

**Unemployment Fund**

**INDEPENDENT AUDITOR'S REPORT  
AND FINANCIAL STATEMENTS**

**31 DECEMBER 2022**

# Unemployment Fund

## FINANCIAL STATEMENTS

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For the year ended 31 December 2022

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## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF UNEMPLOYMENT FUND**

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the accompanying financial statements of the Unemployment Fund (the "Fund"), which comprise the statement of net assets as at 31 December 2022 and the statements of changes in net assets and cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

#### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report. We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the Kingdom of Bahrain, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of the 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 IFRSs, 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 Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

#### *Auditor's responsibilities 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 is not a guarantee that an audit conducted in accordance with ISAs 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF UNEMPLOYEMNET FUND (CONTINUED)**

### **Report on the Audit of the Financial Statements (continued)**

#### *Auditor's responsibilities for the audit of the financial statements (continued)*

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Fund 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 those charged with governance 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.



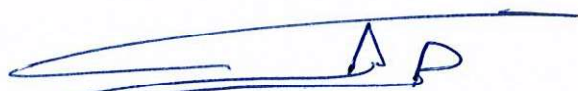
Partner's Registration No. 45  
11 December 2023  
Manama, Kingdom of Bahrain

# Unemployment Fund

## STATEMENT OF NET ASSETS

At 31 December 2022

		31 December 2022	31 December 2021
	Note	BD '000	BD '000
<b>ASSETS</b>			
Bank balances and term deposits	8	79,509	79,678
Contributions receivable	9	50,876	56,496
Investment securities	10	439,385	371,675
Investment properties	11	9,112	10,822
Other receivables	12	22,318	34,318
<b>TOTAL ASSETS</b>		<b>601,200</b>	<b>552,989</b>
<b>LIABILITIES</b>			
Actuarial liability	13	13,043	12,671
Other liabilities		538	722
<b>TOTAL LIABILITIES</b>		<b>13,581</b>	<b>13,393</b>
<b>NET ASSETS</b>		<b>587,619</b>	<b>539,596</b>



**Mahmood Hashim AlKooheji**  
Chairman



**Eman Mustafa Al Murbati**  
Chief Executive Officer

The accompanying notes from 1 to 29 are an integral part of these financial statements.

# Unemployment Fund

## STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 December 2022

	Note	2022 BD '000	2021 BD '000
Contributions	14	82,202	75,686
Benefits paid	15	(30,568)	(32,273)
<b>Excess of contributions over benefits</b>		<b>51,634</b>	43,413
Movement in actuarial liability	13	(372)	(3,578)
Impairment charge on contributions receivable	9.1	(2,840)	(1,668)
		<b>48,422</b>	38,167
Net investment income	16	434	51,311
Management fees	20	(833)	(826)
		<b>48,023</b>	88,652
Transfer to the Government of Kingdom of Bahrain	28	-	(57,736)
<b>NET CHANGE IN NET ASSETS</b>		<b>48,023</b>	30,916
Net assets at 1 January		<b>539,596</b>	508,680
<b>NET ASSETS AT 31 DECEMBER</b>		<b>587,619</b>	539,596



**Mahmood Hashim AlKooheji**  
Chairman



**Eman Mustafa Al Murbati**  
Chief Executive Officer

# Unemployment Fund

## STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

		<b>2022</b>	<b>2021</b>
	<i>Note</i>	<b><i>BD '000</i></b>	<b><i>BD '000</i></b>
<b>OPERATING ACTIVITIES</b>			
<b>Net change in net assets</b>		<b>48,023</b>	30,916
<i>Adjustments for:</i>			
Movement in actuarial liability	13	<b>372</b>	3,578
Impairment charge on contributions receivable	9.1	<b>2,840</b>	1,668
Net change in fair value of investment securities	17	<b>9,582</b>	(39,306)
Dividend income	17	<b>(3,655)</b>	(2,802)
Interest income	18	<b>(5,577)</b>	(2,133)
Net income from investment properties	19	<b>(309)</b>	(410)
Net change in fair value of investment properties	16	<b>1,600</b>	139
<b>Net change in net assets before working capital changes</b>		<b>52,876</b>	(8,350)
Contributions receivable		<b>2,780</b>	(8,362)
Other receivables		<b>12,600</b>	16,289
Other liabilities		<b>(184)</b>	688
<b>Net cash flows from operating activities</b>		<b>68,072</b>	265
<b>INVESTING ACTIVITIES</b>			
Purchase of investment securities	10	<b>(252,586)</b>	(43,204)
Disposal of investment securities	10	<b>175,294</b>	49,928
Disposal of investment properties	11	<b>119</b>	-
Dividends received		<b>3,655</b>	2,802
Net receipt of deposits with original maturity of more than three months		<b>(50,056)</b>	5,549
Interest received		<b>5,118</b>	2,177
Net income received from investment properties		<b>159</b>	527
<b>Net cash flows (used in) / from investing activities</b>		<b>(118,297)</b>	17,779
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>(50,225)</b>	18,044
Cash and cash equivalents at 1 January		<b>65,607</b>	47,563
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	8	<b>15,382</b>	65,607

The accompanying notes from 1 to 29 are an integral part of these financial statements.