GCC Commercial Arbitration Centre

Financial statements for the
year ended 31 December 2012

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GCC Commercial Arbitration Centre
Administration and contact details as at 31 December 2012

Member countries	Kingdom of Bahrain Kingdom of Saudi Arabia Sultanate of Oman State of Qatar State of Kuwait United Arab Emirates	
Board of Directors	Mr Yaseen Khalid Khayat	- Chairman
	Mr Khalid Ali AL Amen	- Vice chairman
	Mr Abdulrahman Abduljalil Abdulghan	- Member
	Mr. Khalid Abdulrahman Al Mudhahka	- Member
	Mr Saeed Ali Khammas	- Member
	Mr Reda Gomaa Mohamed Ali Al Saleh	- Member
General Secretary	Mr Ahmed Najem Abdulla Najem	
Registered office	Building No. 8. Road No. 60, Block No. 360 Zinj - Manama PO Box 16100 Kingdom of Bahrain	
Bankers	National Bank of Bahrain Kuwait Finance House	
Auditors	BDO 17th Floor Diplomat Commercial Office Tower PO Box 787 Manama Kingdom of Bahrain	

Independent auditor's report to the Board of Directors of GCC Commercial Arbitration Centre

We have audited the accompanying financial statements of GCC Commercial Arbitration Centre ("the Centre"), which comprise the statement of financial position as at 31 December 2012, the statement of income and expenses, the statement of changes in accumulated funds and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements
The management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Centre as at 31 December 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Manama, Kingdom of Bahrain
6 February 2013

GCC Commercial Arbitration Centre
Statement of financial position as at 31 December 2012
(Expressed in Bahrain Dinars)

	Notes	2012	2011
ASSETS			
Non-current assets			
Plant and equipment	5	29,878	38,319
Current assets			
Trade and other receivables	6	101,973	94,765
Fixed deposits	7	112,013	725,037
Cash and cash equivalents	8	877,588	160,303
		1,091,574	980,105
Total assets		1,121,452	1,018,424
ACUMULATED FUNDS AND LIABILITIES			
Accumulated funds		774,473	524,108
General reserve	9	139,654	111,836
		914,127	635,944
Non-current liabilities			
Employees' terminal benefits	10	1,623	960
Current liabilities			
Other payables	11	205,702	381,520
Total liabilities		207,325	382,480
Total accumulated funds and liabilities		1,121,452	1,018,424

These financial statements set out on pages 4 to 19, were approved by the Board of Directors on 6 February 2013 and signed on their behalf by:-

Yaseen Khalid Khayat
Chairman

Ahmed Najem Abdulla Najem
General Secretary

GCC Commercial Arbitration Centre
Statement of income and expenses for the year ended 31 December 2012
(Expressed in Bahrain Dinars)

	Notes	2012	2011
Income			
Commercial arbitration income	12	302,306	165,358
Income from conference and training courses	12	272,125	132,775
Members registration fees	12	40,900	40,650
Other income	13	19,674	36,032
		635,005	374,815
Expenses			
Staff costs		(163,368)	(139,169)
General and administrative expenses	14	(100,712)	(66,824)
Conference and training courses expenses		(78,858)	(40,745)
Depreciation	5	(13,884)	(9,714)
		(356,822)	(256,452)
Net surplus for the year		278,183	118,363

GCC Commercial Arbitration Centre
Statement of changes in accumulated funds the year ended 31 December 2012
(Expressed in Bahrain Dinars)

	Notes	Accumulated funds	General reserve	Total
At 31 December 2010		517,581	-	517,581
Net surplus for the year		118,363	-	118,363
Transferred to general reserve	9	(111,836)	111,836	-
At 31 December 2011		524,108	111,836	635,944
Net surplus for the year		278,183	-	278,183
Transferred to general reserve	9	(27,818)	27,818	-
At 31 December 2012		774,473	139,654	914,127

GCC Commercial Arbitration Centre
Statement of cash flows for the year ended 31 December 2012
(Expressed in Bahrain Dinars)

