

Al-Khair Capital Murabaha Fund Saudi Riyal

(Managed by Al-Khair Capital Saudi Arabia Company)

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) AND INDEPENDENT AUDITOR'S REVIEW REPORT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

Al-Khair Capital Murabaha Fund Saudi Riyal
(Managed by Al-Khair Capital Saudi Arabia Company)

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

Index	Page
Independent Auditor's Report	1
Condensed interim statement of financial position	2
Condensed interim statement of comprehensive income	3
Condensed interim statement of changes in net assets	4
Condensed interim statement of cash flows	5
Notes to the condensed interim financial statements	6-11

**INDEPENDENT AUDITORS' REVIEW REPORT ON CONDENSED INTERIM FINANCIAL
INFORMATION**

**TO: The Unitholders of
Al-Khair Capital Murabaha Fund Saudi Riyal
(Managed by Al-Khair Capital Saudi Arabia Company)**

Introduction:

We have reviewed the accompanying condensed interim statement of financial position of **Al-Khair Capital Murabaha Fund Saudi Riyal** – (“the fund”) managed by Al-Khair Capital Saudi Arabia Company (the “Fund Manager”), as at 30 June 2024 and the related condensed interim statements of comprehensive income, changes in net assets and cash flows for the six months’ period then ended and notes to the condensed interim financial information, including a significant accounting policies information and other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" (IAS 34) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review:

We conducted our review in accordance with International Standard on Review Engagements (2410), “Review of interim financial information performed by the independent auditor of the entity”, as endorsed in the Kingdom of Saudi Arabia. A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information does not present fairly, in all material respects the financial position of the fund as of 30 June 2024 and its condensed interim statement of comprehensive income and its cash flows for the six month’s period then ended, in accordance with International Accounting Standard 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).



03 Safar 1446H (Corresponding 07 August 2024)
Riyadh, Saudi Arabia

**Crowe Solutions
For Professional Consulting**



**Abdullah M. AlAzem
License No. (335)**

Al-Khair Capital Murabaha Fund Saudi Riyal
(Managed by Al-Khair Capital Saudi Arabia Company)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
As at 30 June 2024

	<i>Note</i>	<i>30 June 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
<u>ASSETS</u>			
Cash and cash equivalents	7	31,142,719	116,581,832
Financial assets at amortized cost	8	7,161,038	10,000,000
Prepayments and other receivables		178,613	20,414
TOTAL ASSETS		38,482,370	126,602,246
<u>LIABILITIES</u>			
Management fee payable	12	28,995	97,228
Redemptions payable		21,277	-
Accrued expenses and other liabilities	9	40,239	47,297
TOTAL LIABILITIES		90,511	144,525
 NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS		 38,391,859	 126,457,721
 Units in issue		 2,983,960	 10,102,875
Net assets value attributable to each unit		12.8661	12.5170

The accompanying notes 1 to 15 form part of these condensed interim financial statements.

Al-Khair Capital Murabaha Fund Saudi Riyal
(Managed by Al-Khair Capital Saudi Arabia Company)
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)
For the six-month period ended 30 June 2024

<i>For the six-month period ended</i>		
<i>30 June</i>		
<i>Notes</i>	<i>2024</i>	<i>2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SR</i>	<i>SR</i>
INVESTMENT INCOME		
Income from short term Murabaha placement	2,063,284	8,071,204
Net gain on financial assets at fair value through profit or loss	10 -	697,560
TOTAL INCOME	2,063,284	8,768,764
EXPENSES		
Management fees	12 (86,037)	(458,454)
Other Expenses	11 (76,069)	(107,101)
TOTAL EXPENSES	(162,106)	(565,555)
NET INCOME FOR THE PERIOD	1,901,178	8,203,209
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,901,178	8,203,209

The accompanying notes 1 to 15 form part of these condensed interim financial statements.

