<tr>
<th>2010</th>
<th>Cash Flows from operating activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Excess of revenues over expenses for the period</td>
</tr>
<tr>
<td></td>
<td>Items not involving cash - recognition of grant revenues</td>
</tr>
<tr>
<td></td>
<td>Changes in non-cash working capital items</td>
</tr>
<tr>
<td></td>
<td>Accounts payable and accrued liabilities</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash Flows from financing activities</td>
</tr>
<tr>
<td></td>
<td>Deferred contributions received</td>
</tr>
<tr>
<td></td>
<td>Cash Flows from investing activities</td>
</tr>
<tr>
<td></td>
<td>Equipment purchased</td>
</tr>
<tr>
<td></td>
<td>Increase in cash</td>
</tr>
<tr>
<td></td>
<td>Cash - Beginning of period</td>
</tr>
<tr>
<td></td>
<td>Cash - End of period</td>
</tr>
</tbody>
</table>
1. NATURE OF OPERATIONS

The Networks of Centres of Excellence Program (the “NCE”) was created by the Government of Canada to mobilize Canadian research talent in the academic, private and public sectors and apply it to the task of developing the Canadian economy and improving the quality of life of Canadians. The Neurodevelopment Network, Inc. (the “Network”) was established on December 9, 2009 by the Natural Sciences and Engineering Research Council (“NSERC”), the Social Sciences and Humanities Research Council (“SSHRC”), and the Canadian Institutes of Health Research (“CIHR”) specifically for the purpose of promoting research in disorders of brain development and the implementation of real life solutions to improve the lives of affected children and families. Initially the Network will focus on three of the most common brain disorders in Canada, autism spectrum disorder, fetal alcohol spectrum disorder, and cerebral palsy, and develop early interventions and effective treatments in order to achieve reductions in long-term costs to the health care system associated with these disorders.

The Network is a not-for-profit company which was incorporated under Part II of the Canada Corporations Act on December 9, 2009 to achieve the following objectives:

• train the next generation of experts in brain development disorders
• support and conduct multidisciplinary research
• raise awareness of brain development disorders and disseminate research findings to help with care delivery and policy decisions
• translate research findings into diagnostic, preventative, and therapeutic applications

On January 22, 2010, the Network entered into a Network Agreement with the University of British Columbia (“UBC”) under which UBC will serve as the host institution for the Network, providing facilities and services for the Network’s administrative centre.

Grants from the NCE Network

NSERC, SSHRC and CIHR agreed to contribute funding of $19,572,000 for the Network for five years, to December 23, 2014. These contributions are scheduled to be received as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>NSERC</th>
<th>SSHRC</th>
<th>CIHR</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009 – 2010</td>
<td>$733,865</td>
<td>$1,151,500</td>
<td>$28,500</td>
<td>$1,913,865</td>
</tr>
<tr>
<td>2010 – 2011</td>
<td>302,500</td>
<td>400,000</td>
<td>3,453,500</td>
<td>4,156,000</td>
</tr>
<tr>
<td>2011 – 2012</td>
<td>527,000</td>
<td>1,000,000</td>
<td>2,292,000</td>
<td>3,819,000</td>
</tr>
<tr>
<td>2012 – 2013</td>
<td>576,000</td>
<td>1,000,000</td>
<td>2,364,000</td>
<td>3,940,000</td>
</tr>
<tr>
<td>2013 – 2014</td>
<td>530,000</td>
<td>1,000,000</td>
<td>2,296,000</td>
<td>3,826,000</td>
</tr>
<tr>
<td>2014 – 2015</td>
<td>-</td>
<td>-</td>
<td>1,917,135</td>
<td>1,917,135</td>
</tr>
<tr>
<td><strong>Total Funding</strong></td>
<td><strong>$2,669,365</strong></td>
<td><strong>$4,551,500</strong></td>
<td><strong>$12,351,135</strong></td>
<td><strong>$19,572,000</strong></td>
</tr>
</tbody>
</table>

The annual contributions will be released subject to:

• Parliamentary appropriation of the funds in each fiscal period
• Satisfactory progress, as determined by the NCE Secretariat, towards predetermined milestones for the NCE Network
• Continuing eligibility of the NCE Network Host and the NCE Network, and
• Compliance with the terms of the funding agreement

Funding of $1,913,865 has been received for fiscal year 2009–2010. This amount has been reflected in these financial statements.

