

“Achieve Your Potential”

Annual Report 2011




2030
البحرين
BAHRAIN




تمكين
Tamkeen


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His Royal Highness
Prince Khalifa Bin Salman Al Khalifa

The Prime Minister of the
Kingdom of Bahrain



His Majesty
King Hamad Bin Isa Al Khalifa

The King of the
Kingdom of Bahrain



His Royal Highness
Prince Salman Bin Hamad Al Khalifa

The Crown Prince and
Deputy Supreme Commander of the
Kingdom of Bahrain

Our Vision:

Empowering Bahrainis to prosper and contribute to the national economy

Our Mission:

Empowering Bahrainis according to market requirements and building enterprise capabilities to contribute to expanding the national economy



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**Shaikh Mohammed Bin
Essa Al Khalifa**
Chairman

Chairman's Statement

Together with our beneficiaries and partners, we are working to build Bahrain into a stronger and more self-sufficient economy.

In the challenging year of 2011, Tamkeen launched 33 new initiatives in human capital development and 21 new initiatives in enterprise support to bring the total number of programmes supporting the private sector to 180. We served over 8,500 Bahrainis and 5,512 businesses. We created an Enterprise Support Fund worth BD 10 million to provide a lifeline to distressed businesses. These were not easy tasks, but as long as we consistently build productive partnerships, there is no limit to the impact we can have together.

In the past year through focus groups and outreach, we have seen that people desire more transparency from Tamkeen and more clarity on what we offer. Along with our 2012 Operational Plan and public consultations on our offerings, this annual report is one step towards maximising our efforts to listen to the needs of the people and businesses we serve.

Ushering Change

As a part of Bahrain's Economic Vision 2030, Tamkeen places the Bahraini citizen at the heart of growth and as the primary beneficiary of economic development. The benchmark for our success is placed high: Tamkeen must do its part to diversify the economy by increasing the capabilities and contributions of non-oil sectors. To do this, we are helping enterprises flourish by enabling them to acquire the tools they need to improve their businesses in all aspects. In addition, we are working with our partners to enable Bahrainis to upskill themselves and become sought-after employees and leaders. We seek to build a foundation of talented and motivated citizens in both the private sector and the workforce.

Our top priority at Tamkeen is to enable individuals and enterprises to achieve their potential. We want to see a flourishing culture of continuous self-improvement across various generations throughout the nation. We encourage an eagerness for knowledge, career advancement, entrepreneurship, and business improvements. In the next five to ten years, we hope to see an economic environment where both women and men can use their skills to embark on satisfying and challenging careers, or start their own businesses.

Partner to the Private Sector

We see public-private partnerships as a key element in the overall vision of our leadership to encourage the potential of Bahrain as a business hub. These partnerships are also integral to generating employment opportunities for Bahrainis in emerging industries. In keeping with this philosophy, Tamkeen serves as an active and enabling partner of the private sector and caters our services to all varieties of enterprises.

An important aspect of our partnerships with the private sector is Tamkeen's efforts to support the Bahrain Economic Development Board (EDB) in attracting foreign investment. This strategy aims to further diversify the economy and ultimately elevate national living standards by creating more opportunities for Bahrainis, as outlined in Vision 2030 and the National Economic Strategy. Bahrain is an appealing option for companies looking to enter into the Gulf market – we have a modern infrastructure, a direct link to Saudi Arabia with the Causeway, an accessible airport, and large-capacity seaports. We provide the world with a gateway to the Gulf market, which boasts a value of BD 377 billion (USD 1 trillion) and is projected to reach BD 754 billion (USD 2 trillion) in the next 10 years. Foreign companies looking to come to Bahrain can rely on assistance from Tamkeen to develop their local presence, train and hire qualified Bahrainis, and facilitate knowledge transfer in the region.

Like most of the world, Bahrain has had a challenging financial year, and yet there have been a few glimmers of our potential. For example, we were ranked number one in the Middle East by the 2011 Index of Economic Freedom published by The Heritage Foundation and The Wall Street Journal. Our economy has a liberal economic environment and a strong regulatory framework, which enables businesses to operate with confidence that their investments will be protected and without encountering red tape. Tamkeen contributes to establishing Bahrain as a business-friendly destination by combining best practices from around the world and framing them to fit Bahrain's unique market needs.

Quality of Our People

Quality of growth depends more than anything else on the quality of people. Tamkeen aims to create a knowledge-based economy complete with proficient citizens who can thrive in a competitive labour market. Tamkeen's success equates to success for the people of Bahrain and our country as a whole. To us, true prosperity means putting in the hands of every Bahraini the tools they need to achieve their potential. With our dual approach of targeting the labour market and the private sector, Tamkeen is gearing up the country for a productive and successful future.

For 2012, Tamkeen has allocated nearly BD 107 million for various projects and programmes, with 20 new initiatives scheduled to launch. We are thrilled to say that more than 22,000 beneficiaries are expected to participate in Tamkeen's programmes in the coming year. A main focus for Tamkeen in 2012 is to continue our public consultations with beneficiaries, the media, service providers, partners, government agencies, and legislative bodies as part of our commitment to transparency and closer stakeholder engagement. The goal is to be concrete about what we expect of ourselves and what our beneficiaries can expect from us. The essence of our commitment to our stakeholders is that we will continue to seek and respond to their feedback.

Board of Directors



**Shaikh Mohammed
Bin Essa Al Khalifa**
Chairman

**Isa Mohamed
Abdul Rahim**
Board Member

**Khalid Ali Rashid
Al-Amin**
Vice Chairman

**Kadhem Isa
Al-Saeed**
Board Member



**Dr. Zakaria Ahmed
Hejres**
Board Member

**Abdulkarim
Ahmed Bucheery**
Board Member

**Mohammed
Abdulrahman
Mohammed**
Board Member

**Abdullellah Ebrahim
Al-Qassimi**
Board Member

**Sayed Salman
Jaffar Al-Mahfoodh**
Board Member



**Mahmood Hashem
Al-Kooheji**
Chief Executive

Chief Executive's Statement

Turning Challenges into Opportunities

Looking back, we have made a remarkable leap in the number of beneficiaries we have reached, but our vision is a long one and we continue to strive towards the day that Bahrainis are the employees of choice and the economy of the country is vibrant, strong, and sustainable. Our work at Tamkeen is dedicated to investing in our current and future economy and driving prosperity for all communities in Bahrain. Our multifaceted approach identifies the Kingdom's labour market needs, connects Bahrainis with skills training and jobs, and assists businesses to achieve their potential.

Our Work in 2011

Life is about challenges, and we seek to turn these challenges into opportunities. The slow economy in 2011 proved there was more need for Tamkeen than ever before and this is where we stepped up with 54 new programmes and the restructuring of existing ones to better meet demands. Tamkeen is a dynamic organisation and this year we improved our ability to adjust to changes in the market and to refine our services accordingly.

Overall, Tamkeen's objectives are aimed at the long-term development of Bahrain's economy in accordance with Economic Vision 2030. Making Bahrainis the employees of choice is a vision nearing completion, and our efforts to achieve this standard will be renewed year after year. Regardless of variations in the market, we will continue to focus our energy on developing Bahrainis and the overall private sector as a whole.

Reaching Out to the People

At Tamkeen, we make an effort to be adept listeners: we seek to receive, understand, and respond to the requirements and expectations of the people. At the core, we are a service organisation that aims to provide valuable programmes. In the past year, we spent considerable time

developing our Operational Plan by communicating with stakeholders and holding focus groups to gauge what services would be most valuable. Tamkeen is using this occasion of increased communication to improve flexibility, responsiveness, and accessibility for stakeholders and beneficiaries.

Our success can be measured by the number of people that participate in Tamkeen's programmes and use them to improve their circumstances and their lives. Key to achieving this metric is making people aware of what we have to offer and encouraging them to participate. Our ultimate goal is to benefit every family in the Kingdom. Through a dedicated Tamkeen team and by being more accessible, we are reaching out to all parts of the country and making ourselves more approachable. The focus for us is the beneficiaries: what we can provide them, how we can reach them, and how we can have a positive effect on their development.

Encouraging Entrepreneurial Spirit

Tamkeen is a strong supporter of entrepreneurship in Bahrain. We want graduates to consider starting a business as his or her first step out of school. For Bahrain's economy to be vibrant and healthy we need more entrepreneurs and more small and medium enterprises. To achieve this, Tamkeen enthusiastically supports those who take the first step towards starting a business. We have programmes that assist through all stages of the process, from developing a business plan, to securing start-up capital, to developing the skills of employees. We seek to help aspiring entrepreneurs achieve their ambitions.

Over the past few years, Tamkeen has worked with banks to develop financing programmes for enterprises by acting as a partial guarantor and thereby reducing the associated risks. Tamkeen can help enterprise owners secure the money they need to grow or to remain open in times of hardship. We also offer enterprises tailor-made career progression programmes for the development of their employees.

Supporting the Private Sector

A unique quality of Tamkeen is that we support all businesses in Bahrain, regardless of ownership or size. Our programmes for business owners can provide a boost in profitability, such as employee skills development or financing to cover consultancy costs for expansion, marketing, business processes, or product offerings. By supporting the private sector in Bahrain, Tamkeen is aiming to increase the number of available jobs. In the past year, we have worked with our partners to bring several international companies to Bahrain. Tamkeen is proud to say that we worked hard to customise profitable proposals for them to set up shop here and hire qualified local staff.

For Bahrainis, by Bahrainis

From A to Z, Tamkeen is an organisation directed and administered by Bahrainis. We encourage other organisations and businesses to rely on Bahrainis as their key employees and we are leading by example. We have a culture of equal opportunity for male as well as female staff, both equally and exceedingly dedicated to carrying out our mission. We could not offer our substantial number of programmes without their commitment and we thank each and every one of them for their hard work. Moreover, we are currently building our in-house capacity so that our workforce can continue to offer quality services.

Tamkeen in the Future

Tamkeen is on a continuous path of improvement and we are confident that our results will soon speak for themselves. We hope that each beneficiary will become an ambassador for our programmes and that in a few years, Human Resources Departments will be boasting Bahraini employees because they will be highly skilled, motivated, and experienced in their fields. At Tamkeen, we are constantly working towards tailoring programmes that would be beneficial to the private sector. In our efforts to turn this into a reality, we are working to increase transparency and spread information about Tamkeen and the benefits we have to offer to businesses, employees, and those seeking employment.