	Notes	2012	2011
Operating activities			
Net surplus for the year		278,183	118,363
Adjustments for:			
Depreciation	5	13,884	9,714
Profit on sale of plant and equipment	13	-	(8,433)
Interest income	13	(17,773)	(24,630)
Changes in operating assets and liabilities:			
Trade and other receivables		(7,208)	18,385
Other payables		(175,818)	182,212
Employees' terminal benefits		663	239
Net cash provided by operating activities		91,391	295,850
Investing activities			
Purchase of plant and equipment	5	(5,443)	(45,692)
Net movement in fixed deposits		613,024	(372,116)
Proceeds from sale of plant and equipment		-	8,433
Interest income received		17,773	24,630
Net cash provided by/(used in) investing activities		625,354	(384,745)
Net increase/(decrease) in cash and cash equivalents		717,285	(88,895)
Cash and cash equivalents, beginning of the year		160,303	249,198
Cash and cash equivalents, end of the year	8	877,588	160,303

1 Organisation and activities

GCC Commercial Arbitration Centre was established in accordance to a decree from the Supreme Council of the Cooperation Council for the Arab Gulf States at its meeting held on 22 December 1993. It was announced the start of work place in March 1995 to arbitration within the scope of trade disputes between citizens of the Gulf Cooperation Council (GCC) or between them and other parties, including trade disputes arising from the application of the Unified Economic Agreement of the Gulf Cooperation Council (GCC) and decisions concerning their application.

The registered office of the Centre is in the Kingdom of Bahrain.

2 Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as promulgated by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of presentation

The financial statements have been prepared under the historical cost convention. The financial statements have been presented in Bahrain Dinars which is the functional currency of the Centre.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Centre's accounting policies.

Standards, amendments and interpretations issued and effective in 2012 but not relevant

The following new standards, amendments to existing standards and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2012 or subsequent periods, but are not relevant to the Centre's operations:

Standard or Interpretation	Title	Effective for annual periods beginning on or after
IAS 12	Income Taxes	1 January 2012
IFRS 1	First Time Adoption of International Financial Reporting Standards	1 July 2011
IFRS 7	Financial Instruments - Disclosures	1 July 2011

2 Basis of preparation (continued)

Improvements/amendments to IFRS 2009/2011 cycle

Improvements/amendments to IFRS issued in 2009/2011 cycle contained numerous amendments to IFRS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. The amendments are effective for the Centre's annual audited financial statements beginning on or after 1 January 2013 with earlier adoption permitted. No material changes to accounting policies are expected as a result of these amendments

Standards, amendments and interpretations issued but not yet effective in 2012

The following IFRS and IFRIC interpretations issued/revised as at 1 January 2012 or subsequent periods have not been early adopted by the Centre's management:

Standard or Interpretation	Title	Effective for annual periods beginning on or after
IAS 1	Presentation of Financial Statements	1 July 2012
IAS 19	Employee Benefits	1 January 2013
IAS 27	Separate Financial Statements	1 January 2013
IAS 28	Investments in Associates and Joint Ventures	1 January 2013
IAS 32	Financial Instruments - Presentation	1 January 2014
IFRS 1	First Time Adoption of International Financial Reporting Standards	1 January 2013
IFRS 7	Financial Instruments - Disclosures	1 January 2013/ 1 January 2015
IFRS 9	Financial Instruments - Classification and Measurement	1 January 2015
IFRS 10	Consolidated Financial Statements	1 January 2013
IFRS 11	Joint Agreements	1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	1 January 2013
IFRS 13	Fair Value Measurement	1 January 2013
IFRIC 20	Stripping Costs in the Production Phase of Surface Mine	1 January 2013

There would have been no change in the operational results of the Centre for the year ended 31 December 2012 had the Centre early adopted any of the above standards applicable to the Centre.

Early adoption of amendments or standards in 2012

The Centre did not early-adopt any new or amended standards in 2012.

3 Significant accounting policies

A summary of the significant accounting policies adopted in the preparation of these financial statements is set out below. These polices have been consistently applied to all the years provided unless stated otherwise.

Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation. Cost includes all costs directly attributable to bringing the asset to working condition for its intended use.

Depreciation is calculated so as to write-off the cost, plant and equipment less their estimated residual values on a straight-line basis over their expected useful lives. The major classes of depreciable assets with their estimated useful lives are as follows:

Motor vehicles	4 years
Furniture & fixtures	5 years
Office equipment	3 years
Conference hall equipment	5 years

Gains and losses on disposal of plant and equipment are determined by reference to their carrying amount and are taken into account in determining net profit.

Repairs and renewals are charged to the statement of comprehensive income when the expenditure is incurred.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the carrying amounts are written-down immediately to their recoverable amounts.

Trade and other receivables

Trade and other receivables are carried at their anticipated realisable values. An estimate is made for impaired receivables based on a review of all outstanding amounts at the year-end. Impaired trade receivables are written-off during the year in which they are identified.

