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International Renewable Energy Agency

14 January 2013

INTERNATIONAL RENEWABLE ENERGY AGENCY
Third session of the Assembly
Abu Dhabi, 13 – 14 January 2013

Audited Financial Statements of the Preparatory Commission for IRENA

Preparatory Commission for the International Renewable Energy Agency

Liquidation Financial Statements

1 January 2011 - 5 April 2011

Principal business address:
P O Box 236
Abu Dhabi
United Arab Emirates

Preparatory Commission for the International Renewable Energy Agency

Liquidation financial statements 1 January - 5 April 2011

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Preparatory Commission for the International Renewable Energy Agency

Liquidator's Statement

INTRODUCTION

1. The Preparatory Commission for the International Renewable Energy Agency (Commission) was officially established in Bonn on 26 January 2009 to establish the institutional structures, implement first activities and generally pave the way for the International Renewable Energy Agency (IRENA) until the Agency's formal establishment on 6 April 2011. Through its Statute, IRENA is mandated to promote the widespread and increased adoption and sustainable use of all forms of renewable energy.

2. The Commission's core budget activities were funded by assessed voluntary contributions from Members of the Commission (Members). The contributions were calculated according to an indicative IRENA adjusted scale of voluntary contributions. In addition, the Commission received financial and in kind contributions from the respective host countries as well as in kind contributions from other Members.

3. The Commission's headquarters were located in Abu Dhabi, the United Arab Emirates, the IRENA Innovation and Technology Centre was to be established in Bonn.

LIQUIDATION OF THE PREPARATORY COMMISSION

4. The Resolution on Establishing a Preparatory Commission for the International Renewable Energy Agency, adopted by the Conference on the Establishment of the International Renewable Energy Agency on 26 January 2009, and as contained in IRENA/FC/res.1, provides in paragraph 12 that the Commission shall remain in existence until the Statute comes into force after 25 ratifications, and thereafter until the conclusion of the first session of the Assembly of IRENA and the election of the Council of IRENA in accordance with the Statute. The first session of the Assembly of IRENA was concluded on 5 April 2011, thereby effectively terminating activities of the Preparatory Commission. The International Renewable Energy Agency was established on 6 April 2011.

5. The Assembly at its first session, acting pursuant to Article IX, paragraph A of the Statute, agreed in its decision A/1/DC/2 on the Acceptance of Assets and Liabilities of the Preparatory Commission for the International Renewable Energy Agency by the International Renewable Energy Agency and other Transitional Arrangements to accept the transfer of all assets and liabilities of the Preparatory Commission of the International Renewable Energy Agency and to implement the transitional arrangements as specified in decision PC.5/DC.6 of the Preparatory Commission on the Transfer of Assets and Liabilities from the Preparatory Commission for the International Renewable Energy Agency to the International Renewable Energy Agency and Recommendations on other Transitional Arrangements.

6. Decision PC.5/DC.6 lists all assets and known liabilities as at 28 February 2011 in an unaudited inventory drawn up by the Commission and accepted by IRENA at the time of the transfer. The transfer arrangements state that assets shall include an eventual audited cash surplus, if any, which will be reflected in the final audited financial statements of the Commission. It further requires that the transfer of assets had to include voluntary payments made to the Commission prior to the first session of the Assembly. The arrangement is governed by decision PC.4/DC.6, paragraph 5 (voluntary contributions for core budget that are made by a Member State in 2011 prior to the first Assembly will be deducted from that Member State's required mandatory contribution which will be decided at the first Assembly) and other decisions made in the context of the 2011 Work Programme and Budget.

7. Decision PC.5/DC.6 directed that the Office of the Liquidator for the Commission shall be established, the Liquidator being appointed by the Director-General. Decision PC.5/DC.6 further fully empowered the Liquidator to complete the final closure of the Commission's accounts in accordance with the Interim Financial Regulations for the Preparatory Commission.

8. The financial statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS).

9. The key management personnel of the Commission consisted of the Interim Director-General and three Division Directors. Related party disclosures in line with IPSAS requirements are included accordingly in the notes to the financial statements.

10. Pursuant to article 3.2 of decision PC.5/DC.6, and after having taken into consideration the audited financial statements for the period ending 31 December 2010, I am herewith closing the accounts of the Commission, and am transferring all assets and liabilities, including those related to the Staff Provident Fund, to the Director-General of IRENA and have the honour to submit the liquidation financial statements of the Preparatory Commission for the period from 1 January 2011 to 5 April 2011 through the Director-General of IRENA to the Council, for its examination and onward transmission to the Assembly. I certify that, to the best of my knowledge and information available, all transactions during the reporting period have been properly entered in the accounting records of the Commission for the 1 January to 5 April 2011 period and that these transactions, together with the financial statements and accompanying notes, details of which form an integral part of this document, fairly present the financial position of the Preparatory Commission as at 5 April 2011.

11. The Report of the External Auditor on the audit of the liquidation financial statements, together with his opinion thereon, is also submitted to the Council as required through decision PC.5/DC.6.

Jayantilal M. Karia

Liquidator

Abu Dhabi, 18/3/ 2012

Adnan Z. Amin

Director General of IRENA

Abu Dhabi, 18/3 2012

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Our date	Our reference
14.03.2012	
	Filing code 384.2
Your date	Your reference

Mr Adnan Z. Amin
Director-General
The International Renewable Energy Agency

External Audit Report on the Audit of the liquidation financial statements of the Preparatory Commission for IRENA - the International Renewable Energy Agency

Dear Sir,

Attached please find the OAGN's External Audit report on the Liquidation Financial Statements of the Preparatory Commission for the International Renewable Energy Agency.

We wish to express our appreciation for the excellent cooperation and assistance provided to the auditors by your staff, the Liquidation officer included, during the audit field work at IRENA headquarters in Abu Dhabi.

Yours sincerely,

Hans Conrad Hansen
Director General

Riksrevisjonen
Office of the Auditor General
of Norway

REPORT BY THE INDEPENDENT EXTERNAL AUDITOR ON THE LIQUIDATION FINANCIAL STATEMENTS OF THE PREPARATORY COMMISSION FOR IRENA - THE INTERNATIONAL RENEWABLE ENERGY AGENCY.

According to the contract between the International Renewable Energy Agency (IRENA) and the Office of the Auditor General of Norway (OAGN) dated 24 January 2012 - Clause 4.1, the OAGN assumed the responsibility for the audit of the liquidation financial statements for the period 1 January - 5 April 2011.