Shaheera Al Mass
Tasweeq and Tarweej
beneficiary

Mohammed Al Sakran
Training and Education
Performance Support
beneficiary

Tamkeen's primary objective is to support Bahrainis and Bahrain's private sector and position it as the engine for growth of the national economy.

Under those key objectives a number of programmes have been identified based on studies of the labour market, to determine current and future gaps for individuals and enterprises with detailed plans to address them.

Provide support to enhance the productivity and growth of enterprises and individuals

✓ Tamkeen launched 21 programmes in 2011 to serve 5,512 enterprises, raising the total enterprises served since the initiation of Tamkeen to 12,393.

Deliver business support services

Advisory and Funding for Expansion

The Enterprise Growth Management programme enables enterprises in Bahrain to expand into other business areas and improve business productivity and innovation. This is achieved by providing enterprises with a variety of consulting and support services that help them to identify and pursue improvement or growth opportunities. Tamkeen contributes 80% of the associated costs up to a maximum of BD 15,000 for small enterprises and BD 20,000 for medium and large enterprises.

The Enterprise Growth Management programme is comprised of five main growth schemes:

<p>Business Development (Istishara)</p>	<p>Istishara provides a wide range of options to study and improve all aspects of a business, such as operations, human resources, organisational structure, and marketing using a third party consultancy. Tamkeen subsidises 80% of the total costs, from consultancy studies.</p> <p>Total beneficiaries as of December 2011 reached 165</p>
<p>Quality Management (Jawda)</p>	<p>Jawda assists enterprises in adopting world class quality management systems to acquire quality certifications such as ISO, Six Sigma, Occupational Health and Safety Management Systems, amongst others. Tamkeen subsidises 80% of the total cost to enable the participating businesses to implement well-defined processes, procedures, and product standards.</p> <p>Total beneficiaries as of December 2011 reached 37</p>
<p>Growth Assistance (Tarweej)</p>	<p>The Tarweej scheme was launched to increase the reach of enterprise products and services in the market by subsidising 80% of the cost of participation in local and regional trade exhibitions, including cost of travel, accommodations, and space.</p> <p>Total beneficiaries as of December 2011 reached 837</p>
<p>Technical Assistance (Techania)</p>	<p>Techania helps businesses acquire advanced core machinery and technology to increase business productivity. This scheme subsidises 80% of the total costs of purchasing the required machinery, which may include the costs of installation, maintenance, and training.</p> <p>Total beneficiaries as of December 2011 reached 1,134</p>
<p>Marketing Assistance (Tasweeq)</p>	<p>Tasweeq helps by subsidising 80% of the professional implementation of marketing and communication strategies, including costs of printing, branding documents and collaterals for the business. This scheme enables enterprises to reach their target markets with effective messaging and branding.</p> <p>Total beneficiaries as of December 2011 reached 114</p>

Business Diversification

This programme, in its pilot phase, supports existing companies in diversifying their lines of business, either by adding extra products or entering into new markets. This programme covers a partial share of the feasibility study cost, and provides financial support of up to BD 70,000 for approved cases.

Total beneficiaries as of December 2011 reached 4

e-Marketplace

The e-Tendering Training Programme provides small and medium enterprises with training courses on the internet-based tendering system maintained by the Bahrain Tender Board. This programme aims to encourage local suppliers, and SMEs specifically, to secure a larger share of government projects. The e-Marketplace programme also consisted of a feasibility study with Bapco on creating an online system for procurements of the big government owned companies like Bapco, Banagas, etc. This programme is an integral part of Tamkeen's on-going commitment to equip local suppliers with the knowledge and tools they need to participate effectively in the e-Business marketplace.

Total beneficiaries as of December 2011 reached 450

Advisory and Funding for General Improvement

This programme aims to help enterprises implement general improvements in the hopes of enhancing their productivity, profitability, and growth. This is done through providing enterprises with financial support and customised advice on value-adding improvements.



In 2011 Tamkeen created a BD 10 million Enterprise Support Fund to assist distressed enterprises; 827 Bahraini Enterprises have benefited so far.

Enterprise Support Fund

Recent market conditions have witnessed an adverse impact on many enterprises in Bahrain. In line with the objectives to support the private sector's sustainability and growth, Tamkeen formed the Enterprise Support Fund and allocated BD 10 million as aid for distressed enterprises.

Total beneficiaries as of December 2011 reached 827

Mohasaba Programme

The Mohasaba programme enables enterprises to establish auditing and accounting processes for a clear and transparent business information system and produces two audited financial statements for the applied enterprise. In partnership with leading accounting firms, Mohasaba offers enterprises the tools to build solid accounting practices and auditing standards.

Total beneficiaries as of December 2011 reached:

Accounts and Auditing – 474

Auditing – 152

Fishermen and Farmers Support Programme

Through this programme, Tamkeen offers Bahraini fishermen and farmers subsidies to purchase state-of-the-art equipment and modern technologies.

Total beneficiaries as of December 2011 reached:

Fishermen Support Programme – 585

Farmers Support Programme – 238

Ensure adequate and appropriate financial support

✓ In 2011, Tamkeen made BD 50 million available to enterprises, raising the total portfolio of funding to BD 166.5 million.

Provide and Enable Financing

This programme seeks to improve entrepreneur and SME access to financing and encourages their investment in capacity building and competitiveness improvement projects through accessing low cost financing.

Financing Support Programme

This programme is an integral part of Tamkeen's efforts to provide the necessary financial support for private sector enterprises to grow, prosper, and contribute to the national economy. In partnership with various banks around the country, Tamkeen seeks to bridge the financing gap faced by enterprises by offering low-cost subsidised financing and a 50% guarantee. Participating banks include: Ithmaar Bank, Bahrain Development Bank, Bahrain Islamic Bank, BMI Bank, Kuwait Finance House, Bahraini Saudi Bank, Khaleeji Commercial Bank, Standard Chartered Bank, the Family Bank, and Ebdaa Bank.

Total beneficiaries as of December 2011 reached 3,061

✓ Over 3,000 companies had benefited from Tamkeen's Enterprise Financing Programme by the end of 2011.

ICT Finance Programme

This programme, in its pilot phase, offers enterprises access to finance for information and communications technology (ICT) solutions through offering profit-free financing and a discount on the finance principle amount that reaches 25% of the total finance. By implementing ICT solutions in enterprises' core and supportive operations, this programme aims to enhance productivity and competitiveness.

Total beneficiaries as of December 2011 reached 18



Yousif Al Mubarak
ICT Finance
Programme
beneficiary



Microfinance Programme

Tamkeen has partnered with two microfinance banks, Family Bank and Ebdaa Bank to provide individuals and micro-enterprises with financing for existing business projects and to promote growth. The programme also empowers individuals with limited income to establish new micro-businesses. HRH Princess Sabeeka bint Ibrahim Al Khalifa Women Entrepreneurship Portfolio provides microfinancing for women in collaboration with the Supreme Council for Women and Ebdaa Bank.

Total beneficiaries as of December 2011 reached:

Family Bank Microfinancing – 426

Ebdaa Bank Microfinancing for Women – 139

Business Evaluation and Scoring Model

Tamkeen has developed a comprehensive business evaluation model that goes beyond mere financial evaluation of beneficiaries, to include the 'entrepreneur', the 'business model', and the 'industry' when evaluating the applicants for Tamkeen financing programmes. The model in its pilot phase, acts like a Decision Support System that identifies 'viable' projects eligible for Tamkeen's support.

Total beneficiaries as of December 2011 reached 70

 Tamkeen enabled over 1,000 enterprises to participate in local and international events in 2011.

Nabeel Alajaimi

Bahraini Farmers Support
beneficiary

Moza Khalid
BSc General Nursing
beneficiary

Develop human capital and match skills to demand

✓ In 2011, Tamkeen launched 33 new programmes in training and skills development and served over 8,500 Bahrainis.

Work Readiness and Corporate Culture

The goal of this set of programmes is to improve productivity at both individual and corporate levels by addressing employability skills, work attitude, corporate culture, self-awareness, and career shaping. The programme places a heavy focus on short-term work exposure for students and jobseekers to increase their employability and work ethics as well as a focus on organisational cultures and developing them to grow and retain human capital.

Positive Work Attitudes

Development of Professional Conduct Programme "a9eel"

The "a9eel" programme comes from within Tamkeen's strategic plan to develop healthy attitudes and instil basic work ethics among Bahraini youth. The programme, which was inaugurated in 2010, was designed by Tamkeen, Bahrain Teachers College, and the University of Bahrain, and implemented in collaboration with the Ministry of Education.

Total beneficiaries as of December 2011 reached 1,350

inJAz Business Ethics and Careers with a Purpose Programmes

In coordination with Tamkeen, inJAz runs a number of programmes - Business Ethics and Careers with a Purpose - which aim to enrich the formal academic curricula with lessons on how to excel in the business environment. By bringing industry volunteers to secondary schools to share their experiences, students learn about a wide array of topics including, career choices, teamwork, responsibility and accountability.

Total beneficiaries as of December 2011 reached:

Business Ethics Programme – 2,873

Careers with a Purpose Programme – 2,535

Mahmood Abdulaziz
Occupational Health and Safety Diploma beneficiary

Fatima Al Turabi
Pilot Training Programme beneficiary

Internship Programmes

Tamkeen offers Bahraini graduates the opportunity to take part in internships with major companies and institutions worldwide in areas such as information technology, marketing, engineering, and software development. Tamkeen also offered university students the opportunity to participate in a summer internship in the hospitality industry.

Total beneficiaries as of December 2011 reached:

AIESEC International Internship Programme – 8

Hospitality Internships – 11

Training of supervisors of internships for high school students – 25

Zain FUN Training Programme – 6

Youth Programmes

Tamkeen recognises that Bahrain's young population constitutes an integral part of economic growth and prosperity. In line with this, Tamkeen supports programmes at Youth City 2030 since its inauguration in 2010. Tamkeen also supports participation in the Royal Police Academy Camp for Youth. The prime focus is on instilling good citizenship, positive values and involvement in community support, in partnership with the Royal Police Academy.