These financial statements include only the contributions received by the Network from its host institution and from NCE, and disbursed on their behalf. The Network annually receives all of its revenue from NCE and its host institution and may not be able to maintain its current level of operations should this funding be significantly reduced or ended.
Grant from Host Institution

In December 2009, the Host institution agreement was signed between the Network and UBC. The agreement provides the Network with $40,000 annually from UBC towards the cost of the Research Ombudsperson. $40,000 received from UBC during the current fiscal period has been deferred as deferred contribution as at March 31, 2010 as the cost has not been incurred.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared on the basis of Canadian accounting principles generally accepted (“GAAP”) for non-profit organizations. The Network follows the deferral method of accounting for contributions. Significant policies include the following:

Cash - Held in trust by the host institution

Based on the funding arrangement between the Network and the NCE, the funds are to be administered by the host institution, the University of British Columbia.

Revenue Recognition

Under the terms of the NCE agreement, funding is to be directed to the granting of funds to participating institutions and the payment of the Network’s operating and capital expenditures. When received, the restricted contribution is deferred and recognized as revenue in the period in which the related expenses are incurred by the Network or the participating institution. Restricted contributions applied toward the purchase of furniture and equipment are deferred and amortized to revenue on a straight-line basis at a rate corresponding with the amortization rate of the related furniture and equipment. Unrestricted contributions are recognized as revenue in the current period if the amount to be received can be reasonably estimated and collection is reasonably assured.

Financial Instruments

The Network has adopted the provisions of Section 3855, Financial Instruments – Recognition and Measurement, and Section 3861, Financial Instruments – Disclosure and Presentation, of the Canadian Institute of Chartered Accountants (CICA) Handbook, as they apply to not-for-profit organizations.

The standards require that all financial assets and liabilities be measured at fair value with the exception of investments held to maturity, loans and receivables, and other liabilities that are measured at amortized cost using the effective interest rate method. Cash and accounts payable and accrued liabilities are measured at amortized cost.

The Network’s financial assets, other than cash, and financial liabilities are classified as follows:

• Accounts payable and accrued liabilities are classified as “other financial liabilities” and are measured at amortized cost. At March 31, 2010 the recorded amounts approximate fair value.

Equipment

Equipment is recorded at cost and amortized on a straight-line basis over its estimated useful life as follows:

Computers 3 years

Use of Estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions about future events that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Significant estimates used in these financial statements include the useful lives of furniture and equipment.
3. EQUIPMENT

<table>
<thead>
<tr>
<th>Cost</th>
<th>Accumulated Amortization</th>
<th>Net Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computers</td>
<td>$ 7,009</td>
<td>$ 7,009</td>
</tr>
</tbody>
</table>

No amortization has been taken on the computer equipment as it was not put into service until the subsequent period.

4. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent grants for operating expenses and capital purposes.

a) Deferred contributions relating to expenses of future periods

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance - Beginning of the period</td>
<td>-</td>
</tr>
<tr>
<td>Contributions received during the period</td>
<td>$ 1,953,865</td>
</tr>
<tr>
<td>Grant from CIHR</td>
<td>28,500</td>
</tr>
<tr>
<td>Grant from NSERC</td>
<td>733,865</td>
</tr>
<tr>
<td>Grant from SSHRC</td>
<td>1,151,500</td>
</tr>
<tr>
<td>Grant from Host Institution</td>
<td>40,000</td>
</tr>
<tr>
<td>Amounts recognized as grant revenues during the period</td>
<td>(191,627)</td>
</tr>
<tr>
<td>Amounts applied toward furniture and equipment purchased during the period</td>
<td>(7,009)</td>
</tr>
<tr>
<td>Balance - End of the period</td>
<td>$ 1,755,229</td>
</tr>
</tbody>
</table>