The main task of the External Auditor is to examine and audit the Liquidation Financial Statements and report whether the Statements present fairly, in all material respects, the financial position of the Preparatory Commission on the liquidation day 5 April 2011, and the result of its operations during the period 1 January to 5 April 2011.

In accordance with the Assembly decision PC.5/DC.6 the Office of the Liquidator was established, and accordingly the Liquidator was appointed by the Director-General. The Liquidation Financial Statements of the Preparatory Commission for the International Renewable Energy Agency are prepared in accordance with the International Public Sector Accounting Standards (IPSAS). These financial statements comprise as at 5 April 2011:

i. Statement of financial position;
ii. Statement of financial performance;
iii. Statement of changes in net assets;
iv. Statement of cash flow;
v. Statement of comparison of budget and actual amounts; and
vi. Associated notes with summary of significant accounting policies and other explanations.

We report to you whether, in our opinion, the liquidation financial statements of the Preparatory Commission present the Commission's financial position, and that information given in the accompanying notes and disclosures is consistent with the financial statements at the closing of the accounts of the Commission and transfer of all assets and liabilities, including those related to the Provident Fund, to the organization IRENA. We also report whether in all material respect the expenditure and income for the period 1 January to 5 April 2011 have been spent for the purposes intended, and whether the financial transactions conform to the authorities which govern them.

Basis for the audit Opinion

The audit of the Liquidation Financial Statement of the Preparatory Commission for the International Renewable Energy Agency, covering the period of 1 January - 5 April 2011, has been carried out in accordance with internationally accepted auditing standards. Those standards require that audit is planned and performed in a way that gives reasonable assurance whether the financial statements are free from material misstatements. As part of our audit we have undertaken verification of the documentation of assets and liabilities as these are presented in the balance sheet and accompanying notes per 5 April 2011. The audit includes examinations on a test basis, collections of evidence for the amounts, disclosures and regularity of financial transactions included in the accounts. We have assessed the accounting principles used and significant estimates made by the management and evaluated the overall presentation of the financial statements, and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for the audit opinion.

Questions and audit findings have been continuously communicated to and discussed with the Liquidation office, and necessary and agreed corrections have been made accordingly in the accounts, whereupon updated financial statements have been submitted.

The Liquidator has during his work documented that a former senior management officer, in autumn 2010 through misuse of authorities, approved the payment of salaries and personal emoluments to another former employee amounting to $ 56,784 in total. As the former employee was not entitled to the payments, this caused unnecessary costs to the organization. The amount is registered as staff receivables and advances as detailed in explanatory note 2.3 related to other assets. On the other hand there is an amount payable of $ 23,226.82 to the former senior management officer responsible for the irregular payments.

We have reviewed and confirmed the calculations underlying the abovementioned amounts involving two former staff members and have noted that vigorous attempts are being made to recover the amount of receivable.

Finally, and based upon the audit field work performed and the corrections agreed upon in the accounts, we are able to verify that in our opinion, income, expenditure, assets, liabilities and changes in equity disclosed in the statements are presented according to IPSAS and best accounting practice. This also includes underlying documentation of assets and liabilities as well as for of changes in equity.

Audit opinion:

- The Liquidation Financial Statements properly present the financial performance and the financial position of the Preparatory Commission of IRENA as of 5 April 2011 which, accordingly, will be the opening balances of the organization IRENA – the International Renewable Energy Agency – as from 6 April 2011 onwards.
- Information and explanations given within the period in the accounts and accompanying notes are consistent with the financial statements as of 5 April 2011.

- In our opinion, in all material respect, expenditure and income for the given period have been applied for the purposes intended, and the financial transactions conform to the authorities which govern them

Signed at the Office of the Auditor General of Norway in Oslo, on 14 March 2012

Hans Conrad Hansen
Director General

Bjørn Langerud
Assistant Director General

Johannes Heltne
Assistant Director General

Preparatory Commission for the International Renewable Energy Agency

Liquidation Financial Statements

1 January 2011 - 5 April 2011

Principal business address:
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Preparatory Commission for the International Renewable Energy Agency

Statement I

Statement of Financial Position

As at 5 April 2011

	Note	USD 5 April 2011	USD 1 January 2011 (restated)	
ASSETS				
Current assets				
Cash and cash equivalents	2.1	6,109,799	4,019,465	
Accrued contributions		-	735,166	
Contributions receivable	2.2	306,031	1,279,136	*
Other assets	2.3	502,475	828,706	
Total current assets		**6,918,305**	**6,862,473**	
Non-current assets				
Property, plant and equipment	2.4	2,987,002	3,182,764	
Intangible assets	2.5	220,264	252,539	
Total non-current assets		**3,207,266**	**3,435,303**	
TOTAL ASSETS		**10,125,571**	**10,297,776**	
LIABILITIES				
Current liabilities				
Payables and accruals	2.6	1,424,548	402,900	
Staff Provident Fund liabilities	2.7	70,217	17,827	
Deferred revenue	2.8	1,742,785	3,436,800	*
Short term employee benefits	2.9	337,115	94,742	
Other liabilities		-	20,306	
Total current liabilities		**3,574,665**	**3,972,575**	**
Non-current liabilities				
Housing advance fund	2.10	817,439	816,900	
Total non-current liabilities		**817,439**	**816,900**	**
TOTAL LIABILITIES		**4,392,104**	**4,789,475**	
NET ASSETS		**5,733,467**	**5,508,301**	
FUND BALANCES AND RESERVES				
Fund Balances	2.11	3,449,206	758,281	
Surplus for the period	2.11	1,135,510	3,601,269	*
Operating Reserve	2.11,2.12	1,148,751	1,148,751	
TOTAL FUND BALANCES AND RESERVES		**5,733,467**	**5,508,301**	**

The accompanying notes form an integral part of the financial statements.
** 2011 opening balances, based on 2010 closing balances, which have been restated, are explained in corresponding notes.*
*** Comparatives of current liability, non-current liability and fund balance and reserve classes have been reclassified for current presentation as further clarified in Note 2.13.*