Total beneficiaries as of December 2011 reached:

Youth City 2030 – 1,682

Police Academy Youth Summer Camp – 1,400

Corporate Culture Promotion

In partnership with the Bahrain Centre for Excellence, this programme aims to enhance the public sector's performance through the training of top government employees and through the promotion of corporate culture and the values of competitiveness and sustainability.

Total beneficiaries as of December 2011 reached 483

“Discover Life @ Work” Campaign

Initiated by Tamkeen in response to the insights provided by the Skills Gaps Study, the “Discover Life @ Work” awareness campaign highlights job opportunities available in promising sectors of the economy. Tamkeen launched the campaign during 2011 to target students between the ages of 15 and 20 and focused on promoting the emerging sectors of logistics, manufacturing, and tourism as viable and exciting career options for young Bahrainis. As part of

the campaign, Tamkeen published an “After School” periodic magazine in Arabic focusing on providing information on various sectors such as logistics, manufacturing, and tourism careers in addition to topics relevant for youth.

Qualification Systems

Develop Bahrain Qualifications Framework.

This framework is a foundation in the Education and Training development of the private sector through clarifying the relationships between academic and professional qualifications as well as increasing value of informal learning.

Tamkeen Professional Certification Programme

This programme is designed to offer Bahrainis the financial support to attain professional qualifications, which are often too costly for individuals but can greatly increase their career prospects. Applicants can choose from a list of accredited certifications in diverse specialisations such as sales and marketing, human resources, accounting and finance, insurance, quality control, health and safety, surveying, engineering, construction, project management, supply chain management and IT. The programme aims to fill shortages of specialised and skilled practitioners in the labour market over the next four years.

Total beneficiaries as of December 2011 reached 259

Career Progression Programme

This programme aims to enhance the productivity and skills of Bahrain's local talent through the development of skills and wage increases.

Total beneficiaries as of December 2011 reached:

Kindergarten Teachers – 1,500

Career Progression (low-income) – 7,239

Career Progression (mid-income) – 2,241

Skills Gaps Programmes

Extensive research was conducted by Tamkeen through the Skills Gaps Study Report which identified skills deficiencies in Bahrain's labour market in terms of individual occupations and economic sectors. The Skills Gaps initiatives began in 2006 and aim to fill these evident skills shortages in the private sector by providing Bahrainis the opportunities to receive training and international certifications in specific fields.

Total beneficiaries as of December 2011 reached 7,462

The Skills Gaps Programmes cover the following sectors:

Administrative Assistants	<p>This programme gave beneficiaries the opportunity to develop their talents with on-the-job training, personal development workshops, and an introduction to risk management and insurance practices leading to employment opportunities within a wide range of industries.</p> <p>Total beneficiaries as of December 2011 reached 29</p>
Aviation	<p>This programme offered several courses in the aviation sector.</p> <p>Total beneficiaries as of December 2011 reached:</p> <ul style="list-style-type: none"> • Pilot training for A320 aircraft (Type rating 1) – 6 • Aeronautics Maintenance Engineers training – 62 • Financial support for aspiring pilots – 112 • Certification as aircraft maintenance engineers – 100 • Certification as aircraft maintenance technicians – 250
Bahrain Polytechnic Programme	<p>This programme offered scholarships for students accepted into Bahrain Polytechnic to obtain the following degrees: BSc in International Logistics Management, Diploma in Office Management and a BSc in Engineering Technology (Electrical and Mechanical), and a BSc in Web Media and BSc in Visual Design.</p> <p>Total beneficiaries as of December 2011 reached 100</p>
Banking	<p>This programme benefitted the banking sector - a key sector of Bahrain's economy.</p> <p>Total beneficiaries as of December 2011 reached:</p> <ul style="list-style-type: none"> • Training and employment of Bachelor's degree holders in banking sector – 5
Insurance	<p>This programme offered opportunities in the insurance field, a growing sector in Bahrain.</p> <p>Total beneficiaries as of December 2011 reached:</p> <ul style="list-style-type: none"> • Training and employment of Bachelor's degree holders in insurance sector – 12
Construction and Logistics	<p>This programme provided recently graduated Bahrainis with funding for specialised training and/or an international certification to enable them to take advantage of the construction industry boom and Bahrain's position as a leading logistics hub.</p> <p>Total beneficiaries as of December 2011 reached:</p> <ul style="list-style-type: none"> • Quantity Surveying – 108 • Supply Chain Management – 75
Finance and Accountancy	<p>This programme enabled school and university graduates, jobseekers, and existing employees to obtain one of the following certificates: CAT, ACCA, APRM, PRM, CMA or CIMA after receiving a preparatory course.</p> <p>Total beneficiaries as of December 2011 reached:</p> <ul style="list-style-type: none"> • CIMA qualification in Islamic Finance – 78 • CAT, ACCA, APRM, PRM, CMA qualifications – 570
Healthcare	<p>This programme provided funding for qualified Bahrainis to obtain degrees or training suited for various positions in healthcare.</p> <p>Total beneficiaries as of December 2011 reached:</p> <ul style="list-style-type: none"> • Healthcare Assistants – 99 • Allied Health Technicians – 199 • BSc General Nursing – 761 • Specialty Nurses – 50 • Bridging Nurses – 32
Training and Education Performance Support Programme	<p>This programme provided state-of-art techniques and international expertise in the areas of education and training to staff and management of Kindergartens, schools, training institutes and universities in the private sector.</p> <p>Total beneficiaries as of December 2011 reached 311</p>

Hospitality	<p>This programme funded training and development of new-joiners in the hospitality industry at various entry levels.</p> <p>Total beneficiaries as of December 2011 reached:</p> <ul style="list-style-type: none"> • Various entry-level positions – 1,487 • Middle-level/Supervisory positions – 310 • Professional qualification in Human Resources Management in hospitality – 7
Labour law	<p>This programme funded training on Bahrain's Labour Law for members of the General Federation of Workers Trade Unions in Bahrain.</p> <p>Total beneficiaries as of December 2011 reached 18</p>
Occupational Health and Safety	<p>This full-time two-year programme enabled Secondary School graduates to be certified as health and safety professionals to place them in suitable employment.</p> <p>Total beneficiaries as of December 2011 reached 177</p>
Retail	<p>This programme aimed to support the growing needs of the booming retail sector by helping Bahrainis obtain the essential skills, practical experience and accredited certificates needed to succeed in a professional retail environment. The training was provided in both English and Arabic.</p> <p>Total beneficiaries as of December 2011 reached:</p> <ul style="list-style-type: none"> • Visual merchandisers and various entry-level positions – 1,490 • Supervisory positions – 87
Information and Communications Technology (ICT)	<p>This programme offered interested candidates the funding to become certified or trained in various positions in the field of technology.</p> <p>Total beneficiaries as of December 2011 reached:</p> <ul style="list-style-type: none"> • Networking professionals – 99 • IT security professionals – 97 • Web designers – 96 • IT system administrators – 80 • Technology Empowerment Project for Women (Bahrain Women's Union) – 196 • e-Content Management
Travel and Tourism	<p>This programme enabled high school graduates to get a certificate accredited by the British Institute of Commercial Management, a monthly grant, on-the-job training in the fields of travel and tourism as well as guaranteed jobs after successful graduation.</p> <p>Total beneficiaries as of December 2011 reached 71</p>
Meetings, Conferences, Incentives, and Exhibitions (MICE)	<p>This project enabled Bahraini businessmen to participate in a number of leading events in Bahrain, either by subsidising the cost of participation or offering training in trade fair management.</p> <p>Total beneficiaries as of December 2011 reached:</p> <ul style="list-style-type: none"> • Conferences Attendance Support – 267 • Trade Show Management Skills Training – 21

 **Bahraini women represent 47% of the beneficiaries of Tamkeen's human capital development and training programmes.**

Management and Leadership Training

This programme offers management and leadership training to enterprises and to Bahrainis employed in the private sector. The aim is to ultimately improve productivity, instil best practices, and build business knowledge that can enable them to improve or expand their businesses.

Leadership and human resources help to develop and sustain a corporate culture that will constitute the basis for enhancing productivity and effective management of people and business in various private sector enterprises. These are delivered via long-term certification programmes and short-term workshops.

The training offers comprehensive leadership and management certification focusing on managing organisations, finance for non-finance managers, strategic planning, training and development,

compensation and benefits, managing performance, managing change, and managing people. Following successful completion of the programme, participants receive international certifications in both management and human resource fields.

Total beneficiaries as of December 2011 reached:
Human Resources and Leadership Workshops – 750
Leadership and Management Certification – 200
Human Resources Certification – 200



Tamkeen assisted over 2,200 Bahrainis in finding jobs in 2011 through its Skills gaps and Employment programmes.

Employment Programmes

Tamkeen seeks to organise its activities around a workforce intermediary concept that aims to identify the employment demand from firms and populate this demand with Bahrainis by providing training and wage subsidies during the training phases. This is achieved by focusing on initiating contracts with firms, on-the-job training, and a dual-customer concept to serve the needs of both firms and the workforce.

Total beneficiaries as of December 2011 reached 797

The customised employment programmes included the following:

Position	Company	Beneficiaries (as of December 2011)
A320 aircraft-trained pilots	Gulf Air	20
AC technicians	Awal Gulf	18
Air hostesses	Gulf Air	29
Automation engineers	Yokogawa	13
Call centre agents	Invita	114
Call centre agents	Gulf Air	125
Call centre agents	Mena Business Services	151
Healthcare professionals and assistants	King Hamad University Hospital	128
Individual banking services staff	Bank of Bahrain & Kuwait	40
Information Technology staff	LMRA	15
Information Technology staff	EXCEED	38
Technicians in diverse professions	ALBA	46
Industrial engineers	National Institute for Industrial Training	60



Develop an enabling business environment

This objective enables the creation of strategic alliances between Tamkeen and the public and private sector entities in Bahrain. One of the programmes is based on the concept of promoting businesses in Bahrain, with an aim to nurture Bahrain's business environment as one that is more productive for growth of the national economy and its people.

✓ Up until 2011, Tamkeen paid more than BD 60 million on behalf of the private sector companies in Bahrain, thus enabling them to pay their 1% unemployment insurance as required by Law.

Huda Janahi
Finance Programme
beneficiary

Foster the creation and development of enterprises

Provide strategic oversight and coordination of private sector development

Cluster Strategies

Tamkeen will be supporting the development of cluster strategies for different targeted sectors in Bahrain to stimulate a continuous cycle of economic development. This will help identify productivity opportunities, enable innovation, increase commercial efficiency, and lead to a regenerative growth engine for the private sector.