b) Deferred capital contributions relating to furniture and equipment

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance - Beginning of the period</td>
<td>-</td>
</tr>
<tr>
<td>Allocation of deferred contributions (Note 4(a))</td>
<td>7,009</td>
</tr>
<tr>
<td>Amounts amortized to revenue</td>
<td>-</td>
</tr>
<tr>
<td>Balance - End of the period</td>
<td>$ 7,009</td>
</tr>
</tbody>
</table>

5. CAPITAL MANAGEMENT

The Network defines its capital as the amounts included in net assets, deferred contributions and deferred capital contributions.

The Network’s capital management objectives are to meet the requirements of the funders providing grants for research and to safeguard its ability to continue as a going concern in order to pursue the objectives of the Network.

The Network has certain external restrictions on the use of deferred contributions, as set out in Note 4. The Network has internal control processes to ensure that the restrictions are met prior to utilization of these resources and has been in compliance with these restrictions throughout the period.

6. FINANCIAL RISK

The Network is not exposed to significant credit, interest rate or currency risk.
Our partnerships with industry, government and non-profit organizations will help us translate research to inform basic science and affect clinical outcomes.

**Network Members**
Dalhousie University
McGill University
McMaster University
Queen’s University
Simon Fraser University
University of Alberta
University of British Columbia
University of Calgary
University of Lethbridge
University of Manitoba
University of Montreal
University of Saskatchewan
University of Toronto
University of Western Ontario
York University

**Letters of Support - Industry**
Affymetrix Inc.
Allergan Inc.
Allon Therapeutics Inc.
Alnylam Pharmaceuticals
Applied Biosystems
Discovery Channel Canada
IBM Canada Ltd.
Nature
Philips Healthcare
Sangamo BioSciences, Inc.
The Vancouver Sun

**Letters of Support - Government Agencies**
CIHR - SITHR Training Grant, and KT Branch
NSERC - Create Training Program
Provincial Health Services Authority

**Letters of Support - Other Organizations**
Autism Speaks
British Columbia Children’s & Women’s Hospital
Canadian Bioinformatics Workshops
Canadian Child and Youth Health Coalition
Canadian Institute for Advanced Research
Centre for Brain and Mind
Centre for Community Child Health Research
Centre for Drug Research and Development
Cerebral Palsy Association of British Columbia
Cerebral Palsy Association of Manitoba
Cerebral Palsy Institute
Child and Family Research Institute
Children’s Health Research Institute
Clinical Research Informatics Centre
Down Syndrome Research Foundation
Genome British Columbia
International Neuroinformatics Coordinating Facility
Isaac Walton Killam Hospital
Maternal Infant Child and Youth Research Network
Michael Smith Foundation for Health Research
MITACS
Montreal Children’s Hospital Research Institute

**Letters of Support - Other Organizations continued**
National Institute on Alcohol Abuse and Alcoholism
National Institutes of Mental Health
Ontario Federation for Cerebral Palsy
Ontario Neurotrauma Foundation
Ripples of Hope
Sick Kids, The Hospital for Sick Children
Spinal Cord Injury Solutions Network
The Brain Research Centre
The Canadian Network of Child and Youth Rehabilitation
University Health Network