Jayantilal M. Karia
Liquidator
Abu Dhabi, 18/3/2012

Adnan Z. Amin
Director General of IRENA
Abu Dhabi,

Preparatory Commission for the International Renewable Energy Agency

Statement II
Statement of financial performance

For the period from 1 January 2011 to 5 April 2011

	Note	USD 1 January 2011 to 5 April 2011	USD Year ended 31 December 2010	
REVENUE	3		(restated)	
Voluntary contributions to the General Fund according to the IRENA adjusted scale of contributions	3.1	3,093,780	5,115,908	
Contributions specified for purpose		522,905	2,899,277	*
In-kind contributions	3.2	643,216	4,939,492	
Other voluntary contributions		75,142	792,195	
Currency exchange gain		68,363	2,127	**
TOTAL REVENUE		**4,403,406**	**13,748,999**	
EXPENSES	3			
Staff costs		1,737,146	5,731,704	
Consultants and contractual services		340,376	1,778,178	
Other operating expenses		804,152	898,364	
Travel expenses		64,373	361,506	
Meetings		45,412	475,391	
Depreciation		244,163	766,754	
Amortisation		32,274	124,479	
Currency exchange loss		-	11,354	**
TOTAL EXPENSES		**3,267,896**	**10,147,730**	
SURPLUS FOR THE PERIOD		**1,135,510**	**3,601,269**	

The detailed breakup of revenue and expenses is disclosed in Note 3 to the financial statements.
The accompanying notes form an integral part of these financial statements.
** 2010 closing balances which have been restated are explained in corresponding notes.*
*** 2010 comparative amount of net currency exchange loss of USD 9,227 was reclassified to segregate currency exchange gain of USD 2,127 and loss of USD 11,354.*

Preparatory Commission for the International Renewable Energy Agency

Statement III
Statement of changes in net assets

For the period from 1 January 2011 to 5 April 2011

	Notes	Fund balance	Surplus for the period	Operating Reserve	Total net assets
		USD	**USD**	**USD**	**USD**
Closing balance 31 December 2010		**758,281**	**3,566,291**	**1,148,751**	**5,473,323**
Adjustments to net assets opening balance	4.1		34,978		34,978
Adjusted opening balance 1 January 2011		**758,281**	**3,601,269**	**1,148,751**	**5,508,301**
Movements in fund balances and reserves in the period 1 January - 5 April 2011					
Apportionment of 2009 General Fund cash surplus	4.2	(758,281)	-	-	(758,281)
Apportionment of 2010 General Fund cash surplus	4.3	-	(48,611)	-	(48,611)
Charges to prior period surplus	4.4	(103,452)	-	-	(103,452)
Transfer of surplus to fund balance		3,552,658	(3,552,658)	-	-
Surplus for period 1 January - 5 April 2011		-	1,135,510	-	1,135,510
Transfer to Operating Reserve	2.12	-	-	-	-
Total movements during the period		**2,690,925**	**(2,465,759)**	**-**	**225,166**
Total fund balances and reserves		**3,449,206**	**1,135,510**	**1,148,751**	**5,733,467**

The accompanying notes form an integral part of these financial statements.

Preparatory Commission for the International Renewable Energy Agency

Statement IV
Statement of cash flow

For the period from 1 January 2011 to 5 April 2011

	Note	1 January 2011 to 5 April 2011 USD	Year ended 31 December 2010 USD (restated)	
Cash flow from operating activities:				
Surplus for the period		**1,135,510**	**3,601,269**	
Decrease (increase) in other receivables	2.2	973,105	(1,279,136)	*
Decrease (increase) in accrued contributions		735,166	(735,166)	
Decrease (increase) in other assets	2.3	326,231	(354,535)	
Depreciation of property, plant and equipment	2.4	244,166	766,753	
Amortization of intangible assets	2.5	32,275	124,479	
Increase in payables and accruals	2.6	1,021,648	353,665	**
Increase in Staff Provident Fund liabilities	2.7	52,390	17,827	
(Decrease) increase in other liabilities		(20,306)	20,306	
(Decrease) increase in deferred revenue	2.8	(1,694,015)	3,159,374	*
Increase in employee benefits	2.9	242,373	94,742	**
Increase in housing advance fund	2.10	539	816,900	
Net cash flows from operating activities		**3,049,082**	**6,586,478**	
Cash flows from investing activities:				
Acquisition of property plant and equipment	2.4	(48,404)	(3,949,517)	
Acquisition of intangible assets	2.5	-	(377,018)	
Net cash flows from investing activities		**(48,404)**	**(4,326,535)**	
Cash flows from financing activities:				
Transfers to Operating Reserves	2.12	-	842,193	
Transfers of cash surplus apportionments for 2009 and 2010	4.2/ 4.3	(806,892)	(3,257,420)	
Charges to prior period surplus	4.4	(103,452)	-	
Net cash flows from financing activities		**(910,344)**	**(2,415,227)**	
Net increase (decrease) in cash and cash equivalents		**2,090,334**	**(155,284)**	
Cash and cash equivalents at beginning of the period	2.1	**4,019,465**	**4,174,749**	
Cash and cash equivalents at end of the period	2.1	**6,109,799**	**4,019,465**	

The accompanying notes form an integral part of these financial statements.
** 2010 closing balances which have been restated are explained in corresponding notes.*
***2010 comparative amount of USD 35,915 representing increase in payroll accruals for 2010 was reclassified for current presentation from Increase in payables and accruals to Increase in employee benefits.*

Preparatory Commission for the International Renewable Energy Agency

Statement V
Statement of comparison of budget and actual amounts

For the period from 1 January 2011 to 5 April 2011

	Original Budget[a)] USD	Actual amounts on comparable basis[a)] USD	Variances: final budget and actual amounts USD
Contributions[b)]			
Assessed contributions to General Fund	1,619,200	3,093,780	(1,474,580)
Voluntary contributions from the UAE bid	205,500	417,113	(211,613)
Other income	-	87,282	(87,282)
Total receipts	**1,824,700**	**3,598,175**	**(1,773,475)**
Expenditures[b)]			
General Fund expenditure	1,619,200	1,819,323	(200,123)
Information technology	145,300	277,924	(132,624)
Operations	60,200	26,614	33,586
Other expenditure	-	131,209	(131,209)
Total payments	**1,824,700**	**2,255,070**	**(430,370)**
Net	**-**	**1,343,105**	**(1,343,105)**

a) Budget amounts are the modified accrual basis adopted in the budget preparation and approved by the Assembly and the actual amounts are restated on the same basis as the budget amounts. The reconciliation is provided in Note 5.

b) Classification of contributions and expenditures generally follows the same basis as the approved budget and is modified from the classification shown in Statement II which represents it by nature/function.

NOTES TO THE LIQUIDATION FINANCIAL STATEMENTS

NOTE 1: ACCOUNTING POLICIES

Basis of Preparation

1 The liquidation financial statements of the Preparatory Commission for the International Renewable Energy Agency (PC) have been prepared on the accrual basis of accounting in accordance with the International Public Sector Accounting Standards (IPSAS) using the historic cost convention. The appropriate International Financial Reporting Standard (IFRS) has been applied where an IPSAS does not address a particular issue.

