PRIVATE & CONFIDENTIAL

Kingdom of Bahrain

National Audit Office

Future Generation Reserve

Financial Statement
For the year ended 31 December 2023

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Independent Auditor's Report

Their Excellency Board of Directors - Future Generation Reserve

Opinion

We have audited the financial statements of Future Generation Reserve (the Reserve), which comprise the statement of financial position as at 31 December 2023, the statements of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information as indicated in pages from (3) to (17).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Reserve as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Standards).

Basis for Opinion

We conducted our audit in accordance with the National Audit Office Law and the International Standards of Supreme Audit Institutions (ISSAIs) issued by the International Organization of Supreme Audit Institutions (INTOSAI). Our responsibilities under those standards are further described in the "Responsibilities of the National Audit Office for the audit of the financial statements section" of our report. The National Audit Office is independent of the Reserve in accordance with the ISSAIs Code of Ethics requirements and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS standard, and for such internal control as the board of directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors is responsible for assessing the Reserve's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Reserve or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the National Audit Office for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Reserve's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Reserve.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reserve's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Reserve to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Reserve regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ahmed bin Mohammed Al Khalifa
Auditor General
National Audit Office

25 June 2024

Future Generation Reserve
Statement of Financial Position
As at 31 December 2023

(Expressed in United States Dollars)

	Note	2023	2022
Assets			
Non-Current Assets			
Financial assets measured at fair value through other comprehensive income (FVOCI)	3	11,250,810	11,525,287
Investment property	4	59,428,102	52,053,866
Total Non-Current Assets		**70,678,912**	**63,579,153**
Current Assets			
Financial assets measured at fair value through profit or loss (FVPL)	5	593,333,042	493,009,299
Receivables	6	13,615,348	7,653,361
Fixed deposits	7	66,565,764	-
Cash and cash equivalents	8	24,704,675	50,021,725
Total Current Assets		**698,218,829**	**550,684,385**
Total Assets		**768,897,741**	**614,263,538**
Liabilities and Equity			
Current Liabilities			
Accruals and other payables	9	3,524,455	5,270,099
Total Current Liabilities		**3,524,455**	**5,270,099**
Equity			
Accumulated funds	10	542,706,181	450,328,168
Retained earnings		224,705,193	160,428,882
Investment fair value reserve		(2,038,088)	(1,763,611)
Total Equity		**765,373,286**	**608,993,439**
Total Liabilities and Equity		**768,897,741**	**614,263,538**

Salman bin Khalifa Al Khalifa
Chairman

Ali bin Salman Al Khalifa
Chief Executive Officer

The notes on pages (7) to (17) form an integral part of these financial statements

Future Generation Reserve
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2023

(Expressed in United States Dollars)

	Note	2023	2022
Change in fair value of financial assets measured at FVPL	5	54,101,072	(73,228,759)
Realised gains on redemption of financial assets measured at FVPL	5,14	3,148,983	-
Gain on investment property revaluation	4	776,360	-
Dividend income on investments	11	1,492,546	1,552,164
Interest income on deposits	12	4,655,156	1,023,390
Reimbursement of expenses by Ministry of Finance and National Economy (MOFNE)	13	6,065,237	5,540,273
General and administrative expenses	13	(6,065,237)	(5,540,273)
Foreign exchange gain / (loss)		42,046	(116,264)
Other income		60,148	16,483
Net profit / (loss) for the year		**64,276,311**	**(70,752,986)**
Other comprehensive loss			
Change in fair value of financial assets measured at FVOCI	3	(274,477)	(275,329)
Total other comprehensive loss		**(274,477)**	**(275,329)**
Total comprehensive income / (loss) for the year		**64,001,834**	**(71,028,315)**

Salman bin Khalifa Al Khalifa
Chairman

Ali bin Salman Al Khalifa
Chief Executive Officer

The notes on pages (7) to (17) form an integral part of these financial statements

Future Generation Reserve
Statement of Changes in Equity
For the year ended 31 December 2023

(Expressed in United States Dollars)