Other payables

Other payables are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions

Provisions are recognised when the Centre has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation in future and the amount of the obligations can be reliably estimated.

3 Significant accounting policies (continued)

Employee benefits

Employee benefits and entitlements to annual leave, holiday, air passage and other short-term benefits are recognised as they accrue to the employees.

The Centre contributes to the pension scheme for Bahraini nationals administered by the Social Insurance Organisation in the Kingdom of Bahrain. This is a defined contribution pension plan and the Centre's contributions are charged to the statement of comprehensive income in the year to which they relate. In respect of this plan, the Centre has a legal obligation to pay the contributions as they fall due and no obligations exist to pay the future benefits.

The expatriate employees of the Centre are paid leaving indemnity in accordance with the provisions of the Bahrain Labour Law. The Centre accrues for its liability in this respect on an annual basis.

Fixed deposits

Fixed deposits are accounted for at historical cost plus accrued interest. The accrued interest on the fixed deposits is recognised in the statement of comprehensive over the period of the deposit. Fixed deposits that have original maturities of 365 days.

Income recognition

Income represents the fees earned from the arbitration in commercial disputes, courses and conferences related to the member registration fees when due.

Other income is accounted for on the accruals basis, unless collectability is in doubt.

Foreign currency transactions

Foreign currency transactions are accounted for at the rates of exchange prevailing at the dates of the transactions. Gains and losses arising from the settlement of such transactions and from the translation, at the year-end rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of comprehensive income.

Cash and cash equivalents

For the purpose of the statement cash flows, cash and cash equivalents comprise cash on hand, bank balances, short-term fixed deposits with original maturities of three months or less.

4 Critical accounting judgment and key source of estimation uncertainty

Preparation of the financial statements in accordance with IFRS requires the Centre's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of Income and expenses during the reporting period. The determination of estimates requires judgments which are based on historical experience, current and expected economic conditions, and other available information. Actual results could differ from those estimates.

The most significant areas requiring the use of management estimates and assumptions relate to:

- economic useful lives of plant and equipment
- provisions; and
- contingencies.

Economic useful lives of plant and equipment

The Centre's plant and equipment are depreciated on a straight-line basis over their economic useful lives. Useful economic lives of plant and equipment are reviewed by management periodically. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Centre.

Provisions

The Centre creates provision for impaired trade receivables to account for estimated losses resulting from the inability of clients to make the required payments. At 31 December 2012, in the opinion of the Centre's management, a provision of BD9,402 is required towards impaired trade receivables (2011: BD9,402). When evaluating the adequacy of provision for impaired trade receivables, management bases its estimate on current overall economic conditions, ageing of the trade receivable balances, historical write-off experience, client's creditworthiness and changes in payment terms. Changes in the economy, industry or specific customer conditions may require adjustments to the provision for impaired trade receivables recorded in these financial statements.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future event.

5 Plant and equipment

	Motor Vehicles	Furniture and fixtures	Office equipment	Conferences hall equipment	Total
Cost					
At 31 December 2010	19,880	21,610	40,209	13,091	94,790
Additions	21,500	7,871	16,321	-	45,692
Disposals	(19,880)	(21,053)	(21,951)	(8,513)	(71,397)
At 31 December 2011	21,500	8,428	34,579	4,578	69,085
Additions	-	2,019	3,424	-	5,443
At 31 December 2012	21,500	10,447	38,003	4,578	74,528
Accumulated depreciation					
At 31 December 2010	19,880	21,096	38,467	13,006	92,449
Charge for the year	4,927	1,374	3,328	85	9,714
Disposals	(19,880)	(21,053)	(21,951)	(8,513)	(71,397)
At 31 December 2011	4,927	1,417	19,844	4,578	30,766
Charge for the year	5,375	1,904	6,605	-	13,884
At 31 December 2012	10,302	3,321	26,449	4,578	44,650
Net book amount					
At 31 December 2012	11,198	7,126	11,554	-	29,878
At 31 December 2011	16,573	7,011	14,735	-	38,319

The Centre operates from premises leased for five years at a monthly rent of BD1,000 per month (2011: BD1,000 per month).