2 The Cash Flow Statement was prepared using the indirect method.

3 The functional and reporting currency of the PC was USD. Transactions in currencies other than USD were converted into USD at the prevailing United Nations Operational Rates of Exchange (UNORE) at the time of transaction. Assets and liabilities held at the period end in currencies other than USD were converted into USD at the prevailing UNORE period end closing rate. Resulting gains or losses were accounted for in the Statement of Financial Performance.

Cash and Cash Equivalents

4 Cash and cash equivalents were held at nominal value and comprised cash on hand and cash at banks.

Financial Instruments

5 The PC used only non-derivative financial instruments as part of its normal operations. These financial instruments consisted of bank accounts, accounts receivable and accounts payable.

6 All financial instruments were recognized in the Statement of Financial Position at their fair values. The historical cost-carrying amount of receivables and payables subject to normal trade credit terms approximates the fair value of the transaction.

Financial Risks

7 The PC had instituted prudent risk management policies and procedures in accordance with its Financial Regulations and Rules. In the normal course of business, the PC was exposed to a variety of financial risks, such as market risk (foreign currency exchange and interest rate), and counterparty risks. The PC did not use any hedging instruments to hedge risk exposures.

- **Currency risk:** The PC received contributions from Members of the Commission in currencies other than USD and was therefore exposed to foreign currency exchange risk arising from fluctuations of currency exchange rates.

- **Interest rate risk:** The PC kept its funds only in non-interest bearing accounts.

- **Credit risk:** The PC had no significant exposure to credit risk because its contributing Members of the Commission were generally of high credit standing.

- **Counter-party risk:** The PC had its cash deposited with one bank and could therefore have been exposed to the risk that a bank may default in its obligation towards the Commission, however, the bank is an international bank, which has attained top credit rating in the UAE market.

Revenue and Contributions

8 Assessed voluntary income on Member and Signatory States was recognized as revenue when received.

9 Contributions specified for purpose were recognized as an asset when received from Members, with revenue normally being recognized at the same point. However, in some cases a Member had placed strict conditions over the application of funds to a specific activity that a deferred income was recognized along with the asset and revenue was only recognized as the activity was delivered. The accounting treatment of donor contributions was determined on a case-by-case basis following the provisions of IPSAS 23 - 'Revenue from Non-Exchange Transactions'.

10 Revenue from non-exchange transactions was measured as the increase in recognized net assets.

Receivables

11 Receivables are stated at nominal value less allowance for estimated irrecoverable amounts.

12 In-kind contributions of goods were valued at fair market value and were recognized as revenue and as assets when received. In-kind contributions comprised remuneration paid to personnel seconded by Members to the PC and lease of PC offices provided by the host country.

Property, Plant and Equipment

13 Property, Plant and Equipment (PP&E) are stated at historical cost less accumulated depreciation and any impairment losses. Depreciation was provided for PP&E over their estimated useful life using the straight line method. The estimated useful life for PP&E classes were as follows:

Class	**Estimated useful life (years)**
Communication and IT equipment	3
Furniture & fixtures	5
Miscellaneous	3 - 5
Leasehold improvements	The lesser of the lease term or 5 years

14 Leasehold improvements are recognized as assets and valued at cost, and depreciated over the lesser of the remaining useful life of the improvements or the lease term.

15 Impairment reviews were undertaken for all assets at least annually.

Intangible Assets

16 Intangible assets are stated at historical cost less accumulated amortization and any impairment losses.

17 Amortization was provided over the estimated useful life using the straight line method. Acquired computer software licenses were capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs were amortised over their estimated useful lives of three years.

Leases

Finance Leases

18 Leases under which substantially all of the risk and reward of ownership have been transferred to the Commission through the lease agreement are treated as finance leases.

Operating Leases

19 Leases which are not categorized as finance leases, with a balance of risk and reward remaining with the lesser, are considered to be operating leases.

20 Expenditure incurred under an operating lease is charged on a straight-line basis over the life of the lease.

Employee Benefits Liabilities

21 The PC recognized the following categories of employee benefits:

- short-term employee benefits which fall due wholly within 12 months after the end of the accounting period in which employees render the related service; and

- post-employment benefits.

22 Five employees of the PC were members of the Staff Provident Fund – an in-house staff pension fund. The Staff Provident Fund is a defined contribution plan.

Provisions and Contingent Liabilities

23 Provisions are made for future liabilities and charges where the PC has a present legal or constructive obligation as a result of past events and it is probable that the PC will be required to settle the obligation.

24 Other commitments, which do not meet the recognition criteria for liabilities, are disclosed in the notes to the financial statements as contingent liabilities when their existence would be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which were not wholly within the control of the PC.

Comparison of Budget and Actual Amounts

25 The Preparatory Commission approved the budgets of PC which included core and voluntary funded budgets. Statement V: Comparison of Budget and Actual Amounts compares the budget to actual amounts calculated on the same basis as the corresponding budgetary amounts. As the bases used to prepare the budget and financial statements differ, Note 5 provides a reconciliation between the actual amounts presented in the Statement V to the actual amounts presented in Statement IV: Cash Flow.

NOTE 2: ASSETS AND LIABILITIES

Note 2.1: Cash and Cash Equivalents

	5 April 2011 USD	31 December 2010 USD
Cash and cash equivalents		
Cash on hand	1,192	1,806
Cash in bank	6,038,390	4,002,691
Restricted bank accounts - Staff Provident Fund	70,217	14,968
Total cash and cash equivalents	**6,109,799**	**4,019,465**

26 Cash required for immediate disbursement was maintained in cash and bank accounts.

27 The Commission did not place investments in deposits, bonds or shares, nor did it make use of money market facilities such as hedging.

28 Cash and cash equivalents included restricted bank accounts, which were dedicated to accumulation and investment of the Staff Provident Fund contributions (Note 2.7).

Note 2.2: Contributions receivable

	5 April 2011 USD	31 December 2010 (restated) USD
Contributions receivable		
UAE - Housing allowance	106,628	95,240
UAE - Internet access	83,743	142,616
UAE - Relocation grant	50,000	40,000
UAE - Research	46,750	412,140
UAE - Operational services	18,910	30,619
Other UAE bid receivable	-	558,521
Total contributions receivable	**306,031**	**1,279,136**

29 Contributions receivable from Members include amounts due but not yet received under signed donor agreements. The bid[1] agreement was signed between the PC and the host government on 22 June 2010. The listed contributions receivable relate to this agreement. As the qualifying expense was approved, income (if expenditure had already been incurred) or deferred revenue (if expenditure had not yet been incurred) were recognized. At the same time a corresponding receivable was raised.