Cross-Sectoral Economic Studies

Tamkeen regularly measures and analyses social and economic developments, evaluating opportunities and risks related to Tamkeen ventures across multiple sectors to evaluate business and human capital needs.



Suha Sawan
Tasweeq and
Mohasaba beneficiary

Productivity Movement Initiative

This initiative seeks to support and enhance national competitiveness by raising awareness of the benefits of productivity within the private sector. Tamkeen will adopt a collective approach including government, business, and labour to ensure that best practices and knowledge relating to productivity become widespread throughout society.



Tariq Khalaf
Enterprise Growth
Management Programme
beneficiary

Encourage local entrepreneurship and growth

Entrepreneurship in Educational Institutions

This programme seeks to develop an entrepreneurial culture in Bahrain through targeting educational institutions. Activities funded will promote positive ambitious attitudes and enterprising behaviour amongst students and will complement other business-oriented activities in the curriculum. Examples of products include modules on entrepreneurship, student-led entrepreneurship clubs, and guest speakers from relevant industries.

inJAz "The Company Programme"

Tamkeen also supports inJAz's "The Company Programme", which is a Secondary School module in which students set up and run their own company. They elect a board of directors from amongst their peers, raise share capital, market and finance a product or service of their own choice. At the end of the programme they liquidate the company and present a report and an account summary. Students gain experience of the real world by taking responsibility and being accountable to their shareholders for the running of the business.

Total beneficiaries as of December 2011 reached 698

Business Plan Competition "Mashroo3i"

Tamkeen is planning to initiate a nationwide business plan competition in 2012 that will promote an entrepreneurial culture amongst school and university students and provide seed funding for the winning business plan. The programme features an extensive awareness campaign about the nature of the competition and the objectives behind it, including platforms for interaction between students and business experts to learn about best practices and review case studies.



Hassan Ali
ICT Finance Programme
beneficiary

Najat Tarradah
Techania, Tasweeq and
Tarweej beneficiary

Entrepreneurial Funding and Support

This initiative seeks to provide entrepreneurial Bahrainis the support they need to develop viable business plans and successful start-ups. The programme provides financial support for consultancy fees and support services, as well as direct access to business plan development, marketing assistance, and product development. This programme enables an entrepreneur to progress through all stages of business development from early concept to pre-launch and validation.

Pre-seed Capital Support Programme

Tamkeen, partnered with the Bahrain Development Bank, provides support for Bahrainis to develop a business idea into a plan, add commercial value, and turn it into a successful business venture. This programme offers financial, advisory, and networking support.

Total beneficiaries as of December 2011 reached 4

Feasibility Study Support Programme

Through this programme, Tamkeen and Bahrain Development Bank provides support for an independent feasibility study for a new business venture. The study offers entrepreneurs a professional assessment of the business, including technical feasibility, profitability, and financial viability.

Total beneficiaries as of December 2011 reached 6

Women Entrepreneur Support Programme

Under this programme, women entrepreneurs receive financial support for their training needs as well as to jump-start and manage small entrepreneurial ventures in the fields of transportation, fashion and design, and photography.

Total beneficiaries as of December 2011 reached:

Tawseel – 24

Fashion and Design – 88

Photography – 13

Entrepreneur Networking Events and Entrepreneurship Workshops

Tamkeen arranges workshops either on general entrepreneurial topics to promote the culture of entrepreneurship or on specific topics for individuals interested in starting a business. This programme aims to spread knowledge and prepare Bahrainis for developing business concepts or improving business operations. Tamkeen also arranges networking events for entrepreneurs to share ideas and to hear guest speakers.

Total beneficiaries as of December 2011 reached:

Networking Events – 2,801

Entrepreneurship Workshops – 40

Business Incubator Support Programme

Tamkeen partnered with Bahrain Business Incubators Centre (BBIC) to provide the appropriate business premises for new entrepreneurial businesses to start up, and increase the chances of success within the kingdom by enhancing the enterprises' operating environment. Tamkeen will support the beneficiaries by subsidising the rent of the incubators by (fixed rate of 2BD per square meter) for the first three years for each tenant while BBIC will facilitate the other support services like business management training, advisory services in financial management, business policies and procedures, marketing and networking management.

Total beneficiaries as of December 2011 reached 9



Yahya Al Ansari
Tarweej and Techania
beneficiary

Encourage and support investment

✓ Tamkeen supported a number of foreign companies in 2011 to enter Bahrain's market and create more jobs.

Encourage and Support Investment

This programme identifies value propositions for foreign direct investment and also explores companies that can add employment and business opportunities to the economy. In coordination with the Bahrain Economic Development Board, this programme supports investment through the following two means:

- Researching the potential impacts of investment on local industry, costs and benefits, and negotiating the contractual terms for local development
- Supporting investors in establishing their operations in Bahrain through the formulation of customised support solutions



Ala'a Al Shaikh
Mohasaba and Tarweej
beneficiary

Promote innovation

This objective focuses on developing a coordinated and cohesive innovation strategy that meets Bahrain's requirements in industrial innovation, research and development and innovation centres. In this capacity, Tamkeen studies development trends in Bahrain in the context of innovation and Research and Development to support the adoption of innovation initiatives in the private sector that will in turn support the generation of new businesses and jobs.



Deena Al Ansari
Tasweeq and Mohasaba
beneficiary

Ahmed Al Sharaf
Tasweeq, Tarweej and Techania
beneficiary

Reachout to Stakeholders

 **Tamkeen launched a Customer Engagement and Support Department in 2011 to enhance services and interaction with beneficiaries and stakeholders.**

In line with Tamkeen's strategic vision to maximise interaction with existing and potential beneficiaries, Tamkeen developed an operational plan for 2012. It has allocated nearly BD 107 million for various projects and programmes, with 20 new initiatives slated for launch during the current year. More than 22,000 beneficiaries are expected to benefit from Tamkeen's programmes in 2012 alone.

Tamkeen's commitment to involve and consult with its stakeholders was put in action through the establishment in 2011 of a dedicated department responsible for the provision of support to beneficiaries and serving as a platform to engage with its stakeholders.

Through the Customer Engagement and Support Department, Tamkeen has adopted:

- A platform for continuous dialogue with the public in order to deliver accurate information
- A mechanism for providing informed advice and guidance to enterprises and individuals
- Reliable channels of communication with potential partners, communities and the private sector to create awareness of Tamkeen's support schemes

These channels will simultaneously act as a reliable source of feedback, which will aid in continuous improvement of existing programmes and in facilitating new project development. Creating customer engagement and interface functionality will greatly enhance its ability to reach out to its beneficiaries, manage the quality of service providers and to handle and resolve complaints efficiently.

 **Tamkeen plans to launch 20 new initiatives in 2012 and more than 22,000 beneficiaries are expected to benefit from programmes in the coming year.**

In 2011, Tamkeen launched a new call centre and embarked on a project to establish the first centralised client care and servicing facility.

A robust road show plan was also launched to improve Tamkeen's presence in local communities and popular majlises.

Tamkeen's Beneficiaries and Testimonials

Noor and Nada Alawi

"We are the founders of a unique fashion line specialised in high-end scarves sold exclusively online. Our business has benefited from two Tamkeen programmes so far, "Tasweeq" and "Tarweej", part of the Enterprise Growth Management programmes."

"As a start-up e-Business, we realised that most of our costs would go towards effectively marketing ourselves through our website, whether it be through packaging to photography and other marketing collaterals, which the "Tasweeq" scheme was highly helpful in this aspect. Furthermore, the "Tarweej" scheme helped us launch our products through Jewellery Arabia in a very attractive and impactful way, while at the same time allowing our customers to physically see the products we sell online."

"We are extremely ambitious, and are looking into expanding our product line and further expand our website into a full fledged Bahraini luxury brand."

"We would also like to add that all Bahrainis stand to benefit from Tamkeen's multitude of programmes which will empower them - as they did for us - to translate their dreams into reality."



Nada and Noor Alawi
Tasweeq and Tarweej
beneficiaries

Sayed Murtadha Al-Alawi

"I am a business owner of a landscaping company, as well as a beneficiary of the "Jawda" scheme, one of the schemes under the Enterprise Growth Management Programme."

"I became familiar with Tamkeen through its advertisements and public events. And after getting to know more about their programmes, I realised that the "Jawda" scheme was the answer to my quest for designing and implementing an operational system that suits the specific needs of my company in order to increase its efficiency and customer satisfaction levels."

Tamkeen's scheme has yielded terrific results for my company. Today, all my company's operations now run like clockwork, and all processes of the projects we execute and our internal operations are now well documented and tracked."

"I am currently also enrolled in the "Tasweeq" scheme to rebrand my company and design a marketing strategy that enables me to reach out more effectively to our target audiences."

Majeed Al Mubarak

"I benefited from two of Tamkeen's schemes, the ICT Financing and Enterprise Finance schemes, which have helped me immensely in my company, a specialist trading company."

"Through these programmes I was able to obtain an easy-payment loan which was utilised to grow our company. This was something we could not do previously due to very high requirements from banks to us as SME businessmen. In addition, I was able to install a very sophisticated IT system which enabled the company to upgrade the existing software into a customised and very sophisticated system which greatly improved our reporting system and our decision making processes."

"As my business is growing, I am looking to benefit from the "Tasweeq" scheme to enable us to plan an effective strategy as we look to go beyond Bahrain's borders and penetrate neighbouring markets to take our business to the next level."



Majeed Al Mubarak
ICT Finance Programme
beneficiary

Sayed Murtadha Al Alawi
Jawda beneficiary

Waleed Sanad

"I enrolled in Tamkeen's Professional Certification Support programme to obtain a certificate in Neuro-linguistic Programming after being encouraged by the Human Resources department in the company I work for currently. Tamkeen's team advised me to pursue this programme following a series of interviews and meetings."

"The training I received through this programme introduced me to things I never even heard of and truly broadened my horizons. This advanced knowledge has been instrumental in elevating my performance on the job as a Human Resources professional.

Thanks to this programme, I now possess a much broader view of the Human Resources field, and pushed me to raise my ambition and aspire to become a bona fide expert in this dynamic and exciting field."