Al-Khair Capital Murabaha Fund Saudi Riyal
(Managed by Al-Khair Capital Saudi Arabia Company)
CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO THE UNITHOLDERS (UNAUDITED)
For the six-month period ended 30 June 2024

	<i>For the six-month period ended 30 June</i>	
	<i>2024 (Unaudited) SR</i>	<i>2023 (Unaudited) SR</i>
NET ASSETS AT THE BEGINNING OF THE PERIOD	126,457,721	403,860,534
CHANGES FROM OPERATIONS		
Total comprehensive income for the period	1,901,178	8,203,209
CHANGES FROM UNIT TRANSACTIONS		
Proceeds from units issued	-	201,543,082
Value of units redeemed	(89,967,040)	(428,679,728)
Net change from unit transactions	(89,967,040)	(227,136,646)
NET ASSETS AT THE END OF THE PERIOD	38,391,859	184,927,097

UNIT TRANSACTIONS

Transactions in units for the six-month period ended 30 June are summarised as follows:

	<i>For the six-month period ended 30 June</i>	
	<i>2024 Units</i>	<i>2023 Units</i>
UNITS AT THE BEGINNING OF THE PERIOD	10,102,875	33,751,723
Units issued	-	16,709,635
Units redeemed	(7,118,915)	(35,348,725)
Net decrease in units	(7,118,915)	(18,639,090)
UNITS AT THE END OF THE PERIOD	2,983,960	15,112,633

The accompanying notes 1 to 15 form part of these condensed interim financial statements.

Al-Khair Capital Murabaha Fund Saudi Riyal
(Managed by Al-Khair Capital Saudi Arabia Company)
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
For the six-month period ended 30 June 2024

	<i>For the six-month period ended 30 June</i>	
	<i>2024</i>	<i>2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SR</i>	<i>SR</i>
OPERATING ACTIVITIES		
Net income for the period	1,901,178	8,203,209
<i>Adjustment to reconcile net (income) to net cash from / (used in) operating activities:</i>		
Movement in unrealised loss on financial assets at fair value through profit or loss	-	2,854,705
		11,057,914
Changes in operating assets and liabilities:		
Financial assets at amortized cost	-	71,465,856
Financial assets at fair value through profit or loss	2,838,962	18,145,295
Prepayments and other receivables	(158,199)	1,540,284
Management fees payable	(68,233)	(554,682)
Redemption payable	21,277	(284,653,601)
Accrued expenses	(7,058)	(109,274)
Net cash used in operating activities	4,527,927	(183,108,208)
FINANCING ACTIVITIES		
Proceeds from units issued	-	201,543,082
Value of units redeemed	(89,967,040)	(428,679,728)
Net cash used in financing activities	(89,967,040)	(227,136,646)
DECREASE IN CASH AND CASH EQUIVALENTS	(85,439,113)	(410,244,854)
Cash and cash equivalent at the beginning of the period	116,581,832	558,331,393
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	31,142,719	148,086,539

The accompanying notes 1 to 16 form part of these interim condensed financial statements.

Al-Khair Capital Murabaha Fund Saudi Riyal
(Managed by Al-Khair Capital Saudi Arabia Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the six-month period ended 30 June 2024

1 GENERAL

Al-Khair Capital Murabaha Fund Saudi Riyal (the “Fund”) is an open-ended investment fund established and managed by Al-Khair Capital Saudi Arabia Company (the “Fund Manager”) for the benefit of the Fund’s Unitholders (the “Unitholders”). The Fund commenced its operations on 27 Jumad Al Thani 1435H (corresponding to 27 April 2014). The address of the Fund Manager is as follows:

Al Khair Capital
P.O. Box. 69410
Riyadh 11547
Kingdom of Saudi Arabia

The objective of the Fund is to generate income and liquidity consistent with short-term money market rates and to preserve the value of Unitholders’ investment as approved by the Shari’ah Board of the Fund.

The Fund Manager is Al Khair Capital Saudi Arabia Company and the custodian of the Fund is Alinma investment. The terms and conditions of the Fund has been approved by the Capital Market Authority (“CMA”) on 13 Rabi Al Awwal 1435H (corresponding to 14 January 2014), and the last update of Fund terms and conditions was at Rabi Al-Thani 07, 1445 (corresponded to 10 October 2023).

The interim results may not be indicative of the annual results of the operations.

2 REGULATING AUTHORITY

The Fund is governed by the Investment fund Regulations (the “Regulations”) issued by the CMA on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) and effective from 6 Safar 1438H (corresponding 6 November 2016) by the New Investment fund Regulations (“Amended Regulations”) published by the CMA on 16 Shaaban 1437H (corresponding to 23 May 2016), in addition to the new amendment no.2-22-2021 issued on 30 Jumada Al-Akhirah, 1442H (Corresponding to 24 February 2021), detailing requirements for all funds within the Kingdom of Saudi Arabia.