30 The Employee Housing Allowance Agreement signed with the host government on 7 March 2010 was applicable to all professional grade and seconded staff with an allowance ranging from 25% to 45% of the total rent amount including agency fees. The allowable rental amount was capped depending on the grade of the staff member. These allowances were claimed by the PC on behalf of staff members from the host government on a periodic basis.

31 2010 closing balance for other UAE bid receivables of USD 558,521 was restated by USD 158. The adjustment cancelled 2010 revenue and related receivable for 2010 expense, which did not qualify for bid expenditure.

Note 2.3: Other assets

Other assets	5 April 2011 USD	31 December 2010 USD
Prepaid expenses	130,421	304,844
Staff receivables and advances	59,140	22,175
Employee housing advances	312,914	501,687
Total other assets	**502,475**	**828,706**

32 The host government funded the employees' annual housing advances (see Note 2.10). The corresponding employee housing advances were advanced to employees to settle annual rental advances and recovered from the housing allowances (Note 2.2) and the employees on a monthly basis.

33 Staff receivables and advances include an amount of USD 56,784 overpaid to a former employee. Vigorous attempts are being made to recover this amount.

[1] Term "bid" refers to the proposal of the United Arab Emirates to host the Interim Seat of the Secretariat for the International Renewable Energy Agency

Note 2.4: Property, Plant and Equipment

	Furniture & fittings USD	Office equipment USD	Communication & IT equipment USD	Total USD
Cost				
Opening Balance 01.01.2011	2,493,986	73,350	1,382,181	3,949,517
Additions 01.01.2011 to 05.04.2011	-	749	47,655	48,404
Closing Balance 05.04.2011	**2,493,986**	**74,099**	**1,429,836**	**3,997,921**
Accumulated Depreciation				
Opening Balance 01.01.2011	(407,832)	(11,202)	(347,719)	(766,753)
Depreciation charge for the period	(124,643)	(3,692)	(115,831)	(244,166)
Closing Balance 05.04.2011	**(532,475)**	**(14,894)**	**(463,550)**	**(1,010,919)**
Net Book Value				
Opening Balance 01.01.2011	2,086,154	62,148	1,034,462	3,182,764
Closing Balance 05.04.2011	**1,961,511**	**59,205**	**966,286**	**2,987,002**

34 Additions to property, plant and equipment were capitalized. The asset's value, less any estimated disposal price, was depreciated over the asset's estimated useful life using the straight line method.

35 Assets were reviewed annually to determine if there was any impairment in their value.

36 The PC headquarters offices were not part of property, plant and equipment as the PC was a tenant in the building under a lease which is deemed to be an operating lease under the provisions of IPSAS 13.

Note 2.5: Intangible Assets

	Software Licenses USD
Cost	
Opening Balance 01.01.2011	377,018
Additions	-
Closing Balance 05.04.2011	**377,018**
Accumulated amortisation	
Opening Balance 01.01.2011	(124,479)
Charge for the period	(32,275)
Closing Balance 05.04.2011	**(156,754)**
Carrying amounts	
Opening Balance 01.01.2011	252,539
Closing Balance 05.04.2011	**220,264**

Note 2.6: Payables and Accruals

	5 April 2011 USD	31 December 2010 USD
Payables and Accruals		
Payable to Members of the Commission	1,124,859	-
Payable to vendors	202,468	252,202
Accruals	97,221	150,698
Total Payables and Accruals	**1,424,548**	**402,900**

37 Payables to Members of the Commission represent apportionments of 2009 remaining balance due of USD 624,185 and 2010 General Fund cash surpluses payable of USD 48,611 (Notes 4.2 and 4.3) and overpayments of assessed contributions of USD 452,062 pending clarifications (Note 3.1).

38 Payables to vendors relate to amounts due for goods and services for which invoices have been received.

39 Accruals represent the value of goods or services received, which have not yet been invoiced and for which the cost is not yet certain, and liabilities for goods and services received or provided to the PC during the period under agreed contracts but which have not yet been invoiced.

Note 2.7: Staff Provident Fund liabilities

40 Staff Provident Fund liabilities comprise amounts contributed on behalf of and due to the Fund members and any Staff Provident Fund income held in IRENA accounts.

Staff Provident Fund account	**5 April 2011**	**31 December 2010**
	USD	**USD**
Assets		
Bank account balances	70,217	14,968
Contributions receivable	-	2,859
Total Assets	**70,217**	**17,827**
Funds and Liabilities		
Members' accounts	69,774	17,827
Income	443	-
Total Funds and Liabilities	**70,217**	**17,827**

Note 2.8: Deferred revenue

	5 April 2011	**31 December 2010** (restated)
	USD	**USD**
Deferred revenue		
Deferred UAE bid contributions	906,157	1,118,998
Deferred German IITC contributions	836,005	941,797
Deferred assessed contributions	623	1,376,005
Total deferred revenue	**1,742,785**	**3,436,800**

41 The PC recognizes as deferred revenue liability conditions attached to voluntary contributions. The conditions are imposed on the use of contributions and include a performance obligation to use the donation in a specified manner. The UAE bid and German IITC contributions had attached conditions for use in specified areas of work in accordance with the contribution agreements. Where related expense was not incurred by the end of reporting period, deferred revenue was recognised. As the PC satisfied the conditions on voluntary contributions through performance in the specified manner, the carrying amount of the liability was reduced and an amount of revenue equal to that reduction was recognized.

42 Assessed contributions received from Members according to the indicative IRENA adjusted scale of assessment in advance of the period to which they relate were recognized as deferred assessed contributions and transferred to income after reporting date.

43 2010 closing balance for deferred UAE bid contributions of USD 1,118,998 reflects adjustments to restate deferred revenue liability related to the bid agreement. The adjustments of USD 35,136 were made to recognise 2010 revenue for matching 2010 qualifying expense. Accordingly, a reduction was made to deferred revenue recorded in 2010.

Note 2.9: Employee benefits

	5 April 2011	31 December 2010
	USD	USD
Employee benefits		
Accrued payroll	84,664	35,915
Annual leave accrual	150,569	58,827
Education grant accrual	101,882	-
Total employee benefits	**337,115**	**94,742**

44 Short-term employee benefits are normally expected to be settled within 12 months after the end of the period in which the employees render the related service and are measured at their nominal values based on past payment experience. Accrued payroll includes payable to former employee amounting to USD 23,226.82 pending further clarifications.