"I think of Tamkeen as a once-in-a-lifetime opportunity whether you are an employee or looking for a job as they will guide you to the suitable professional path in accordance with Bahrain's labour market needs."

Fatima Masoud

"In my search for a suitable career choice I undertook Tamkeen's Supply Chain Management Programme - one of the Skills Gap programmes launched in 2009 - when my friend encouraged me to register for this opportunity."

"Prior to registering, I really had no prior notion of the wide scope of career options offered by the logistics field. Tamkeen's team was truly invaluable in their advice and support in this regard."

"Through the programme, I received an accredited certificate in Purchasing and Supply Chain Management, which enabled me to find employment in this burgeoning field. Not only that, but the training also took a hands-on approach, which allowed me to practice my theoretical learning in real-life situations, and truly stand out in the job market."



Fatima Masoud
Supply Chain
Management
Programme
beneficiary

Waleed Sanad
Tamkeen's Professional
Certification Programme
beneficiary



Tamkeen's Journey in Numbers

Deliver accessible business support services

PROGRAMME	TARGET BENEFICIARIES	ACHIEVED BENEFICIARIES	PROGRAMME DURATION	ALLOCATED BUDGET IN BAHRAINI DINAR
Bahraini Farmers Support Programme	600	238	2 years	5,930,000
Bahraini Fishermen Support Programme	1,100	585	2 years	4,450,000
Enterprise Growth Management Programme	2,803	2,601	12 years	31,532,500
Mohasaba Programme	1,200	626	2 years	5,085,000
Accounting & Auditing Services	1,000	474	2 years	3,500,000
Auditing Services Only	200	152	2 years	200,000
Business Diversification programme-Pilot phase	5	4	2 years	440,000
Enterprise Support Fund	2,000	827	2 years	11,700,000

Ensure adequate and appropriate financial support

PROGRAMME	TARGET BENEFICIARIES	ACHIEVED BENEFICIARIES	PROGRAMME DURATION	ALLOCATED BUDGET IN BAHRAINI DINAR
Finance Programme	3,500	3,061	12 years	55,450,000
Microfinance Programme	600	565	4 years	382,500
ICT Finance Programme	50	18	18 months	705,000

Develop human capital and match skills to demand

PROGRAMME	TARGET BENEFICIARIES	ACHIEVED BENEFICIARIES	PROGRAMME DURATION	ALLOCATED BUDGET IN BAHRAINI DINAR
Work Ethics Campaigns				
Work Attitude Development Programme (a9eel Campaign-a9eel in Schools 1)	3,200	1,350	4 years	1,200,000
inJAz - Business Ethics Programme	4,680	2,873	4 years	126,200
inJAz - Careers for a Purpose Programme	4,020	2,535	3 years	77,900
Employability and Short-term Internships				
Zain FUN Training Programme	50	6	3 years	35,000
Summer Internships - Hospitality Sector	30	11	3 years	6,000

PROGRAMME	TARGET BENEFICIARIES	ACHIEVED BENEFICIARIES	PROGRAMME DURATION	ALLOCATED BUDGET IN BAHRAINI DINAR
International internships - AIESEC Global Internship Programme	45	8	3 years	172,500
Support Existing Youth Campaigns - Youth City 2030 (2010)	682	682	Closed	272,000
Support Existing Youth Campaigns - Youth City 2030 (2011)	1,000	1,000	Closed	353,935
Support Existing Youth Campaigns - Police Academy Youth Summer Camp 2009	300	300	Closed	160,500
Support Existing Youth Campaigns - MOI Summer Programme – Police Academy Youth Summer Camp 2010	600	600	Closed	218,500
Support Existing Youth Campaigns - Police Academy Youth Summer Camp 2011	500	500	Closed	150,000
Corporate Culture Promotion				
Bahrain Centre of Excellence Programmes	700	483	3 years	300,000
Career Guidance Programmes				
Career Market Awareness Campaign	0	0	18 months	561,855
Qualification Systems				
Develop Bahrain Qualification Framework	0	0	5 years	5,140,000
Career Progression Programme				
Career Progression Programme - Kindergarten Support	1,500	1,500	2.5 years	1,800,000
Career Progression Programme 1	8,000	7,239	5 years	12,610,000
Career Progression Programme 2	4,000	2,241	3.5 years	10,500,000
MoE Structured Workplace Learning Supervisor Training	60	25	2 years	41,360
Women Technology Enablement	6,400	196	3 years	208,750
Labour Law for Trade Unions	100	18	3 years	150,000
Tamkeen Professional Certifications Programme	400	259	4 years	2,244,000

PROGRAMME	TARGET BENEFICIARIES	ACHIEVED BENEFICIARIES	PROGRAMME DURATION	ALLOCATED BUDGET IN BAHRAINI DINAR
Skills Gaps 2006				
Healthcare - BSc General Nursing (CHS)-1	400	400	8 years	9,249,000
Healthcare - Post Graduates Specialty Nurses (CHS) - 1	50	50		
Healthcare - Associate Diploma in Allied Health (CHS) - 1	224	199		
Healthcare - Healthcare Assistant (CHS) -1	200	99		
Healthcare - BSc In General Nursing (RCSI) - 1	157	157	8 years	2,512,000
Hospitality - Food Preparation	100	92	5 years	4,151,000
Hospitality - Front Office	284	295		
Hospitality - Cross Selling, Cashiering & Fast Food Chain Assistant	1,100	1,100		
Supervisory Level Programme - Hospitality	300	310		
Certified Human Resources Executive - Hospitality	20	7		
Aeronautics Maintenance Engineering	63	62	5 years	1,084,000
Skills Gaps 2007				
Certificate in Retail Operations - ARA 2 - Retail	500	498	6 years	1,330,000
Certificate in Retail Operations - ARA 3 - Retail	100	87		
Diploma in Retail Management - ARA - Retail	50	0		
CISCO Network Professionals - School Track	50	49	5 years	400,000
CISCO Network Professionals - University Track	50	50		
Skills Gaps 2008				
Retail Apprenticeship - Certificate in Retail Operations by Edexcel	1,500	992	6 years	2,397,500

PROGRAMME	TARGET BENEFICIARIES	ACHIEVED BENEFICIARIES	PROGRAMME DURATION	ALLOCATED BUDGET IN BAHRAINI DINAR
CISCO Certified Security Professional (CCSP) - School Track	50	37	5 years	1,173,725
CISCO Certified Security Professional (CCSP) - University Track	60	60		
Master CIW Website Manager - School Track	50	44		
Master CIW Website Manager - University Track	60	52		
IT System Administrators	120	80	Closed	162,850
Administrative Assistants	100	29	Closed	46,394
Occupational Health & Safety Officers	200	177	6 years	1,000,000
Quantity Surveyors	220	108	5 years	660,000
Skills Gaps 2009				
Travel & Tourism Agents	80	71	4 years	204,000
Supply Chain Management - Track 1	50	25	4 years	714,500
Supply Chain Management - Track 2	100	30		
Supply Chain Management - Track 3	50	20		
Finance & Accountancy Professionals				
CAT	400	245	5.5 years	1,800,500
ACCA	330	254		
PRM	13	13		
CMA	25	27		
APRM	31	31		
Skills Gaps 2009 - Training and Educational Establishments				
TEPS Workshops 1	400	311	Closed	313,700
Nursing – Healthcare - 2010 - BDF - Access to BSc Bridging programme	53	53	2 years	254,960
Conference Attendance Support				
4th Gulf Forum for Practitioners of Public Relations (Social Media)	15	15	Closed	101,292
Balanced Scorecard (BSC) Seminar	22	22	Closed	
Cisco International Conference by Cisco Bahrain - 2010	200	200	Closed	
Property Development Workshop	30	30	Closed	

PROGRAMME	TARGET BENEFICIARIES	ACHIEVED BENEFICIARIES	PROGRAMME DURATION	ALLOCATED BUDGET IN BAHRAINI DINAR
Bahrain Polytechnic Scholarship Programme	100	100	5 years	1,400,000
Tradeshaw Management Skills Training	21	21	Closed	8,500
Pilot Financing Programme	100	100	5.5 years	1,038,750
Financial support for Ministry of Social Development Projects	0	0	Closed	104,000
Human Resources and Leadership Workshops				
Human Resources Management Workshops 2 (Arabic)	200	0	4 years	134,093
Human Resources Management Workshops 2 (English)	600	0	4 years	490,219
Leadership Workshops 2 (Arabic)	200	0	4 years	134,093
Leadership Workshops 2 (English)	600	0	4 years	660,000
Talent Management Workshops 1 (English)	800	750	3 years	560,000
Leadership Certifications				
Leadership Certification 1 (English)	200	200	3 years	199,405
Leadership Certification 2 (English)	200	0	3 years	360,000
Leadership Certification 2 (Arabic)	200	0	3 years	450,000
Human Resources Certifications				
Human Resource Certification Programme 1 (English)	200	200	Closed	400,505
Human Resources Certifications 2 (English)	200	0	3 years	360,000
Human Resources Certifications 2 (Arabic)	200	0	3 years	249,054
Customised Employment Programmes				
LMRA IT Admin	26	15	2 years	340,780
Exceed EIA Training and Placement	100	38	Closed	177,500
Gulf Air Hostesses (2009)	150	29	3 years	483,500
Invita Call Centre Employment & Training 1	60	60	2 years	90,000

PROGRAMME	TARGET BENEFICIARIES	ACHIEVED BENEFICIARIES	PROGRAMME DURATION	ALLOCATED BUDGET IN BAHRAINI DINAR
Invita Call Centre Employment & Training 2	60	54	2 years	90,000
Alba Programme for Employment & Training	60	46	2 years	397,500
Awal Gulf (Pearl) Air Conditioning Employment and Training	50	18	2 years	89,000
Yokogawa Automation Engineering Employment & Training	50	13	5 years	340,000
BBK Retail Banking Associate	100	40	Closed	64,000
Gulf Air Reservation Sales Agents	150	125	Closed	33,180
Multi-streamed Call Centre Agents - MENA Business Services	328	151	Closed	266,500
A320 Type Rating Finance By Gulf Air	20	20	Closed	139,514
King Hamad University Hospital Healthcare Professions Training and Employment	92	58	5 years	1,469,020
King Hamad University Hospital Healthcare Assistants Training and Employment	117	70	2 years	114,075
Apprenticeship Schemes				
A320 Type Rating Training for Pilots	100	0	3 years	754,000
A320 type Rating Training for Pilots	65	6	3 years	490,100
Engineering Multi-Skills Apprenticeship	100	60	5 years	390,000
Training & Employment of Aeronautics Maintenance Engineers & Technicians (2010)	350	350	4 years	4,800,000
Banking Graduate Recruitment and Career Development	200	5	Closed	300,000
Insurance Graduate Executive Management	120	12	Closed	44,670
e-Content Management Graduate Training and Employment	18	0	2 years	156,432
Healthcare 2010 - BSc in General Nursing by RCSI - 2	240	175	8 years	3,840,000