	Accumulated funds	Retained earnings	Fair value reserve	Total
2023				
Opening balance at 1 January	**450,328,168**	**160,428,882**	**(1,763,611)**	**608,993,439**
Profit for the year	-	64,276,311	-	64,276,311
Other comprehensive loss for the year	-	-	(274,477)	(274,477)
Contributions earned from oil sales	92,378,013	-	-	92,378,013
Closing balance at 31 December	**542,706,181**	**224,705,193**	**(2,038,088)**	**765,373,286**
2022				
Opening balance at 1 January	**395,802,178**	**231,181,868**	**(1,488,282)**	**625,495,764**
Loss for the year	-	(70,752,986)	-	(70,752,986)
Other comprehensive loss for the year	-	-	(275,329)	(275,329)
Contributions earned from oil sales	54,525,990	-	-	54,525,990
Closing balance at 31 December	**450,328,168**	**160,428,882**	**(1,763,611)**	**608,993,439**

The notes on pages (7) to (17) form an integral part of these financial statements

Future Generation Reserve
Statement of Cash flows
For the year ended 31 December 2023

(Expressed in United States Dollars)

	Note	2023	2022
Operating activities			
Profit / (Loss) for the year		64,276,311	(70,752,986)
Adjustments			
Dividend income on investments	11	(1,492,546)	(1,552,164)
Interest income on fixed deposits	12	(4,655,156)	(1,023,390)
Reimbursement of management and custody fees	5	2,628,807	2,466,147
Gain on investment property revaluation	4	(776,360)	-
Operating profit before changes in working capital		**59,981,056**	**(70,862,393)**
Changes in working capital			
Financial assets measured at fair value through profit or loss (FVPL)		(102,952,550)	27,199,761
Fixed deposits		(66,565,764)	6,000,000
Other receivables		(132,032)	1,028,710
Accruals and other payables		(1,745,644)	3,773,643
Net cash used in operations		**(111,414,934)**	**(32,860,279)**
Dividends received on investments		1,616,343	1,642,634
Interest received from fixed deposits		2,578,320	1,006,501
Investment property additions	4	(6,597,876)	(15,009,680)
Net cash flows used in operating activities		**(113,818,147)**	**(45,220,824)**
Financing activities			
Contributions received from oil sales		88,501,097	54,983,057
Net cash flows generated from financing activities		**88,501,097**	**54,983,057**
Net (decrease) / increase in cash and cash equivalents		**(25,317,050)**	**9,762,233**
Cash and cash equivalents at the beginning of the year	8	50,021,725	40,259,492
Cash and cash equivalents at the end of the year	8	**24,704,675**	**50,021,725**

1. Incorporation and Background Information

The Future Generation Reserve (the Reserve) was established, in accordance with Law No. (28) of 2006 promulgated on 17 July 2006, as a legal personality, having financial and administrative independence. According to the mentioned law and its amendments, the Reserve is funded through the contribution from the oil revenue for the Reserve based on the barrel of crude oil price levels exported outside the Kingdom of Bahrain, the contribution to the Reserve started as of 1st January 2007.

The Reserve operates independently, and its objective is to invest funds for the future generation. The Reserve is governed by a Board of Directors comprising a Chairman (H.E. the Minister of Finance and National Economy) and eight directors. The board was reappointed by Decree No. (85) of 2021, to include:

- Undersecretary of Financial Affairs at the Ministry of Finance and National Economy (Deputy Chairman).
- Chairman of Legislation and Legal Opinion Commission.
- Chief Executive Officer of Economic Development Board.
- Mr. Nader Kareem Al Maskati.
- Mr. Nabil Saleh Abdel-Aal*
- Mrs. Najla Mohammad Al Shirawi.
- Mr. Ali Mousa Shafae.
- Mr. Abdullah Abdulrazzaq Bukhowa.

* He was appointed as a board member, replacing Mr. Tariq Ahmed Alsamahiji, in accordance with Decree No. (22) of 2023 regarding the appointment of a member to the Future Generations Fund board of directors.

On 17th June 2021 Shaikh Ali bin Salman Al Khalifa was appointed as the Chief Executive Officer (CEO) of the Future Generations Reserves Council according to Decree No. (74) of 2021.