Note 2.10: Housing advance fund

45 The host government funded the employees' annual housing advances. An amount of USD 817,439 (AED 3,000,000) was received by the PC in two instalments on the 27 July 2010 and 4 August 2010. These funds were advanced for the sole purpose of enabling the PC to fund the employees net cash flows related to their rental advances.

Note 2.11: Fund balances and reserves

		Opening balance 1 January 2011 (restated)	**Surplus for the period**	**Apportionment of 2009/2010 general fund cash surplus**	**Charge to surplus**	**Closing balance 5 April 2011**
		USD	**USD**	**USD**	**USD**	**USD**
Fund balances						
General Fund		758,281	-	(758,281)	-	-
Bid Contributions		-	-	3,434,302	(103,452)	3,330,850
IITC Contributions		-	-	118,356	-	118,356
Total fund balances	A	758,281	-	2,794,377	(103,452)	3,449,206
Accumulated surplus						
General Fund		48,611	1,361,739	(48,611)	-	1,361,739
Bid Contributions		3,434,302	(285,275)	(3,434,302)	-	(285,275)
IITC Contributions		118,356	59,046	(118,356)	-	59,046
Total fund balances	B	3,601,269	1,135,510	(3,601,269)	-	1,135,510
Operating Reserve	C	1,148,751	-	-	-	1,148,751
Total fund balances and reserves	A+B+C	**5,508,301**	**1,135,510**	**(806,892)**	**(103,452)**	**5,733,467**

46 Fund balances represent the unexpended portion of contributions that were intended to be utilized in future operational requirements of the Commission. These are PC's residual interest in the assets after deducting all its liabilities.

47 Bid and IITC contributions surpluses were accumulated from contributions of the UAE and Germany in accordance with the bid agreement and conditional funding for the IITC programme in Bonn. The balances largely represent non-depreciated share of investment into property, plant and equipment (PP&E). When PP&E is capitalized it becomes part of fund balance. Charge to surplus is explained in Note 4.4.

48 2010 closing balance for the bid Contributions of USD 3,434,302 was restated by USD 34,978. The adjustments comprised of increase by USD 35,136 of 2010 revenue for matching 2010 qualifying expense related to the bid Contributions; corresponding adjustments were made for deferred UAE bid contributions revenue and contributions receivable and were offset by further adjustment of USD 158 for cancelled 2010 revenue and related receivable for 2010 expense, which did not qualify for bid expenditure.

Note 2.12: Operating reserve

49 In accordance with regulation 11.1 of the Interim Financial Regulations and Decision PC.4/DC.6 on the Provisional Work Programme and Budget of the Preparatory Commission for 2011, an operating reserve was required to be established at the level of 15% from the budget for 2011.

	USD
2011 Proposed Programnme Budget (A/1/DC/8)	
Estimated budget for January - March 2011	1,619,200
Estimated budget for April - December 2011	11,640,800
Total Proposed Programnme Budget 2011	**13,260,000**
Operating reserve requirement at 5 April 2011	
15% of the budget for January - March 2011	**242,880**
Operating reserve	
2009 establishment of operating reserve	306,558
2010 transfer to operating reserve	842,193
Opening balance at 1 January 2011	**1,148,751**
Required operating reserve allocation for the period	**-**

50 No transfers to the operating reserve were required for the period 1 January to 5 April 2011 as the reserve carried forward from 31 December 2010 exceeded the operating reserve requirement for the period ending 5 April 2011.

51 Pursuant to PC decisions PC.2/DC.2, PC.2/DC.3 and PC.4/DC.6, the operating reserve remains the property of the Members that have contributed to it. Therefore, as a result of the liquidation of the PC, the operating reserve will be transferred to IRENA and subsequently after final audit of the 2011 IRENA Financial Statements in accordance with decision A/1/DC/8, it will be apportioned among Members of IRENA and contributing Signatories, in proportion to their contributions.

Note 2.13: Reclassification of comparative amounts

52 Comparative amounts for the opening balance as at 1 January 2011 which are based on 31 December 2010 for the Statement I, Statement of Financial Position were reclassified to match current presentation for current liabilities, non-current liabilities and fund balances and reserves classes. 2010 Current liabilities comparatives of USD 3,972,575 were regrouped to accommodate modified current liabilities categories shown for the current period. 2010 Non-current liabilities comparative of USD 58,827, representing staff annual leave accrual, was transferred to short-term employee benefits under current liabilities. 2010 Fund balances and reserves comparatives of USD 5,508,301 were reclassified to disclose fund balances, reserves and surpluses.

NOTE 3: FINANCIAL PERFORMANCE

	Core Budget		Bid Contribution from the UAE		Contribution from Germany		In-kind Contributions		Total	
	1 Jan – 5 Apr 2011 USD	2010 USD	1 Jan – 5 Apr 2011 USD	2010 (restated) USD	1 Jan – 5 Apr 2011 USD	2010 USD	1 Jan – 5 Apr 2011 USD	2010 USD	1 Jan – 5 Apr 2011 USD	2010 USD
Revenue										
Voluntary contributions according to the scale of contributions	3,093,780	5,115,908	-	-	-	-	-	-	3,093,780	5,115,908
Contributions specified for purpose	-	-	417,113	2,884,663	105,792	14,614	-	-	522,905	2,899,277
In Kind contributions	-	-	448,927	4,041,342	12,620	171,144	181,669	727,006	643,216	4,939,492
Other voluntary contributions	75,142	792,195	-	-	-	-	-	-	75,142	792,195
Currency exchange gain	12,140	-	-	-	56,223	2,127	-	-	68,363	2,127
Total revenue	**3,181,062**	**5,908,103**	**866,040**	**6,926,005**	**174,635**	**187,885**	**181,669**	**727,006**	**4,403,406**	**13,748,999**
Expenses										
Staff costs	1,460,191	4,878,403	10,000	150,972	102,752	38,596	164,203	663,733	1,737,146	5,731,704
Consultancy and related services	220,311	490,809	120,065	1,287,369	-	-	-	-	340,376	1,778,178
Other operating expenses	51,164	220,735	752,483	670,650	66	6,978	-	-	803,713	898,363
Travel expenses	41,806	249,260	2,126	91,728	2,975	20,519	17,466	-	64,373	361,507
Meetings	45,851	13,327	-	398,790	-	-	-	63,273	45,851	475,390
Currency exchange loss	-	6,958	-	4,396	-	-	-	-	-	11,354
Depreciation	-	-	235,327	763,655	8,836	3,099	-	-	244,163	766,754
Amortization	-	-	31,314	124,143	960	337	-	-	32,274	124,480
Total expenses	**1,819,323**	**5,859,492**	**1,151,315**	**3,491,703**	**115,589**	**69,529**	**181,669**	**727,006**	**3,267,896**	**10,147,730**
Surplus/ (deficit)	**1,361,739**	**48,611**	**(285,275)**	**3,434,302**	**59,046**	**118,356**	**-**	**-**	**1,135,510**	**3,601,269**

53 2010 comparative balance for contributions specified for purpose related to bid Contribution from the UAE of USD 2,884,663 was restated by USD 34,978. The adjustments comprised of increase by USD 35,136 of 2010 revenue for matching 2010 qualifying expense related to the bid contributions; corresponding adjustments were made for deferred UAE bid contributions revenue and contributions receivable and were offset by further adjustment of USD 158 for cancelled 2010 revenue and related receivable for 2010 expense, which did not qualify for bid expenditure.