6 Trade other receivables

	31 December 2012	31 December 2011
Trade receivables	55,118	39,518
Less: provision for impaired trade receivables	(9,402)	(9,402)
	45,716	30,116
Receivables from GCC Chambers of Commerce	53,334	53,334
Accrued interest	2,063	9,910
Repayments	805	800
Staff advances	55	605
	101,973	94,765

6 Trade and other receivables (continued)

The movement in the provision for impaired trade receivables is as follows:

	31 December 2012	31 December 2011
Opening balance	9,402	11,150
Provision reversed for collected balances during the year (Note 13)	-	(1,748)
Closing balance	9,402	9,402

As at 31 December, the ageing of unimpaired trade receivables is as follows:

	31 December 2012	31 December 2011
Due in less than 6 months	12,000	4,300
Due in more than 6 months	33,716	25,816
	45,716	30,116

Unimpaired trade receivables are expected to be fully recoverable and unsecured. It is not the practice of the Centre to obtain collateral over trade receivables and are therefore, all unsecured. In the opinion of the Centre's management, the fair values of the trade and other receivables are not expected to be significantly different from their carrying values.

The Centre's trade receivables are primarily denominated in Bahrain Dinars.

7 Fixed deposits

	31 December 2012	31 December 2011
Fixed deposits	112,013	725,037

Fixed deposits having original maturities of 365 days. Fixed deposits bear interest rates ranging between 3.5% and 3.7% per annum (2011: ranging between 3.5% to 3.7% per annum).

The details of fixed deposits are as follows:

Bank name	Fixed deposit type	Fixed deposit number	Maturity dates	31 December 2012	31 December 2011
Kuwait Finance House	Murabaha	KFHB 996/11	29 August 2012	-	400,000
Kuwait Finance House	Fixed deposit	011030004368	7 October 2012	-	216,339
Kuwait Finance House	Fixed deposit	011030003752	22 March 2013	112,013	108,698
				112,013	725,037

8 Cash and cash equivalents

	31 December 2012	31 December 2011
Fixed deposits	800,000	-
Current account balances with banks	67,814	151,832
Call account balance	8,105	8,094
Saving account balance	1,269	127
Cash on hand	400	250
	877,588	160,303

The current account balances with banks are non-interest bearing except the call account balance which bears interest ranging between 0.1% and 0.2% per annum (2011: ranging between 0.1% to 0.3% per annum) and saving account balance bears interest at 0.6% per annum (2011: 0.7% per annum).

Fixed deposits included in cash and cash equivalents have original maturities of 90 days and bear market rates of interest.

9 General reserve

In the Board of Directors meeting No. 51 held on 15 December 2011, it was resolved to transfer an amount of BD100,000 from the accumulated funds of the previous years as a general reserve and to transfer an amount equivalent to 10% of the Centre's net surplus to the general reserve until the general reserve balance reach BD300,000. During the year an amount of BD27,818 been transferred to the general reserve from the net surplus for the year ended 31 December 2012 (2011: BD111,836).

10 Employees' terminal benefits

Local employees

The contributions made by the Centre towards the pension scheme for Bahraini nationals administered by the Social Insurance Organisation in the Kingdom of Bahrain for the year ended 31 December 2012 amounted to BD13,757 (2011: BD10,360).

Expatriate employees

The movement in leaving indemnity liability applicable to expatriate employees is as follows:

	31 December 2012	31 December 2011
At 1 January	960	721
Accruals for the year	663	559
Payments during the year	-	(320)
At 31 December	1,623	960
The number of staff employed by the Centre	12	11

11 Other payables

	31 December 2012	31 December 2011
Advances received from arbitration cases parties	159,469	322,476
Provisions for leave salary and air passage	28,590	13,197
Accrued expenses and other payable	13,993	5,887
Advances income from conferences and training courses	3,650	39,960
	205,702	381,520

12 Income

	Year ended 31 December 2012	Year ended 31 December 2011
Commercial arbitration income	302,306	165,358
Income from conference and training courses	272,125	132,775
Members registration fees	40,900	40,650
	615,331	338,783

The following is the details of the Income from Commercial arbitration

	Year ended 31 December 2012	Year ended 31 December 2011
Income from arbitration case No. 34	-	263
Income from arbitration case No. 35	533	-
Income from arbitration case No. 43	-	325
Income from arbitration case No. 45	-	37
Income from arbitration case No. 48	1,753	8,400
Income from arbitration case No. 49	77,214	120,874
Income from arbitration case No. 50	4,465	27,821
Income from arbitration case No. 51	4,772	-
Income from arbitration case No. 52	4,331	-
Income from arbitration case No. 53	3,200	-
Income from arbitration case No. 54	-	2,613
Income from arbitration case No. 55	-	3,466
Income from arbitration case No. 56	3,706	-
Income from arbitration case No. 58	182,299	-
Income from arbitration case No. 62	3,917	-
Income from arbitration case No. 63	1,500	-
Income from arbitration case No. 64	1,750	-
Income from arbitration case No. 65	12,466	-
Arbitration hall rental income and secretary fees	-	959
Income from registration of arbitration cases	400	600
	302,306	165,358

