



# **SUPPLEMENTARY INFORMATION**

## **Appendix CRR- (i)**

### **Contents of Financial Reports**



**Contents of Financial Reports**

<b>Change Date</b>	<b>Description of Changes</b>
April 2012	Initial Launch



## Appendix CRR-(i): Contents of Financial Reports

- All financial statements must contain the comparative figures for the previous period except for the Investment Portfolio Statement.
- All financial statements must be prepared in accordance with International Financial Reporting Standards (IFRS) or AAOIFI Standards as applicable.

### 1: General Requirements (for both annual and semi-annual reports)

Names of the board members and audit partner.

Names and address of the external auditor, fund company (if applicable) and relevant persons.

Names of board members signing the Financial Statements.

Cash flow statement presented in accordance to IFRS or AAOIFI (as applicable).

### 2: Board of Director's Report (for annual reports)

Report of the board of Directors on the activities of the CIU.

### 3: Shari'a Advisor's Report (for annual report only)

Applicable to Shari'a compliant CIUs.

### 4: Auditor's Review Report (for semi-annual report only)

The external auditor must express a conclusion on whether the semi-annual report is prepared in all material respects, in accordance with IFRS or AAOIFI (as applicable).

### 5: Contents of the Auditor's Report (for annual report only)

The report of the external auditor must state:

- (a) Whether, in the auditor's opinion, the accounts prepared for that period have been properly prepared in accordance with the relevant provisions of the rules in this Module;



**Appendix CRR-(i): Contents of Financial Reports (continued)**

(b) Whether in the <u>external auditor's</u> opinion, a true and fair view is given of the financial position of the <u>CIU</u> at the period-end, and of its financial performance and its cash flows for the period then ended, in accordance with IFRS or AAOIFI (as applicable);
(c) Whether, in the <u>external auditor's</u> opinion, proper books and records have been kept by the <u>CIU</u> and the accounts prepared are in agreement with the <u>CIU's</u> books and records; and
(d) Whether, in the <u>external auditor's</u> opinion, the <u>CIU</u> has complied with all applicable laws and regulations.
(e) The <u>external auditor</u> of a <u>CIU</u> must report the following matters to the CBB in writing, with a copy to the <u>CIU</u> and its <u>relevant persons</u> , as appropriate, without delay:  <ol style="list-style-type: none"><li>1. If he has reason to believe that the information provided to its <u>participants</u> or to the CBB does not truly describe the financial situation of the <u>CIU</u>, or</li><li>2. If he has reason to believe that there has been some breach of the <u>CIU</u> documents, applicable laws and regulations or the CBB's directions, or</li><li>3. If he has reason to believe that there exist circumstances which are likely to affect materially the ability of the <u>CIU</u> to fulfill its obligations to its <u>participants</u> or to meet any of its financial obligations under the <u>CIU</u> documents, applicable laws and regulations, or the CBB's directions, or</li><li>4. If he has reason to believe that there are material defects in the financial systems, controls or accounting records of the <u>CIU</u>, or has reason to believe that there are material inaccuracies in, or omissions from, any returns of a financial nature made by the <u>CIU</u> and/or, as may be appropriate, any one or more of the <u>relevant persons</u>, to the CBB, or</li><li>5. If he proposes to qualify any certificate which he is to provide in relation to the financial statements or returns of the <u>CIU</u> under Bahrain law and these rules</li></ol>
(f) The <u>external auditor</u> of a <u>CIU</u> must, if requested by the CBB, furnish to it, with a copy to the <u>CIU</u> and/or (as may be appropriate) the <u>relevant persons</u> , a report stating whether in his opinion and to the best of his knowledge the <u>CIU</u> has complied with the <u>CIU</u> documents, applicable laws and regulations, and/or any relevant directions of the CBB. The <u>external auditor</u> may be requested by the CBB to supply it with information available to him as a result of his audit of the <u>CIU</u> .