PROGRAMME	TARGET BENEFICIARIES	ACHIEVED BENEFICIARIES	PROGRAMME DURATION	ALLOCATED BUDGET IN BAHRAINI DINAR
Healthcare 2010 - BSc General Nursing by CHS - 2	332	29	8 years	6,312,000
Healthcare 2010 - Bridging by CHS - 2	250	32		
Pilot Financing Programme	120	12	5.5 years	4,020,000
CIMA Islamic Diploma	130	78	3 years	481,000

Encourage local entrepreneurship and growth

PROGRAMME	TARGET BENEFICIARIES	ACHIEVED BENEFICIARIES	PROGRAMME DURATION	ALLOCATED BUDGET IN BAHRAINI DINAR
Women Entrepreneur Support Programme				
Tawseel	80	20	4 years	504,634
Photography	15	13	1 year	16,850
Fashion Design	88	59	1 year	210,000
Business Plan Competition for Youth 'Mashroo3i'	300	0	1 year	257,377
inJAz - The Company Programme	1,800	698	3 years	362,088
Business Incubator Support Programme	89	9	5 years	495,072

Financials

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Financial Statements with Independent Auditor's Report

For the year ended December 31, 2011

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Board of Directors' Report

The Directors present their annual report and financial statements for the year ended December 31, 2011.

Principal Activity

The Labour Fund aims at increasing the efficiency and productivity of Bahraini labour, strengthening the national economy, developing the private sector and creating new suitable job opportunities for Bahrainis in the Kingdom of Bahrain.

Review of Business

The results for the year are set out on page 44 of these financial statements.

Changes in Directors

The members of the Board of Directors have been changed, whereby the newly elected board members were appointed in accordance with the Royal Decree no. (52) of 2011 dated May 22, 2011.

On behalf of the Board

Mohammed Bin Essa Al Khalifa
Chairman

Independent Auditor's Report

The Board of Directors
Labour Fund
Manama - Kingdom of Bahrain

Report on the Financial Statements

We have audited the accompanying financial statements of Labour Fund ("the Fund") which comprise the statement of financial position as at December 31, 2011, and the related statements of activities, cash flows and changes in available funds for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The Fund's 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 that is necessary to enable the preparation of financial statements that are free from material misstatements, 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 ethical requirements and plan and perform the audit to obtain reasonable assurance 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 on the financial statements.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Labour Fund as of December 31, 2011 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion, proper books of account have been kept by the Fund, and the financial statements, together with the information given in the Board of Directors' report agree with the books of account. We have obtained the information and explanations that we required for the purpose of our audit and according to the information available to us, there were no violations of the Law number 57 issued on August 12, 2006 to establish the Fund have occurred during the year that might have had a material effect on the activities of the Fund or on its financial position.

Rabbie Mukhaimer
Rödl Middle East
International Accountants

March 15, 2012
Manama - Kingdom of Bahrain

Statement of Financial Position

as at December 31, 2011

Bahraini Dinar

	Note	2011	2010
ASSETS			
Non-current assets			
Furniture and equipment	4	457,743	496,017
Current assets			
Receivables and other debit balances	5	18,559,697	13,432,317
Term deposits	6	5,000,000	-
Cash and cash equivalents	7	83,306,232	92,839,280
		106,865,929	106,271,597
Total assets		107,323,672	106,767,614
AVAILABLE FUNDS AND LIABILITIES			
Available funds			
General reserve	8	10,552,274	10,324,047
Funds available for projects		94,970,479	92,916,434
		105,522,753	103,240,481
Current liabilities			
Payables and other credit balances	9	1,800,919	3,527,133
Total available funds and liabilities		107,323,672	106,767,614
Funds available for projects		94,970,479	92,916,434
Less: funds committed for projects expenditures	16.1	(117,404,273)	(91,335,347)
Excess of commitments over funds available for projects/uncommitted available funds		(22,433,794)	1,581,087

These financial statements were approved by the Directors on March 15, 2012 and signed on their behalf by:

Mohammed Bin Essa Al Khalifa
Chairman

Mahmood Hashem Al-Kooheji
Chief Executive

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

Statement of Activities

for the year ended December 31, 2011

Bahraini Dinar

	Note	2011	2010
REVENUE			
Fees income	10	44,142,314	76,927,564
Other income	11	1,991,353	1,846,217
Total revenue		46,133,667	78,773,781
EXPENDITURES			
Projects expenses	12	24,635,372	17,294,603
Unemployment insurance subscriptions	13	14,726,782	14,362,260
Bahrain Training Institute funding		-	783,418
University Graduates Training and Employment Programme		-	9,000,000
Loss on sale of financial asset held for sale		-	43,422
Employees' salaries and benefits	14	2,643,550	2,517,152
General and administrative expenses		1,170,759	1,359,317
Advertising and marketing expenses		383,617	444,484
Depreciation		184,513	202,285
Training expenses		106,802	95,845
Total expenditures		43,851,395	46,102,786
Excess of income over expenditures for the year transferred to funds available for projects		2,282,272	32,670,995

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

Statement of Cash Flows

for the year ended December 31, 2011

Bahraini Dinar

	2011	2010
OPERATING ACTIVITIES		
Excess of income over expenditures for the year	2,282,272	32,670,995
ADJUSTMENTS:		
Depreciation	184,513	202,285
Profit income	(1,978,158)	(1,839,462)
Loss on sale of financial asset held for sale	-	43,422
Adjusted activities results before the effect of changes in working capital items	488,627	31,077,240
Receivables and other debit balances	(4,892,486)	(817,151)
Payables and other credit balances	(1,691,814)	897,268
Net cash (used in)/generated from operating activities	(6,095,673)	31,157,357
INVESTING ACTIVITIES		
Purchase of furniture and equipment	(180,639)	(42,548)
Term deposits	(5,000,000)	-
Proceeds on sale of financial asset held for sale	-	1,123,323
Profit income received	1,743,264	1,704,227
Net cash (used in)/generated from investing activities	(3,437,375)	2,785,002
Net (decrease) increase in cash and cash equivalents	(9,533,048)	33,942,359
Cash and cash equivalents at beginning of the year	92,839,280	58,896,921
Cash and cash equivalents at end of the year	83,306,232	92,839,280
Cash and cash equivalents consist of:		
Cash on hand and at banks	83,306,232	92,839,280

The accompanying notes form an integral part these financial statements.

Statement of Changes in Available Funds

for the year ended December 31, 2011

Bahraini Dinar

	General reserve	Funds available for projects	Total
Balance at January 1, 2010	7,056,948	63,512,538	70,569,486
Excess of income over expenditures for the year	-	32,670,995	32,670,995
Transfer to general reserve	3,267,099	(3,267,099)	-
Balance at December 31, 2010	10,324,047	92,916,434	103,240,481
Balance at January 1, 2011	10,324,047	92,916,434	103,240,481
Excess of income over expenditures for the year	-	2,282,272	2,282,272
Transfer to general reserve	228,227	(228,227)	-
Balance at December 31, 2011	10,552,274	94,970,479	105,522,753

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

Notes to the Financial Statements

for the year ended December 31, 2011

Bahraini Dinar

1- FORMATION AND ACTIVITIES

The Labour Fund (“the Fund”) was established in accordance with law number 57 (2006) issued on August 12, 2006, as a judicial entity having independent financial and administrative support and entitled to all privileges given to other ministries, government entities and public institutions in the Kingdom of Bahrain.

The operations of the Labour Fund were wholly managed by the Economic Development Board (“EDB”) until December 31, 2006. All costs were being incurred by the EDB on behalf of the Fund from the allocated budget to the Fund until that date. With effect from January 1, 2007, the Fund was operationally separated from the EDB and commenced its operations independently.

The Fund aims at increasing the efficiency and productivity of Bahraini labour, strengthening the national economy, developing the private sector and creating new suitable job opportunities for Bahrainis in the Kingdom of Bahrain.

2- ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

2.1) Standards and interpretations adopted during the year:

The Fund has adopted the new standards, interpretations and amendments to (IFRS) issued by International Accounting Standards Board (IASB), which are effective for the financial statements for the annual period beginning on or after January 1, 2011.

Annual Improvements for accounting standards:

The IASB has issued Improvements for International Financial Reporting Standards 2009 which have led to a number of changes in the detail of the Fund’s accounting policies – some of which are changes in terminology only, and some of which are substantive but have had no material effect on amounts reported. Most of these amendments become effective in annual periods beginning on or after July 1, 2010 or January 1, 2011:

The new requirements applicable to the Fund in respect of these amendments are summarized below:

Amendments to IFRS 7: Disclosures:

(Effective for the periods beginning on or after July 1, 2011)

The amendments to IFRS 7 Disclosures – Transfers of Financial Assets increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

IAS 24 (revised in 2009):

(Effective for annual periods beginning on or after January 1, 2011)

IAS 24 Related Party Disclosures (as revised in 2010) modifies the definition of a related party and simplifies disclosures for government-related entities, and introduces a partial exemption from the disclosure requirements for government-related entities.

2.2) New and revised IFRSs in issue but not yet effective:

The Fund has not applied the following new and revised IFRS that have been issued but are not yet effective:

Amendments to IFRS 7 “Disclosures – Transfers of Financial Asset”:

(Effective for annual periods beginning on or after 1 July 2011)

IFRS 9 “Financial Instruments”:

(Effective for annual periods beginning on or after 1 January 2013)

IFRS 15 “Consolidated Financial Statements”:

(Effective for annual periods beginning on or after 1 January 2013)

IFRS 11 “Joint Arrangements”:

(Effective for annual periods beginning on or after 1 January 2013)

The amendments provide additional disclosure for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also, require disclosures where transfers of financial assets are not evenly distributed throughout the period.