3 BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”), as endorsed in KSA and other standards and pronouncements that are issued by Saudi Organization for Chartered Professional Accountants (“SOCPA”).

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements; therefore, these should be read in conjunction with the Fund’s annual audited financial statements as at and for the year ended 31 December 2023.

Assets and liabilities in the interim condensed statement of financial position are presented in the order of liquidity.

An analysis in respect of recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 14.

3.2 BASIS OF MEASUREMENT

The interim condensed financial statements are prepared under the historical cost convention except for assets measured at amortised costs.

3.3 FUNCTIONAL CURRENCY

These condensed interim financial statements are presented in Saudi Riyals (SR), which is the Fund’s functional currency.

Al-Khair Capital Murabaha Fund Saudi Riyal
(Managed by Al-Khair Capital Saudi Arabia Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) – (CONTINUED)
For the six-month period ended 30 June 2024

4 SIGNIFICANT ACCOUNTING POLICIES INFORMATION

The significant accounting policies used in the preparation of these condensed interim financial statements are consistent with those used and disclosed in the financial statements for the year ended 31 December 2023.

5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of condensed interim financial statements in conformity with International Finance Reporting Standards IFRS as endorsed in KSA requires the use of certain critical accounting judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. Such judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advices and expectations of future events that are believed to be reasonable under the circumstances. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively actual results may differ from the estimates. Significant areas where management has used estimates, assumptions or exercised judgement are as follows:

Going concern

The Fund's management has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the interim condensed financial statements continue to be prepared on the going concern basis.

6 STANDARDS ISSUED BUT NOT YET EFFECTIVE

There are several standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's interim condensed financial statements. In the opinion of the Board, these standards will have no significant impact on the interim condensed financial statements of the Fund. The Fund intends to adopt these standards, if applicable.

7 CASH AND CASH EQUIVALENTS

	<i>30 June 2024</i> <i>(Unaudited)</i> <i>SR</i>	<i>31 December 2023</i> <i>(Audited)</i> <i>SR</i>
Bank balances	95,905	300,832
Murabaha placements with less than 90 days maturity (7-1)	31,046,814	116,281,000
	<u>31,142,719</u>	<u>116,581,832</u>

The bank balances represent the cash in a current account maintained with local banks.

The management has conducted a review as required under IFRS 9 and based on such assessment, the management believes that there is no need for any significant expected credit loss against the carrying value of bank balances and Murabaha placements.

(7-1) These comprise of Murabaha placements which are carried at a commission rate ranging from 5.4% - 6.30% as at 30 June 2024 (31 December 2023: 3% - 6.2%) with original maturity less than three months.

8 FINANCIAL ASSETS AT AMORTISED COST

These comprise of Murabaha placements which are carried at a commission rate ranging from 5.4% - 6.30% as at 30 June 2024 (31 December 2023: 3% - 6.2%) with original maturity more than three months. These Murabaha placements were held with Al Khair Capital (Dubai) Limited, local banks and Gulf Cooperation Council countries.

Al-Khair Capital Murabaha Fund Saudi Riyal
(Managed by Al-Khair Capital Saudi Arabia Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) – (CONTINUED)
For the six-month period ended 30 June 2024

9 ACCRUED EXPENSES AND OTHER LIABILITIES

	<i>30 June 2024</i> <i>(Un-Audited)</i> <i>SR</i>	<i>31 December 2023</i> <i>(Audited)</i> <i>SR</i>
Professional fees	15,913	16,000
Board of management fees	13,702	10,000
VAT	6,915	17,547
Custodian fees	3,709	3,750
	<u>40,239</u>	<u>47,297</u>

10 NET GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>For the six-month period ended 30 June</i>	
	<i>2024</i> <i>(Unaudited)</i> <i>SR</i>	<i>2023</i> <i>(Unaudited)</i> <i>SR</i>
Unrealized gain / (loss), net	-	(2,854,705)
Realized gain, net	-	3,552,265
	<u>-</u>	<u>697,560</u>