2. Summary of material accounting policies

2-1 Standards used in preparation of the financial statements

The financial statements of the Reserve have been prepared in accordance with International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as well as the requirements of Law No. (28) of 2006 regarding the Future Generations Reserve Fund.

2-2 Basis of preparation

The financial statements have been prepared under the accrual basis, and historical cost convention, except for the measurement at fair value of financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income and investment property.

2-3 Functional and presentation currency

The financial statements are prepared and presented in United States Dollar (USD), which is the Reserve's functional and presentation currency. It is the currency that represents the primary economic environment in which the Reserve operates.

2-4 Investment property

Investment property include completed, under construction or redeveloped properties that are being held for rental yield or capital appreciation purposes or both. A property is classified as investment property when the definition of investment properties is met. Investment property is measured initially at its cost, including related transaction costs, the carrying amount also includes the cost of replacing part of the investment property at the time the cost was incurred if the evidentiary criteria is met. After initial recognition, investment property is carried at fair value which reflects active market prices at the date of the statement of financial position. Fair value changes are recognised in the statement of profit or loss and other comprehensive income of the incurred period. Fair value is evaluated annually by an independent external valuer by applying a model recommended by the International Valuation Standards Council.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. The difference between the net disposal proceeds and the fair value of the investment property is recognised in the statement of profit or loss and other comprehensive income of the period in which the property is derecognised. Furthermore, a property is transferred from/to investment property when there is change in use. For a transfer from investment property to owner-occupied properties, the subsequent accounting cost is the fair value at the date of change in use. If owner-occupied properties are transferred to investment properties, the Reserve measures the properties based on investment properties policy till the date of change of use. The gain or loss on disposal of investment properties is determined as the difference between the net disposal proceeds and the fair value of the investment property in the financial statements for the entire prior period.

2-5 Financial assets

Financial assets are classified in accordance with IFRS (9) into two categories, those measured at fair value (either through other comprehensive income or through profit or loss), and those measured at amortized cost. The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses incurred are recorded in either the statement of profit or loss, or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. As for investments in equity instruments, this will depend on whether the Reserve's management chose at the time of initial recognition to account for the investment in equity at fair value through other comprehensive income. Investments in debt instruments can only be reclassified when changes in the business model occur. The reclassification is made at the beginning of the reporting period following the change.

At initial recognition, the Reserve measures a financial asset at its fair value plus (in the case of a financial asset not measured at fair value through profit or loss (FVTPL)) transaction costs

that are directly attributable to the acquisition of the financial asset. Transaction costs related to financial assets measured at fair value through profit or loss are recognised as expenses in the statement of profit or loss.

Subsequent measurement of financial assets depends on the business model for managing the asset and the contractual terms of the cash flows, as follows:

- Amortised cost: a financial asset is measured at amortised cost if the asset is held to collect contractual cash flows (where those cash flows represent principal payments and income). Gains or losses are recognised in the statement of profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is recognised in the statement of profit or loss using the effective interest rate method.
- Fair value through other comprehensive income (FVOCI): financial assets are measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (where those cash flows represent principal payments and income). Changes in carrying amount are transferred through other comprehensive income, except for impairment gains or losses, interest income and foreign exchange gains and losses are recognised in the statement of profit or loss. When the financial assets are derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.
- Fair value through profit or loss (FVPL): financial assets are measured at fair value through profit or loss when they do not meet the criteria of financial assets measured at amortised cost or at fair value through other comprehensive income. Gains or losses on debt investments measured at fair value through profit or loss that are not part of the hedging relationship are included in the statement of profit or loss and presented in net in the profit or loss account under other profit/(loss) in the period in which they arise. Interest income from these financial assets is recognised in profit or loss using the effective interest rate method.

Financial assets are derecognised when the contractual rights to receive the cash flows from the assets have expired or when the assets and all the risks and rewards of ownership rights have been transferred. Assets are assessed on a prospective basis for the expected credit losses associated with debt instrument assets measured at amortised cost and at fair value through other comprehensive income. The Reserve's management recognises such loss allowance at the date of each financial statement.

2-6 Receivables

Receivables are initially recognised at cost, minus the impairment provision. An impairment provision of receivables is recorded when there is objective evidence that the Reserve will not be able to collect all amounts in accordance with the original terms of the receivable.