IFRS 13 “Fair Value Measurement”:

(Effective for annual periods beginning on or after 1 January 2013)

Amendments to IAS 1 “Presentation of Items of Other Comprehensive Income”:

(Effective for annual periods beginning on or after 1 July 2012)

IAS 19 (as revised in 2011) “Employee Benefits”:

(Effective for annual periods beginning on or after 1 January 2013)

IAS 27 (as revised in 2011) “Separate Financial Statements”:

(Effective for annual periods beginning on or after 1 January 2013)

The management anticipates that the new standards and interpretations will be adopted in the Fund’s accounting policies for the period beginning on or after the effective date of the pronouncement. Certain other new standards and interpretations have been issued but are not relevant to the Fund’s operations and therefore not expected to have a material impact on the Fund’s financial statements.

3- SIGNIFICANT ACCOUNTING POLICIES**3.1) Basis of preparation**

The financial statements have been prepared to present information in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

3.2) Accounting convention

The financial statements have been prepared in accordance with the historical cost convention adjusted through the revaluation of some assets according to the fair value as explained detail in the accompanying policies and disclosures. The accounting policies used have been consistently applied throughout the year and consistent with those policies used last year.

The financial statements have been presented in Bahraini Dinar.

3.3) Critical accounting estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of 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 revenue and expenses during the year. Although these estimates are based on management’s best knowledge, the actual results may differ from those estimates.

3.4) Recognition and de-recognition of financial assets and liabilities

A financial asset or a financial liability is recognised when the Fund becomes a party to the contractual provisions of the instrument. A financial asset is de-recognised either when the contractual rights to cash flows from the financial asset expire or the Fund has transferred substantially all the risks and rewards of ownership or when it has neither transferred nor retained substantially all the risks and rewards, but no longer has control over the asset or a proportion of the asset. A financial liability is de-recognised when the obligation specific in the contract is discharged, cancelled or expired.

Notes to the Financial Statements (continued)

for the year ended December 31, 2011

Bahraini Dinar

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5) Cash and cash equivalents

Cash and cash equivalents represents cash on hand and at banks, and fixed deposits have been maturing within three months of their date of deposits are classified as cash and cash equivalents in the statement of cash flows.

3.6) Receivables

Receivables are stated at their nominal value, less allowance for any doubtful debts. Management determines the adequacy of the allowance based upon periodical review of individual customers, current economic conditions, past experience and other pertinent factors.

3.7) Property and equipment

Property and equipment are stated at the historical cost less accumulated depreciation. The realisable values of fixed assets are reviewed by the management at each financial position date to determine whether the book value exceeds the realisable value in which case the book value is written down to the realisable value. If the useful lives of fixed assets are different from the estimated lives of those assets, then the useful lives are adjusted from the beginning of the year in which the change occurred without going into retroactive periods.

Property and equipment are depreciated on straight line basis to reduce the value of the property to its residual value over their estimated useful lives as follows:

Furniture and fixtures	5 years
Computers	3 years

3.8) Impairment of tangible assets

At each financial position date, the Fund reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the impairment is recorded in the statement of activities. The impairment loss represents the difference between the carrying value of the asset and the estimated recoverable amount of the asset. Recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. Value in use represents the estimated future cash flows discounted at an appropriate discount rate.

An impairment loss recognised in prior periods for an asset, shall be reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset shall be increased to its recoverable amount. Reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years.

3.9) Employees' benefits

For Bahraini employees, the Fund makes contributions to the Pension Fund calculated as a percentage of the employees' salaries. The Fund's obligations are limited to these contributions, which are expensed when due.

The entitlement to leave pay is based upon the terms of employment contracts with the employees and length of service. The expected costs of these benefits are accrued at the end of each reporting date period and carried forward until they are utilised.

3.10) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Fees and other income

Fees and other income are recognised when the Fund's right to receive such income is established.

Profit income

Profit income is accrued on a time basis, by reference to the principal outstanding and at the effective profit rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying value.

3.11) Accounts payable and accruals

Liabilities are recognised for amounts to be paid in future for goods or services received, whether billed by the supplier or not. These are carried at cost which is the fair value of the consideration to be settled in future.

3.12) Provisions

Provisions are recognised when the Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of the resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each financial position date and adjusted to reflect the current best estimate.

3.13) Foreign currency translation

The functional currency of the Fund is Bahraini Dinar (“BHD”) and accordingly, the financial statements are presented in BHD. Transactions denominated in foreign currencies are translated into BHD at the average rates of exchange prevailing during the year. Monetary assets and liabilities denominated in foreign currencies are retranslated into BHD at rates of exchange prevailing at the financial position date. The resultant exchange differences are taken to the statement of activities.

3.14) Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of recourse embodying economic benefits is remote. Contingent assets are not recognised but disclosed when an inflow of economic benefits is probable.

4- FURNITURE AND EQUIPMENT

	Furniture and fixtures	Computers	Capital work in progress	Total
COST				
As at January 1, 2011	432,095	403,602	7,436	843,133
Additions	52,360	41,115	87,164	180,639
Write-off	(34,400)	-	-	(34,400)
As at December 31, 2011	450,055	444,717	94,600	989,372
ACCUMULATED DEPRECIATION				
As at January 1, 2011	165,062	182,054	-	347,116
Charged during the year	68,850	115,663	-	184,513
As at December 31, 2011	233,912	297,717	-	531,629
NET BOOK VALUE				
As at December 31, 2011	216,143	147,000	94,600	457,743
As at December 31, 2010	267,033	221,548	7,436	496,017

The write-off represents an asset value amended during the year and adjusted with supplier.

Notes to the Financial Statements (continued)

for the year ended December 31, 2011

Bahraini Dinar

5- RECEIVABLES AND OTHER DEBIT BALANCES

	2011	2010
Receivable from LMRA (Note-10)	15,000,000	12,000,000
Prepayments and other receivables	1,524,803	197,082
Accrued profit income	234,894	135,235
Amounts deposited with the projects' implementers	1,800,000	1,100,000
	18,559,697	13,432,317

The receivable from Labour Market Regulatory Authority (LMRA) represents the fees for the months of July until December 2011 and is based on management's best estimates.

6- TERM DEPOSITS

Term deposits are placed with local bank, having maturity period exceeding three months from the date of their inception and earn profit at annual effective rate of 2.25%.

7- CASH AND CASH EQUIVALENTS

	2011	2010
Cash on hand	500	500
Banks balances	330,220	486,835
Balances in call accounts	15,763,353	26,712,133
Murabahat and Wakalat	67,212,159	65,639,812
	83,306,232	92,839,280

Balances with banks are non-profit earning except for certain balances in call accounts, which earn profit at effective rate of 1.45% (2010: 1.45%) per annum.

Murabahat and Wakalat are placed with local Islamic banks, having maturity periods up to three months from the date of their inception and earn profit at effective rate of 3% (2010: 3%) per annum.

8- GENERAL RESERVE

The Directors decided to transfer 10% of the excess of income over expenditures for each year to a general reserve. There are no restrictions over the utilisation of the general reserve.

9- PAYABLES AND OTHER CREDIT BALANCES

	2011	2010
Accounts payable	858,548	1,164,061
Accrued expenses	456,459	1,921,328
Accruals for employees' benefits	485,912	441,744
	1,800,919	3,527,133

Accounts payable represent amounts payable for various projects in progress as at the statement of financial position date.

10- FEES INCOME

The fees income represents the Fund's eligibility to an 80% share of fees collected from the following:

- A- Private sector employers for the issuance of work permits and related renewals.
- B- Agencies and recruitment offices permits.
- C- Monthly fees of BD 10 for each foreign employee working in the Kingdom of Bahrain.*

*Monthly fees of BD 10 have been temporarily exempted for the period from April until December 2011.

The Fund's share of fees has been amended to 50% in accordance with Decree-by-Law No. (32) of 2011 dated September 20, 2011.

These fees are collected by the Labour Market Regulatory Authority ("LMRA") and transferred to the Fund based on the above agreed percentage.

11- OTHER INCOME

	2011	2010
Profit income	1,978,158	1,839,462
Tenders fees income	13,195	6,755
	1,991,353	1,846,217

Notes to the Financial Statements (continued)

for the year ended December 31, 2011

Bahraini Dinar

12- PROJECTS EXPENSES

	2011	2010
Enterprise Growth Management	2,994,492	2,315,262
Career Progression Schemes	3,809,776	3,256,420
Hospitality Management Programme	122,853	795,172
Enterprise Support Fund Programme	1,388,674	-
Finance and Accounting Programme	264,734	251,659
Finance Support Scheme	1,905,663	1,397,484
Human Resource Certification Programme	21,785	34,000
Transportation Scheme	480,000	5,400
Provide Funding and Advice - e-Market Place	-	1,600
Fashion Design Scheme	125,400	14,000
Retail Training Programme	84,555	296,015
Banking Graduate Recruitment and Career Development	7,500	-
Business Ethics - inJAz Bahrain	-	42,067
Apprenticeship Scheme in Retailing BIRD	651,067	562,114
Occupational Health & Safety	207,405	150,952
Health Care Training Programme - CHS	981,500	736,000
CISCO Network Professionals	9,840	58,718
Investment Support - GE Securities	-	250,000
Aeronautics Maintenance Engineering	-	124,000
Training and Employment - Exceed IT Academy	11,000	117,000
IT Security and Webpage Developers Programme	161,322	98,767
Training in Travel and Tourism	33,528	76,200
Women Technology Enablement	71,709	90,350
Work Ethics Development Programme	30,299	468,372
Bahrain Polytechnic Programme	184,470	162,876
Mohasaba Scheme	205,600	86,900
Fishermen Support Programme	1,423,332	492,720
Farmers Support Programme	320,143	306,974
Pilot Financing Scheme - BDB/GAA	184,488	18,000
Certified System Administrator - CSA	-	48,370
Administrative Assistants Programme	-	12,825
Entrepreneur Workshops Programme	(125)	25,507
Entrepreneur Networking Events	40,915	13,200
Information and Communication Technology Programme	55,378	14,400
Talent Management Workshops Programme	287,700	195,300
Leadership Development Scheme	55,575	16,575
Royal Police Academy Youth Campaign	150,000	218,500
National Skills Standardisation Programme	902,385	591,369
CISCO Networks Conference Attendance	-	80,733
Yokogawa Bahrain Graduates Engineers Training Programme	68,680	52,360