11 OTHER EXPENSES

	<i>For the six-month period ended 30 June</i>	
	<i>2024</i> <i>(Unaudited)</i> <i>SR</i>	<i>2023</i> <i>(Unaudited)</i> <i>SR</i>
VAT	16,784	72,638
Audit fees	15,913	15,868
Custodian fees	7,459	7,438
Board member fees	4,973	4,959
Regulator fees	3,730	3,719
Tadawul fees	2,486	2,479
Others	24,724	-
	<u>76,069</u>	<u>107,101</u>

Al-Khair Capital Murabaha Fund Saudi Riyal

(Managed by Al-Khair Capital Saudi Arabia Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) – (CONTINUED)

For the six-month period ended 30 June 2024

12 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Fund include the Unitholders, the Fund Manager, the Shareholder of the Fund Manager (Al-Khair Capital) and other funds managed by the Fund Manager.

In the ordinary course of its activities, the Fund transacts business with its related parties. All the related party transactions are carried out based on mutually agreed prices under formal agreement, which is approved by the Fund Board.

The Fund pays the Fund Manager a management fee at an annual rate of 0.25% per annum calculated on total net assets value on daily basis. The fee intended to compensate the Fund Manager for administration and management of Fund.

Related party transactions for the period/year are as follows:

Name of Related party	Nature of transaction	Amount of transactions		Balance Receivable / (Payable)	
		For the six months period ended 30 June 2024 (Unaudited) SR	For the six months period ended 30 June 2023 (Unaudited) SR	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
The Fund Manager	Management fees	86,037	458,454	(28,995)	(97,228)
	Proceeds from subscription of units	-	1,494,075	-	-
	Payment for redemption of units	-	(33,689,105)	-	-
	Value of units held	-	-	-	-
Al-Khair Real Estate Fund	Value of units held	-	-	509,740	495,911
Al-Khair Capital Dubai	Payment for redemption of units	(30,600,024)	(2,000,000)	-	-
	Proceeds from subscription of units	-	30,000,000	-	-
	Value of units held	-	-	-	30,235,522
Another fund managed by fund manager	Proceeds from subscription of units	-	5,829,170	-	-
	Payment against redemption of units	-	(11,672,010)	-	-
	Value of units held	-	-	1,377,948	844,652
The Fund's Board members	Board members' fee	4,973	8,678	(9,973)	(10,000)

Related party transactions and year end balances are as follows:

The units in issue as at 30 June 2024 include Zero (31 December 2023: Zero) held by Al-Khair Capital Saudi Arabia Company (the "Fund Manager") and 107,099 units (31 December 2023: 107,099) held by the other funds managed by Al-Khair Capital and its related parties.

Al-Khair Capital Murabaha Fund Saudi Riyal
(Managed by Al-Khair Capital Saudi Arabia Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) – (CONTINUED)
For the six-month period ended 30 June 2024

13 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled respectively:

<i>As at 30 June 2024 (Unaudited)</i>	Within 12 months	After 12 months	Total
ASSETS			
Cash and cash equivalents	31,142,719	-	31,142,719
Financial assets at amortized cost	7,161,038	-	7,161,038
Prepayments and other receivables	178,613	-	178,613
TOTAL ASSETS	38,482,370	-	38,482,370
LIABILITIES			
Management fees payable	28,995	-	28,995
Redemptions payable	21,277	-	21,277
Accrued expenses and other liabilities	40,239	-	40,239
TOTAL LIABILITIES	90,511	-	90,511
<i>As at 31 December 2023 (Audited)</i>	Within 12 months	After 12 months	Total
ASSETS			
Cash and cash equivalents	116,581,832	-	116,581,832
Financial assets at amortized cost	10,000,000	-	10,000,000
Prepayments and other receivables	20,414	-	20,414
TOTAL ASSETS	126,602,246	-	126,602,246
LIABILITIES			
Management fees payable	97,228	-	97,228
Accrued expenses and other liabilities	47,297	-	47,297
TOTAL LIABILITIES	144,525	-	144,525

14 LAST VALUATION DAY

The last valuation day of the period was 30 June 2024 (2023: 31 December 2023)

15 APPROVALS OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Fund Board on 03 Safar 1446H (Corresponding to 07 August 2024).