13 Other income

	Year ended 31 December 2012	Year ended 31 December 2011
Interest on fixed deposits	17,773	24,630
Foreign currencies gains, net	1,252	665
Profit from sale of books and bulletins	34	127
Profit from sale of plant and equipment	-	8,433
Reversal of provision for impaired trade receivables (Note 6)	-	1,748
Miscellaneous income	615	429
	19,674	36,032

14 General and administrative expenses

	Year ended 31 December 2012	Year ended 31 December 2011
Advertising, printing and stationery expenses	40,869	11,140
Meetings and hospitality expense	20,415	17,062
Rent expenses	12,000	8,000
Communication expenses	11,959	11,101
Audit and consultancy fees	4,283	-
Electricity and water expenses	2,906	1,516
Maintenance expense	2,209	1,717
Contribution expenses	1,120	-
Transpiration expenses	844	859
Insurance	536	766
Centre's building expenses	-	10,494
Miscellaneous expenses	3,571	4,169
	100,712	66,824

15 Operating lease commitments

The future aggregate minimum lease commitments under non-cancellable operating leases are as follows:

	31 December 2012	31 December 2011
Not later than 1 year	12,000	12,000
Later than 1 year but not later than 2 years	12,000	12,000
Later than 2 year 1 but not later than 5 years	12,000	28,000
	36,000	52,000

16 Financial assets and liabilities and risk management

Financial assets and liabilities carried on the statement of financial position include cash and cash equivalents, trade and other receivables, fixed deposits and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Capital management

The primary objective of the Centre's capital management is to ensure that it maintains a healthy capital ratio in order to support its operation and maximise the benefits from the Centre.

The Centre manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies and processes during the years ended 31 December 2012 and 2011.

The Centre monitors capital using a gearing ratio, which is net debt divided by total accumulated fund plus net debt. The Centre includes within net debt, other payables less cash and cash equivalents. Capital comprises of accumulated funds and reserves.

	31 December 2012	31 December 2011
Other payables	205,702	381,520
Less: cash and cash equivalents	(877,588)	(160,303)
Net debt	(671,886)	221,217
Accumulated funds	774,473	524,108
General reserve	139,654	111,836
	914,127	635,944
Total capital and net debt	242,241	857,161
Gearing ratio	-	25.81%

The Centre has negative net debt at 31 December 2012. Accordingly the gearing ratio has not been calculated.

Risk management is carried out by the Finance Department of the Centre under policies approved by the Board of Directors. The Centre's Finance Department evaluates and hedges financial risks in close co-operation with the Centre's management. The Board of Directors provides principles for overall risk management, as well as policies covering specific areas.

Interest rate risk is the risk that the value of a financial asset or liability would fluctuate due to changes in market interest rates. The Centre's fixed deposits, call account and saving accounts bear market rates of interest. Thus renegotiation only occurs when the fixed deposits are renewed on maturity. The Centre's other assets and liabilities, in the opinion of management, are not sensitive to interest rate risk.

16 Financial assets and liabilities and risk management (continued)

Credit risk is the risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss. Cash is placed with national banks with good credit ratings. Concentrations of credit risk with respect to trade receivables are limited due to the Centre's large number of clients that have a variety of end markets in which they opearte. Management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Centre's trade receivables.

Currency rate risk is the risk that the value of a financial assets and liabilities will fluctuate due to changes in foreign exchange rates. The Centre currency rate risk, in the opinion of the management, is minimal as the operation are primarily in GCC currencies and USD which are effectively pegged to the Bahrain Dinar.

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Centre's management rigorously monitors liquidity requirements on a regular basis to help ensure that sufficient funds are available to meet its liabilities as they fall due.

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction.

The fair values of the Centre's financial assets and liabilities, in the opinion of the management, are not materially different from their carrying amounts.

17 Events after reporting date

There were no events subsequent to 31 December 2012 and occurring before the date of the report that are expected to have a significant impact on these financial statements.