2-7 Fixed deposits

Fixed deposits have maturity period ranging between 91 days up to 365 days from the date of deposit.

2-8 Cash and cash equivalent

Cash and cash equivalents comprise of cash on hand, balances with banks and short-term deposits with maturities not exceeding three months.

2-9 Accruals and other payables

Accruals and other payables are recognised when services are received, whether billed or not.

2-10 Revenues

Revenues are recorded on the accrual basis, regardless of when it will be collectable, unless collectability is in doubt.

2-11 Expenses

Expenses are recorded on the accrual basis, accrued expenses are recorded during the period incurred regardless of when they will be paid.

2-12 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions in the Reserve's books. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date. Foreign exchange gains and losses arising from translation of monetary items are included in the statement of profit or loss and other comprehensive income. Non-monetary items recorded in foreign currencies are translated using the exchange rates at the dates of the transactions. Non-monetary items recorded at fair value in foreign currencies are translated using the exchange rates at the date of when the fair value was determined.

2-13 New standards, amendments and interpretations

There are no new standards, amendments, or interpretations effective as of 1 January 2023, expected to have a material impact on the financial statements of the reserve. Additionally, the reserve has not voluntarily adopted any of the new standards, amendments, or interpretations that are effective for financial periods beginning on 1 January 2024.

2-14 Going concern of the Reserve

The Reserve's Board of Directors assesses the Reserve's ability to continue as a going concern in accordance with Law No. (28) of 2006 and ensuring that the Reserve has the necessary resources for its future business continuity, by periodically reviewing and evaluating the financial position of the Reserve. Furthermore, the Reserve's liquidity is sufficient to meet the working capital requirements and estimated funds required to meet the liabilities as and when they become due in the short and long term. The financial statements have been prepared based on the going concern basis of accounting.

3. Financial assets measured at fair value through other comprehensive income (FVOCI)

	(Expressed in United States Dollars)	
	2023	**2022**
Opening balance at 1 January	11,525,287	11,800,616
Change in fair value of financial assets measured at FVOCI	(274,477)	(275,329)
Closing Balance	**11,250,810**	**11,525,287**

The following table compares the cost and fair value of the investment as at 31 December 2023:

	(Expressed in United States Dollars)		
	At fair value	**At cost**	**Difference**
Private equity	11,250,810	15,194,669	(3,943,859)
Total	**11,250,810**	**15,194,669**	**(3,943,859)**

4. Investment property

	(Expressed in United States Dollars)	
	2023	**2022**
Land	24,843,540	24,067,180
Building under construction	34,584,562	27,986,686
Closing balance	**59,428,102**	**52,053,866**

The movement in investment property during the year was as follow:

	(Expressed in United States Dollars)	
	2023	**2022**
Opening balance at 1 January	52,053,866	37,044,186
Capital expenditure incurred	6,597,876	15,009,680
Gain on investment property revaluation	776,360	-
Closing balance	**59,428,102**	**52,053,866**

His Majesty King Hamad bin Isa Al-Khalifa granted a freehold land to the Reserve in May 2014, its value was recorded based on the lowest value received from three independent external valuers on the date of land transfer, its market value was recorded in the Reserve's books in 2014 under "Property". In 2015, it has been decided by the Reserve's board of directors to utilize the land through building a tower for the purpose of investing and leasing, therefore the land was reclassified to "Investment Property" and are re-evaluated annually. The fair value calculation falls under level 2 in the fair value hierarchy.

5. Financial assets measured at fair value through profit or loss (FVPL)

(Expressed in United States Dollars)

	2023	2022
Opening balance at 1 January	493,009,299	522,675,207
Additions	123,000,000	46,867,801
Disposals	(55,000,000)	(838,803)
Change in fair value of financial assets measured at FVPL*	54,101,072	(73,228,759)
Net movement of accumulated gains on the redemption of financial assets measured at FVPL	(22,297,505)	-
Realised gains on redemption of financial assets measured at FVPL	3,148,983	-
Reimbursement of management and custody fees	(2,628,807)	(2,466,147)
Closing balance	**593,333,042**	**493,009,299**

*Unrealised change for the year related to market movement.