	2011	2010
Supporting Youth Campaigns - Youth City 2030	353,935	272,000
Careers with a Purpose - inJAz Bahrain	25,300	26,800
Kindergartens Subsidy Programme	656,364	790,336
Business Diversification	182,733	28,945
Operationalise SME Scoring Model	17,523	65,657
Bahrain Centre For Excellence Training Programme	225,000	75,000
Training and Employment of Aircraft Maintenance Engineers	1,900,000	650,000
Awal Gulf Training Programme	4,450	62,300
Training and Education Performance Support	135,658	81,263
Training of Gulf Air - Cabin Crew	17,400	89,100
Training in Islamic Finance (CIMA)	49,880	70,178
Quantity Surveyors Training Programme	137,416	212,366
Develop an Overall Innovation Strategy	95,486	3,300
Undergraduate Nursing Education - RCSI	1,108,000	900,000
Supporting Conferences Attendance	14,214	6,345
Supply Chain Management Programme	124,867	37,180
Career Marketing Awareness Campaign	285,595	204,742
Employment & Training in LMRA IT	67,140	69,130
The Company Programme - inJAz Bahrain	-	71,800
Multi-Track Technicians Programme (National Institute for Industrial Training)	164,880	100,000
Invita Customer Service Programme	85,250	-
Industry Supervisor Training Programme	13,026	-
AIIESEC Training Support Programme	57,500	-
Summer Internships - Hospitality Sector	1,671	-
Productivity Movement	37,700	-
Bahrain Trade Fair	175,466	-
Photography Skills Scheme	16,850	-
Alba Training Programme	87,781	-
Access to Bridging Programme for Nursing	254,960	-
Gulf Air Type Rating Financing Programme	139,514	-
King Hamad University Hospital Healthcare Training	26,325	-
Youth Business Plan Competition	113,687	-
Investment Support - Thomson Reuters	755,000	-
Investment Support - VentureComs	63,158	-
	24,635,372	17,294,603

Notes to the Financial Statements (continued)

for the year ended December 31, 2011

Bahraini Dinar

13- UNEMPLOYMENT INSURANCE SUBSCRIPTIONS

	2011	2010
Unemployment insurance subscriptions	14,726,782	14,362,260

As stipulated in the Unemployment Law promulgated in Decree 87 of 2006, the Fund contributes 1% unemployment subscriptions to the Social Insurance organisation on behalf of the employers of the private sector.

14- EMPLOYEES' SALARIES AND BENEFITS

	2011	2010
Salaries	1,622,420	1,514,620
Other staff allowances	374,696	404,561
Pension Fund contributions	320,625	264,097
Transport allowances	79,150	68,487
Interest on employees' loans	65,899	72,744
Social allowances	69,525	57,800
Life and medical insurance	70,973	101,087
Telephone and communications allowances	40,262	33,756
	2,643,550	2,517,152

15- RELATED PARTY TRANSACTIONS

Compensation of key management personnel:

The remuneration of the key management during the year was as follows:

	2011	2010
Short term benefits	289,649	373,536

The above compensation was in the form of salaries, allowances and bonus.

16- COMMITMENTS AND CONTINGENT LIABILITIES

16.1) Commitment for expenditures:

	2011	2010
Human Capital Development projects	36,377,421	48,394,194
Private Sector Support projects	73,857,944	37,889,144
Other projects	7,168,908	5,052,009
	117,404,273	91,335,347

The above commitments are due as follows:

	2011	2010
Not longer than one year	44,998,279	24,015,298
Longer than one year and not longer than five years	72,405,994	67,320,049
	117,404,273	91,335,347

The above commitments were calculated based on the management's best estimates, considering the expected expenditures on various projects.

16.2) Contingent liabilities:

	2011	2010
Financing guarantee	77,763,000	55,000,000

Pursuant to the memorandum of understanding dated July 18, 2007, the Ithmaar Bank B.S.C., agreed to grant financing facilities to the companies supported by the Fund for the amount of up to BD 12.5 million, out of which the Fund agreed to guarantee up to 80% of the value of all outstanding amounts due to the bank under the above facilities. The Fund's anticipated liability under this guarantee is limited to BD 10 million and will be reduced by 80% of any amounts paid by the beneficiary in accordance with this guarantee.

According to the agreement dated May 28, 2008 and subsequent amendment on July 6, 2011, the Bahrain Development Bank B.S.C., agreed to grant financing facilities to the small and medium sized companies supported by the Fund for the amount of up to BD 80 million, out of which the Fund agreed to guarantee up to 50% of the value of all outstanding amounts due to the bank under the above facilities. The Fund's anticipated liability under this guarantee is limited to BD 40 million and will be reduced by 50% of any amounts paid by the beneficiary in accordance with this guarantee.

According to the agreement dated January 19, 2010, the Bahrain Islamic Bank B.S.C., agreed to grant financing facilities to the companies supported by the Fund for the amount of up to BD 10 million, out of which the Fund agreed to guarantee up to 50% of the value of all outstanding amounts due to the bank under the above facilities. The Fund's anticipated liability under this guarantee is limited to BD 5 million and will be reduced by 50% of any amounts paid by the beneficiary in accordance with this guarantee.

According to the agreement dated July 4, 2010 and subsequent amendment on August 17, 2011, the Bank Muscat International B.S.C., agreed to grant financing facilities to the companies supported by the Fund for the amount of up to BD 20 million, out of which the Fund agreed to guarantee up to 50% of the value of all outstanding amounts due to the bank under the above facilities. The Fund's anticipated liability under this guarantee is limited to BD 10 million and will be reduced by 50% of any amounts paid by the beneficiary in accordance with this guarantee.

According to the agreement dated November 28, 2011, the Standard Chartered Bank B.S.C., agreed to grant financing facilities to the companies supported by the Fund for the amount of up to BD 5 million, out of which the Fund agreed to guarantee up to 50% of the value of all outstanding amounts due to the bank under the above facilities. The Fund's anticipated liability under this guarantee is limited to BD 2.5 million and will be reduced by 50% of any amounts paid by the beneficiary in accordance with this guarantee.

According to the agreement dated October 18, 2011, the Khaleeji Commercial Bank B.S.C., agreed to grant financing facilities to the companies supported by the Fund for the amount of up to BD 10 million, out of which the Fund agreed to guarantee up to 50% of the value of all outstanding amounts due to the bank under the above facilities. The Fund's anticipated liability under this guarantee is limited to BD 5 million and will be reduced by 50% of any amounts paid by the beneficiary in accordance with this guarantee.

According to the agreement dated July 13, 2011, the Bahraini Saudi Bank B.S.C., agreed to grant financing facilities to the companies supported by the Fund for the amount of up to BD 10 million, out of which the Fund agreed to guarantee up to 50% of the value of all outstanding amounts due to the bank under the above facilities. The Fund's anticipated liability under this guarantee is limited to BD 5 million and will be reduced by 50% of any amounts paid by the beneficiary in accordance with this guarantee.

According to the agreement dated April 26, 2010 and subsequent amendment on April 19, 2011, the Ebdaa Bank B.S.C., agreed to grant financing facilities to the micro-businesses of Bahraini women supported by the Fund for the amount of up to BD 1 million, out of which the Fund agreed to guarantee up to 50% of the value of outstanding profit due to the bank under the above facilities. The Fund's anticipated liability under this guarantee is limited to BD 263 thousand.

Notes to the Financial Statements (continued)

for the year ended December 31, 2011

Bahraini Dinar

17- FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

A- Financial instruments:

Significant accounting policies

Details of the significant accounting policies, including the criteria for measurement and recognition of revenue and expenses, in respect of each class of financial assets and liabilities, are disclosed in note (3) to the financial statements.

Categories of financial instruments

The Fund's financial assets and financial liabilities are categorised in the statement of financial position as follows:

Financial assets:

	2011	2010
Receivables and other debit balances	18,559,697	13,432,317
Term deposits	5,000,000	-
Cash and cash equivalents	83,306,232	92,839,280
	106,865,929	106,271,597

Financial liabilities:

	2011	2010
Payables and other credit balances	1,800,919	3,527,133

Fair value of financial instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in force or liquidation sale. The Fund used recognised assumptions and methods to estimate the fair value of the financial instruments. The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and trade on active liquid markets is determined with reference to quoted market prices.
- The fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flows analysis using prices from observable current market transactions and dealer quotes for similar financial instruments.

The Fund does not have the financial securities which are measured at fair value as of December 31, 2011.

B- Financial risks management

The Fund's use of financial instruments exposes it to a variety of financial risks such as credit risks, market risks, liquidity risks and cash flows interest rate risks. The management of the Fund continuously reviews its risk exposures to minimise to acceptable levels.

The fund's management provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risks, interest rate risks and credit risks.

The significant risks that the Fund is exposed to are discussed below:

• Market risks

Market risk results from the fluctuation of its components such as equity prices, interest rates and foreign currency rates. Management evaluates these risks periodically in order to minimise its effects on the Fund's financial instruments.

Foreign currency risks

Foreign currency risks arise from transactions with foreign currencies other than the functional currency of the Fund. The Fund manages these risks by setting policy parameters on transactions in foreign currencies.

Cash flows interest rate risks

The Fund does not have significant interest-bearing assets and liabilities, which expose the Fund's income and operating cash flows substantially to the changes in market interest rates.

Equity price risks

An equity price risk is the risk that the fair value of equities will fluctuate as a result of changes in the levels of equity indices and the value of individual securities. Currently, the Fund is not exposed to equity price risk because it doesn't have or retain financial investments.

- *Credit risks*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation causing the other party to incur a financial loss. Financial assets, which potentially subject the Fund to credit risk, consist principally of bank balances and receivables. The cash deposited at various local financial institutions and banks to avoid credit concentration with only one bank. The receivables are presented net of allowance for doubtful debts (if any).

- *Liquidity risks*

Liquidity risk is the risk that the Fund will be unable to meet its obligations when due. To minimise liquidity risk, management monitors liquidity periodically by forecasting future cash flows.

The maturity of liabilities is based on the period from the financial position date to the contractual maturity date. In the case of financial instruments that do not have a contractual maturity date, the maturity is based on management's estimate of time period in which the asset will be collected or disposed and the liability settled.

All the Fund's liabilities are due within one year from the date of the financial position.