Note 3.1: Voluntary contributions to the General Fund

54 Voluntary contributions to the General Fund comprise contributions made by Members for the period 1 January to 5 April 2011 on the basis of the indicative IRENA adjusted voluntary scale of contributions.

Members of the Commission	Amounts per scale of assessments USD	Receipts USD	Overpayments pending clarification USD
Angola	1,326	2,667	(1,341)
Australia	310,418	310,666	(248)
Brunei Darussalam	4,439	4,439	-
Bulgaria	6,102	6,102	-
Denmark	118,183	118,183	-
Germany	1,287,599	1,287,599	-
Iceland	6,710	6,710	-
India	85,739	85,739	-
Ireland	79,973	86,483	(6,510)
Latvia	6,102	12,695	(6,593)
Liechtenstein	1,430	1,430	-
Mali	482	515	(33)
Palau	133	259	(126)
South Africa	61,827	61,827	-
UAE	62,790	500,000	(437,210)
United Kingdom	1,060,527	1,060,527	-
Total	**3,093,780**	**3,545,841**	**(452,061)**

Note 3.2: In-kind contributions

55 The estimated fair value of the contributions in kind provided to regular activities based on the lease contracts or actual disbursements are as follows:

Member	Contributions received 1 Jan – 5 Apr 2011 USD	Contributions received 2010 USD
Germany	12,620	171,144
Italy	43,879	107,513
Japan	98,205	284,235
Poland	1,911	14,500
Republic of Korea	37,674	195,538
Spain	-	125,220
UAE	448,927	4,041,342
Total in-kind contributions	**643,216**	**4,939,492**

NOTE 4: CHANGES IN NET ASSETS

56 In accordance with Financial Regulation 4.5 of the Interim Financial Regulations for the Preparatory Commission, at the close of financial periods, the Commission apportioned cash surpluses in the budget among Members of the Commission in proportion to their paid voluntary contributions for the period. These cash surpluses were refunded to the respective Members as of 1 January following the year in which the audit of the accounts of the financial period was completed. Cash surpluses for 2009 and 2010, and their respective apportionment are shown below in Notes 4.2 and 4.3 respectively.

Note 4.1: Adjustments to net assets opening balance

Description	**Adjustment amount USD**
Recognition of 2010 income funded from restricted contributions to match corresponding 2010 expense simultaneously reducing deferred income recorded in 2010	35,136
Adjustment to overstated 2010 income and corresponding receivable	(158)
Total	**34,978**

Note 4.2: Apportionment of 2009 General Fund cash surplus

Member	2009 contributions received	2009 General Fund cash surplus	2009 surplus apportioned to Members during 2010	2009 surplus balance due as at 1 January 2011	Surplus applied to voluntary contribution	Refunded to Member	Due to Members as at 5 April 2011
	(A)	(B)	(C)	(D)=(B)+(C)	(E)	(F)	(G)=(D)+(E)+(F)
	USD	USD	USD	USD	USD	USD	USD
Azerbaijan	1,985	1,491.59		1,491.59			1,491.59
France	1,500,000	1,127,136.48	(1,064,700.00)	62,436.48			62,436.48
Germany	1,792,000	1,346,552.39	(1,287,599.00)	58,953.39		(58,953.39)	-
Kenya	2,074	1,558.45		1,558.45			1,558.45
Lichtenstein	1,870	1,405.16	(1,405.16)	-			-
Norway	100,000	75,142.43		75,142.43	(75,142.43)		-
Somalia	169	126.99		126.99			126.99
Republic of Korea	169,000	126,990.71	(126,990.71)	-			-
Spain	743,350	558,571.27		558,571.27			558,571.27
Sweden	260,000	195,370.32	(195,370.32)	-			-
United Arab Emirates	773,671	581,355.21	(581,355.21)	-			-
Totals	**5,344,119**	**4,015,701.00**	**(3,257,420.40)**	**758,280.60**	**(75,142.43)**	**(58,953.39)**	**624,184.79**

Note 4.3: Apportionment of 2010 General Fund cash surplus

Member	**2010 contributions received** USD	**2010 surplus due to Members** USD
Contributions received in respect of the IRENA scale of assessments		
Angola	1,344	9.68
Armenia	965	6.95
Austria	77,220	556.09
Azerbaijan	2,593	18.67
Bahrain	6,767	48.73
Bangladesh	1,354	9.75
Bosnia and Herzegovina	2,434	17.53
Brunei Darussalam	4,827	34.76
Bulgaria	6,608	47.59
Chad	15,791	113.71
Denmark	127,980	921.62
Finland	243,419	1,752.94
France	1,064,700	7,667.24
Georgia	1,028	7.40
Germany	1,394,213	10,040.16
Ghana	4,960	35.72
Guinea-Bissau	8,877	63.93
India	92,840	668.57
Iraq	3,463	24.94
Jordan	2,412	17.37
Kenya	2,063	14.85
Libya	22,431	161.53
Liechtenstein	1,565	11.27
Luxembourg	68,814	495.55
Mali	477	3.44
Malta	2,915	20.99
Monaco	502	3.61
Mongolia	137	0.99
Montenegro	112	0.81
Morocco	9,793	70.52
Nicaragua	507	3.65
Niger	308	2.22
Nigeria	19,960	143.74
Norway	151,454	1,090.67
Philippines	15,635	112.59
Poland	15,985	115.11
Republic of Korea	392,981	2,829.98
Samoa	97	0.70
Serbia	6,434	46.33
Seychelles	696	5.01
Sierra Leone	137	0.99
South Africa	66,946	482.10
Spain	334,151	2,406.33
Sudan	1,355	9.76
Sweden	185,014	1,332.34
Togo	112	0.81
Tonga	137	0.99
Uganda	865	6.23
UK	1,148,339	8,269.55
Tanzania	1,324	9.53
Yemen	1,329	9.57
Zimbabwe	497	3.58
European Union	328,308	2,364.25
2009 surplus waivers		
Liechtenstein	1,405	10.12
Republic of Korea	126,991	914.50
Sweden	195,370	1,406.92
United Arab Emirates	581,355	4,186.52
TOTAL	**6,750,296**	**48,611.00**

Note 4.4: Charge to surplus

57 Prior period accumulated surplus for bid contributions was charged USD 103,452 to adjust in-kind contributions for adjusting the original entry recorded in March 2010 for PP&E items received during that month for warranty related charges, entered in USD instead of invoiced amount in UAE Dirhams.