The following table compares the cost and fair value of each type of investment as at 31 December 2023:

(Expressed in United States Dollars)

	At fair value	At cost	Difference
Fixed income	246,052,035	198,951,333	47,100,702
Equity	187,765,135	150,022,400	37,742,735
Alternatives	118,168,836	117,964,127	204,709
Multi-Asset funds	41,347,036	38,141,306	3,205,730
Total	**593,333,042**	**505,079,166**	**88,253,876**

6. Receivables

(Expressed in United States Dollars)

	2023	2022
Contribution Receivables	7,848,598	3,971,682
Management and custody fees receivables (Reimbursable expenses by MOFNE)	3,404,266	3,272,234
Accrued interest on deposits	2,094,125	17,289
Dividends receivables	268,359	392,156
Total	**13,615,348**	**7,653,361**

7. Fixed Deposits

(Expressed in United States Dollars)

Maturity Period	2023	2022
6 to 12 Months	66,565,764	-
Total	**66,565,764**	**-**

8. Cash and cash equivalents

	(Expressed in United States Dollars)	
Currency	**2023**	**2022**
United States Dollars	24,315,613	36,785,107
Great Britain Pounds	305,211	779,543
Bahraini Dinars	83,851	12,457,075
Total	**24,704,675**	**50,021,725**

9. Accruals and other payables

	(Expressed in United States Dollars)	
	2023	**2022**
Construction payables	2,797,153	4,464,317
Management & Custody Fees Payable	264,778	274,998
Other payables	462,524	530,784
Total	**3,524,455**	**5,270,099**

10. Accumulated Funds

According to Law No. (28) of 2006 and its changes, the Reserve receives a contribution of (One) US dollar deducted from the price of each barrel of crude oil exported outside the Kingdom of Bahrain whose price exceeds (40) US dollars and does not exceed (80) US dollars, provided that this deducted amount increases to become two US dollars if the price of a barrel of crude oil exceeds (80) US dollars and does not exceed (120) US dollars, and the deducted amount increases to become three US dollars if the price of a barrel of crude oil exceeds (120) US dollars. These contributions are considered as equity contributions and are directly recognized in accumulated funds.

	(Expressed in United States Dollars)	
	2023	**2022**
Opening balance at 1 January	450,328,168	395,802,178
Contributions earned for the year	92,378,013	54,525,990
Closing balance	**542,706,181**	**450,328,168**

11. Dividend income on investments

	(Expressed in United States Dollars)	
	2023	**2022**
Alternatives	1,492,546	1,552,164
Total	**1,492,546**	**1,552,164**

12. Interest income on deposits

	(Expressed United States Dollars)	
Maturity Period	**2023**	**2022**
Less than 3 months	1,906,232	851,432
From 3 to 6 months	395,444	171,958
From 6 to 12 months	2,353,480	-
Total	**4,655,156**	**1,023,390**

13. Reimbursement of General and administrative expenses by Ministry of Finance and National Economy

As per article (13) of Law No. (25) of 2008 general and administrative expenses incurred by the Reserve are reimbursed by the Ministry of Finance and National Economy. The total reimbursement received from Ministry of Finance and National Economy (MOFNE) for fiscal year ended 31 December 2023 was 6,065,237 USD. The breakdown of the Reserve's expenses for the year are as follows:

	(Expressed in United States Dollars)	
	2023	**2022**
Management and custody fees	3,982,215	3,790,376
Consulting fees	791,799	750,000
Staff expenses	743,588	566,539
Other general and administrative expenses	360,826	282,294
Borad of Director's remuneration	164,894	132,979
Auditing fees	21,915	18,085
Total	**6,065,237**	**5,540,273**

14. Realised gains on redemption of financial assets measured at FVPL

	(Expressed in United States Dollars)	
	2023	**2022**
Equity	3,148,983	-
Realised gains on redemption of financial assets	**3,148,983**	**-**

Realised gain incurred on the redemption of financial assets measured at FVPL pertains to the gain of the investments during the financial year 2023 only, and they do not reflect the performance of the investments since their inception.