**Network Affiliate**
Norlien Foundation

**Initial Investigators**
Ronald Barr
Christian Beaulieu
Bruce Bjornson
Tom Boyce
Lara Boyd
Jessica Brian
James F. Brien
Richard E. Brown
Susan Bryson
Sterling Claren
Anne-Marie Craig
Max Cynader
Marc Del Bigio
Marie-Pierre Dube
David Eisenstat
Alan Evans
Darcy Fehlings
Michael Fehlings
Eric Fombonne
Jan Friedman
Debbie Giaschi
Daniel Goldowitz
Ruth Grunau
Richard Hawkes
Michael Hayden
Anthony Herdman
Clyde Hertzman
William Honer
Grace Iarocci
Judy Illes
Sheila Innis
K.S. Joseph
Michael Kobor
Bryan Kolb
Evelyn Lambe
Suzanne Lewis
Cathy Limperopoulos
Annette Majnemer
Bruce McNaughton
Michael Meaney
Ravi Menon
Steven Miller
Fredo Miller
Tim O’Connor
Paul Pavlidis
Arturas Petronis
Eric Racine
Catherine Rankin
James Reynolds
Urs Ribary
Bryan Richardson
Stephen Scherer
Stuart Shanker
Michael Shevell
Isabel Smith
Peter Szatmari
Moshe Szyf
Derek van der Kooy
Wyeth Wasserman
Daniel Weeks
Joanne Weinberg
Janet Werker
Ian Q. Whishaw
Jerome Yager
Lonnie Zwaigenbaum
Scientific Director, Daniel Goldowitz
Associate Scientific Director, Michael Fehlings
Executive Director, Nicola Lewis

Provisional Board of Directors
Bernie Bressler, Chair, NeuroDevNet Board of Directors, Professor, University of British Columbia, Willow Chest Centre
Daniel Goldowitz, Scientific Director, NeuroDevNet
Nicola Lewis, Executive Director, NeuroDevNet (ex-officio)
Angus Livingstone, Managing Director, University Industry Liaison Office, University of British Columbia
Tia Moffat, Program Manager, Networks of Centres of Excellence (ex-officio)
Peter Morand, President, Peter Morand & Associates
Henri Rothschild, President and Chief Executive Officer, International Science and Technology Partnerships Canada
Kathleen Thurber, Director, Communications and Education, Alberta Innovates - Health Solutions
Aubrey Tingle, Associate Director, Maternal, Infant, Child and Youth Research Network

Scientific Advisory Board
Sam Weiss, Chair, NeuroDevNet Scientific Advisory Board, Professor, University of Calgary
Bernie Devlin, Professor, University of Pittsburgh
Jay Giedd, Principal Investigator, National Institute of Mental Health
Daniel Goldowitz, Scientific Director, NeuroDevNet
Neal Halfon, Professor, University of California
Mark Hoffman, Vice President Life Sciences, Cerner Corporation
Michael Johnston, Senior Vice President and Chief Medical Officer, Kennedy Krieger Institute
Ivica Kostovic, Professor, University Of Zagreb
Pat Levitt, Professor, University of Southern California
Edward P. Riley, Professor, San Diego State University
Ellen Wright-Clayton, Professor, Vanderbilt University

Provisional Research Management Committee
Daniel Goldowitz, Chair, Research Management Committee, Scientific Director, NeuroDevNet
Jan Friedman, Professor, University of British Columbia
Richard Hawkes, Professor, University of Calgary
Bryan Kolb, Professor, University of Lethbridge
Nicola Lewis, Executive Director, NeuroDevNet (ex-officio)
Ravi Menon, Professor, University of Western Ontario

Research Steering Committee
Daniel Goldowitz, Scientific Director, NeuroDevNet
Alan Evans, Professor, McGill University
Judy Illes, Professor, University of British Columbia
Bryan Kolb, Professor, University of Lethbridge
Annette Majnemer, Professor, McGill University
Nazeem Muhajarine, Professor, University of Saskatchewan
Paul Pavlidis, Assistant Professor, University of British Columbia
Steven Scherer, Professor, University of Toronto

Auditors
PricewaterhouseCoopers, Audit and Assurance Group, Vancouver, BC

Legal Counsel
Borden Ladner Gervais, LLP, Vancouver, BC