

The Bahrain Independent Commission of Inquiry

FINANCIAL STATEMENT

For the period from 29 June 2011 to 9 January 2012

Ernst & Young

 **ERNST & YOUNG**

INDEPENDENT AUDITORS' REPORT TO THE COMMISSION CHAIR THE BAHRAIN INDEPENDENT COMMISSION OF INQUIRY

We have audited the accompanying statement of cash receipts and disbursements of the Bahrain Independent Commission of Inquiry ("the Commission") for the period from 29 June 2011 to 9 January 2012 and a summary of significant accounting policies and other explanatory information (together "the financial statement"). The financial statement has been prepared by the Commission using the cash receipts and disbursements basis of accounting described in note 2.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash receipts and disbursements basis of accounting described in note 2, this includes determining that the cash receipts and disbursements basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances, and for such internal control as the Management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by the Management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT TO THE COMMISSION CHAIR
THE BAHRAIN INDEPENDENT COMMISSION OF INQUIRY (continued)

Opinion

In our opinion, the financial statement presents fairly, in all material respects, the cash receipts and disbursements of the Commission for the period from 29 June 2011 to 9 January 2012 in accordance with the cash receipts and disbursements basis of accounting described in note 2.

Basis of Accounting

Without modifying our opinion, we draw attention to note 2 of the financial statement which describes the basis of accounting. The financial statement is prepared to provide information on the Commission's cash receipts and disbursements, as a result, the statement may not be suitable for another purpose.

Ernst & Young

12 January 2012

Manama, Kingdom of Bahrain

The Bahrain Independent Commission of Inquiry
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 For the period from 29 June 2011 to 9 January 2012

	<i>Note</i>	<i>BD</i>
Bank balances and cash at 29 June 2011		-
Receipts		
Grant from Royal Court		<u>491,250</u>
Disbursements		
Staff costs		255,165
Salaries to commissioners	3	107,504
Legal and professional charges		39,560
Website expenses		23,366
Purchase of furniture and equipment	1	17,393
Insurance charge		10,679
Hotel and restaurant expenses		6,517
Printing and stationery		4,504
Telephone and internet charges		4,223
Travel expenses		3,718
Press conference expenses		3,041
Security expenses		3,854
Bank charges		1,890
Loss on exchange		2,017
Others		7,819
Total disbursements		<u>491,250</u>
BANK BALANCES AND CASH AT 9 JANUARY 2012		<u>-</u>

The financial statement of the Commission was authorised for issue on 12 January 2012 by.



Professor Mahmoud Cherif Bassiouni
 Commission Chair

The Bahrain Independent Commission of Inquiry

NOTES TO THE FINANCIAL STATEMENT

For the period from 29 June 2011 to 9 January 2012

1 ACTIVITIES

The Bahrain Independent Commission of Inquiry ("the Commission") was established on 29 June 2011 in the Kingdom of Bahrain pursuant to Royal Order No. 28 by His Majesty, King Hamad Bin Isa Al Khalifa. The Commission was tasked with investigating and reporting on the events that took place in Bahrain in February/March 2011, and subsequent consequences arising out of those events, and to make such recommendations as it may deem appropriate.

The Commission was independent from Government of the Kingdom of Bahrain and had its own budget and was responsible for hiring staff and was funded by the Royal Court. Five eminent, non-Bahraini individuals who have expertise in the fields of international law and international human rights law were appointed to act as Commissioners by the Royal Court. The Commission outsourced its accounting and payroll services under the terms of an agreement dated 20 July 2011.

Furniture and equipment purchased by the Commission was transferred to the Royal Court subsequent to the issue, of the Commission's Report on 23 November 2011.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

This financial statement does not constitute a set of general purpose financial statement under paragraph 2 of International Accounting Standard (IAS 1) and consequently there is no explicit and unreserved statement of compliance with International Financial Reporting Standards as contemplated by paragraph 16 of IAS 1.

The financial statement has been prepared in accordance with the cash receipts and disbursements basis of accounting.

The financial statement has been presented in Bahraini Dinars, which is the functional currency of the Commission.

Receipts

Grant represent funds received from the Royal Court for the purpose of carrying out the duties of the Commission and was recognised when received.

Disbursements

Expenses were recognised when paid rather than when incurred.

3 RELATED PARTY TRANSACTIONS

Related parties represent Royal Court, the Commission Chair, the Commissioners and entities controlled, jointly controlled or significantly influenced by them. Pricing policies and terms of these transactions are approved by the Commission Chair.

All the expenses including salaries were approved by the Commission Chair.

The total salaries paid to the Commission Chair and Commissioners during the period from 29 June 2011 to 9 January 2012 were BD 107,504.