15. Fair value hierarchy

The Reserve uses the following hierarchy in determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table sets out the fair value hierarchy of the Reserve's financial assets:

(Expressed in United States Dollars)

	Level 1	Level 3	Total
As at 31 December 2023			
Financial assets measured at FVPL			
Fixed Income	246,052,035	-	**246,051,485**
Equity	187,765,135	-	**187,765,135**
Alternatives	46,548,679	71,620,157	**118,168,836**
Multi-Asset funds	41,347,036	-	**41,347,036**
Financial assets measured at FVOCI			
Private Equity	-	11,250,810	**11,250,810**
As at 31 December 2022			
Financial assets measured at FVPL			
Fixed Income	175,280,410	-	**175,280,410**
Equity	121,352,157	-	**121,352,157**
Alternatives	82,883,836	75,440,806	**158,324,642**
Multi-Asset funds	38,052,090	-	**38,052,090**
Financial assets measured at FVOCI			
Private Equity	-	11,525,287	**11,525,287**

There were no transfers between levels during the years 2023 and 2022.

16. Assets and liabilities and risk management

Assets and liabilities included in the Statement of Financial Position: include financial assets measured at fair value through other comprehensive income, investment properties, financial assets measured at fair value through profit or loss, receivables, fixed deposits, cash and cash equivalent and accruals and other payables. Accounting policies relating to each item are disclosed in the notes associated with each item.

Interest rate risk: is the risk of change in the value of financial instruments as a result of market fluctuations in interest rates. Interest rates on Reserve deposits are calculated at the date of inception, so changes in interest rates correspond to the renewal of deposits upon maturity. Reserve assets and liabilities are not affected by interest rate risks.

Fair value measurement is the amount at which any asset can be exchanged, or any obligation can be settled between two parties who are familiar with the details of the transaction on a commercial basis.

Liquidity risk: is the risk of the Reserve's inability to obtain the funds needed to meet obligations associated with financial assets and liabilities. Liquidity risk can result from Reserve's inability to sell its financial assets at the appropriate speed and at a value close to its fair value. Liquidity risk is managed by ensuring that sufficient cash is available on an ongoing basis to enable the Reserve to meet its future obligations when due.

Foreign exchange risk is the risk of change in the value of assets and financial liabilities as a result of fluctuations in the exchange rate of foreign currencies, and differences resulting from exchange rate changes are recorded in the statement of profits, losses, and other comprehensive income.

17. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties in the case of the Reserve are limited to the Ministry of Finance and National Economy. Transactions with the related parties are governed by the applicable laws and decrees.

a) A summary of the related party transactions with the Ministry of Finance and National Economy are as follows:

(Expressed United States Dollars)

	For the year ended 31 December	
	2023	**2022**
Contributions earned from oil sales (Note 10)	92,378,013	54,525,990
Reimbursement of General and administrative expenses by Ministry of Finance and National Economy (Note 13)	6,065,237	5,540,273

b) A summary of the related party balances with the Ministry of Finance and National Economy are as follows:

	(Expressed United States Dollars)	
	As at 31 December	
	2023	2022
Contribution Receivables (Note 6)	7,848,598	3,971,682
Management and custody fees receivables (Reimbursable expenses by MOFNE) (Note 6)	3,404,266	3,272,234

The Reserve uses the facilities and premises of the Ministry of Finance and National Economy to conduct its operations.

c) Borad of Director's remuneration:
The directors' remunerations during the year ended 31 December 2023 was USD 164,894 (2022: USD 132,979).

18. Financial commitments

Financial commitments represent amounts related to investment and other contracts that have been committed but not fully paid, the reserve's financial commitments are as follow:

	(Expressed in United States Dollars)	
	2023	2022
Alternatives	4,476,593	12,766,510
Investment property*	33,079,613	38,902,215
Total	**37,556,206**	**51,668,725**

* The major portion of the investment property commitment pertains to the outstanding balance of the original contractor related to the construction works of the Future Generation Tower. Consensus was reached with the original contractor to have the project carried out by a different contractor. Negotiations regarding the financial cost are still taking place with the new contractor.

19. Comparative Figures

Some comparative figures in the statement of cash flows and accompanying notes have been reclassified to match the current period's presentation.