NOTE 5: STATEMENT OF COMPARISON OF BUDGET AND ACTUAL EXPENDITURE

58 The PC's budget and accounts are prepared on different bases. The Statement of Financial Performance is prepared on a full accrual basis using a classification based on the nature of expenses, whereas the Statement of Comparison of Budget and Actual Amounts (Statement V) is prepared on a modified accrual (a commitment accounting) basis.

59 Reconciliation between the actual amounts on a comparable basis in the Statement of Comparison of Budget and Actual Amounts (Statement V) and the actual amounts in the Statement of Cash Flow (Statement IV) for the period from 1 January to 5 April 2011 is presented below.

60 Budget amounts have been presented in accordance with the approved budget for 2011. The amount of surplus per Statement V of USD 1,343,105 has been reconciled to the net increase in cash and cash equivalents in Statement IV of USD 2,090,334. Details on the reconciliation between the actual amounts on a comparable basis in the Statement of Comparison of Budget and Actual Amounts (Statement V) and the actual amounts in the Statement of Cash Flow (Statement IV) for the period from 1 January to 5 April 2011 is presented in the table below.

	Adjustments Pertaining to the Cash Flows from:			
	Operating Activities USD	**Financing Activities** USD	**Investing Activities** USD	**Total** USD
Actual Amounts on Comparable Basis (Statement V)	**1,343,105**	**-**	**-**	**1,343,105**
Basis differences	-	-	(48,404)	(48,404)
Presentation differences	1,705,977	(910,344)	-	795,633
Actual Amounts in the Statement of Cash Flow (Statement IV)	**3,049,082**	**(910,344)**	**(48,404)**	**2,090,334**

61 As required under IPSAS 24, the actual amounts presented on a comparable basis to the budget are, where the financial statements and the budget are not prepared on a comparable basis, reconciled to the actual amounts presented in the financial statements, identifying separately any basis and timing differences. There are also differences in formats and classification schemes adopted for presentation of financial statements and the budget.

62 Basis differences occur when the approved budget is prepared on a basis other than the accounting basis. For the Commission, the budget was prepared on the commitment basis and the financial statements were prepared on the accrual basis. For example, entire property, plant and equipment (PP&E) values are expensed in the budget at acquisition while in the financial statements these are capitalised and PP&E depreciation is charged monthly thus expensing their full value over their useful lives.

63 Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. There are no timing differences for the PC for purposes of comparison of budget and actual amounts.

64 Presentation differences are due to differences in the format and classification schemes adopted for presentation of Statement of Cash Flow and Statement of Comparison of Budget and Actual Amounts. With exception of General Fund and voluntary contributions from the UAE bid, the extra-ordinary activities funded by other donors are not included in Statement V, the amounts related to those revenues and expenses are classified as presentation differences.

65 The actual amounts on a comparable basis in the Statement of Comparison of Budget and Actual Amounts (Statement V) relate to two sources of funding as presented in the table below.

	General Fund	**Voluntary contributions from the UAE bid**	**Total actual amounts on comparable basis**
	USD	USD	USD
Receipts			
Assessed contributions to the General Fund	3,093,780	-	3,093,780
Voluntary contributions from the UAE bid	-	417,113	417,113
Other income	87,282	-	87,282
Total receipts	**3,181,062**	**417,113**	**3,598,175**
Payments			
General Fund expenditure	1,819,323	-	1,819,323
Information technology	-	277,924	277,924
Operations	-	26,614	26,614
Other expenditure	-	131,209	131,209
Total payments	**1,819,323**	**435,747**	**2,255,070**
Net	**1,361,739**	**(18,634)**	**1,343,105**

NOTE 6: COMMITMENTS AND CONTINGENCIES

Note 6.1: Commitments

66 Under IPSAS 1 on accrual accounting and on the basis of the delivery principle, commitments for future expenses are not recognized in the financial statements. As per decision PC.5/DC.6 each party to a contract entered into by the Commission had to be

notified of the transition from the Commission to IRENA. IRENA succeeded to commercial contracts entered into by the Commission unless (a) the other party to the contract objected within one month after notification or (b) the Director-General, in the interest of IRENA, elected to terminate such contract. Based on the above listed principles, as of liquidation, the PC transferred all commitments for goods and services to IRENA.

Note 6.2: Legal or Contingent Liabilities

67 There are no contingent liabilities arising from legal actions and claims that are likely to result in a significant liability to the Commission.

NOTE 7: RELATED PARTIES AND KEY MANAGEMENT PERSONNEL

Note 7.1: Key Management Personnel

Number of individuals	Compensation and post adjustment	Entitlements	Staff Provident Fund	Total remuneration 1Jan-5Apr 2011	Outstanding advances against entitlements	Outstanding housing advances
	USD					
4	181,074	153,226	34,340	368,640	-	37,435

68 Key management personnel of the PC were the Director-General and the Division Directors. They had the authority and responsibility for planning, directing and controlling the activities of PC.

69 The aggregate remuneration paid to key management personnel included: net salaries, post adjustment, entitlements such as representation allowance and other allowances, assignment, education and other grants, rental subsidy, personal effect shipment costs, and Staff Provident Fund contributions. Entitlements included employees' housing advances granted to settle annual rental advances. The advances were recovered from the housing allowances and the employees on a monthly basis.

Note 7.2: Related Party Transactions

70 Except as otherwise noted in these statements for revenue from non-exchange transactions including contributions in kind, all transactions made with third parties occur at fair value within a normal relationship of supplier or client and at arm's-length terms and conditions.

NOTE 8: EVENTS AFTER REPORTING DATE

71 PC's liquidation date was 5 April 2011. On the date of signing of these accounts, there had been no material events, favourable or unfavourable, incurred between the balance sheet date and the date, when the financial statements were authorized for issue that would have impacted these statements.