**Appendix CRR-(i): Contents of Financial Reports (continued)**

<b>6: Statement of Financial Position (for both annual and semi-annual reports)</b>
<b>Assets</b>
Cash and cash equivalents
Dividends receivable
Interest receivable
Investment income receivable
Investments at fair value through profit or loss
Available for sale investments
Held to maturity investments
Investments held at cost
Other receivables
Receivable on subscription
Other assets
<b>Total assets</b>
<b>Liabilities</b>
Bank loans and overdrafts or other forms of borrowings
Due to brokers
Due to related parties
Accrued expenses
Distributions payable
Amounts payable on redemptions
Other payables
<b>Total liabilities</b>
<b>Total Net Asset Value</b>
<b>Number of holdings issued and outstanding</b>
<b>Net Asset Value per holding</b>



**Appendix CRR-(i): Contents of Financial Reports (continued)**

<b>7: Statement of changes in net assets attributable to holders of units (for both annual and semi-annual reports)</b>
Value of the CIU as at the beginning of the period
Number of holdings issued and the amounts received upon such issuance
Number of holdings redeemed and the amounts paid on redemption
Any item resulting in an increase/decrease in the value of the CIU including:
-Exchange gain/loss not through income statement
-Unrealized gain/loss in value for available for sale investments
-Net income for the period less distribution
Value of the CIU as at the end of the period

<b>8: Income Statement (for both annual and semi annual reports)</b>
<i>Below is the format for the single statement approach, however, the Board of Directors may elect to use the two-statement approach as per paragraph 81 of IAS 1</i>
<b>Revenue</b>
Total investment income net of withholding tax if applicable, broken down by category
Interest income
Dividend income
Total other income broken down by category
<b>Total</b>
<b>Expenses</b>
Transaction costs
Interest on borrowing
Bank charges
Legal expenses
Other professional fees
Organizational expenses
Total other expenses broken down by category



**Appendix CRR-(i): Contents of Financial Reports (continued)**

<b>Fees to relevant persons:</b>
Management fees
Performance fees
<u>Trustee</u> fees (if applicable)
Custody fees
Administration fees
<u>Registrar</u> fees
Investment advisory fees (if applicable)
Shari'a advisory fees (if applicable)
<u>External auditor</u> fees
Board of <u>directors</u> fees and remuneration
<b>Total expenses</b>
Foreign exchange gain/loss
Equalization on issue and cancellation of holdings (if any)
<b>Net Income/Loss</b>
<b>Distribution to <u>CIU participants</u></b>
<b>Amount transferred to statement of changes in net assets attributable to <u>CIU participants</u></b>

<b>9: Notes to Financial Statements (for both annual and semi-annual reports)</b>
Status and activities, including date of approval, date of commencing operations, objective of the <u>CIU</u> , term of the <u>CIU</u> , shareholders of the <u>fund company</u> .
Principal accounting, investment and risk management policies
Adoption of new and revised Standards
Fees structure
Details of items in the statements
Transactions with connected persons
Details of any soft commission arrangements relating to dealings in the assets of the <u>CIU</u>
Borrowings whether secured or unsecured and the duration of the borrowings
Contingent liabilities and commitments
Explanation of any deviation from AAOIFI standards (for Sharia Compliant CIUs)



**Appendix CRR-(i): Contents of Financial Reports (continued)**

If the free negotiability of any asset is restricted by statutory or contractual requirements, this must be stated

Subsequent events (if applicable)

**10: Investment Portfolio (for annual report only)**

A list of the top 10 investments held by the CIU, together with the value of each as a percentage of the net asset value of the CIU.

**11: Performance Table (for annual report only)**

A comparative table covering the last 3 financial years and including, for each financial year, at the end of the financial year :

- The total net asset value; and
- The net asset value per holding.

A performance record over the last 10 financial years; or (if the CIU has not been in existence during the whole of that period, over the whole period in which it has been in existence), showing the highest and lowest redemption price of the CIU's holdings during each year.