

ALINMA ROAD'S MOSQUES ENDOWMENT FUND
(Managed by Alinma Investment Company)

INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

AND INDEPENDENT AUDITOR'S REVIEW REPORT

ALINMA ROAD'S MOSQUES ENDOWMENT FUND

(Managed by Alinma Investment Company)

INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2022

INDEX	PAGE
Independent auditor's review report	1
Interim condensed statement of financial position	2
Interim condensed statement of profit or loss and other comprehensive income	3
Interim condensed statement of cash flows	4
Interim condensed statement of changes in equity	5
Notes to the interim condensed financial statements	6 – 10

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

To the Unitholders of Alinma Road's Mosque Endowment Fund
(Managed by Alinma Investment Company)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Alinma Road's Mosque Endowment Fund ("the Fund") being managed by Alinma Investment Company (the "Fund Manager") as at 30 June 2022, and the related interim condensed statements of profit or loss and other comprehensive income, cash flows and changes in equity for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Fund Manager is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 – "Interim Financial Reporting ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements 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" that is endorsed in the Kingdom of Saudi Arabia. A review of the 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.

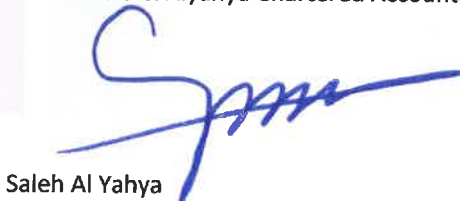
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements is not prepared, in all material respects, in accordance with IAS 34, that is endorsed in the Kingdom of Saudi Arabia.

Other Matters

The financial statements of the Fund for the year ended 31 December 2021, were audited by another auditor who expressed an unmodified opinion on those financial statements on 26 Sha'ban 1443H (corresponding to 29 March 2022). Further, the interim condensed financial statements of the Fund for the six-month period ended 30 June 2021, were reviewed by another auditor who expressed an unmodified review conclusion on those interim condensed financial statements on 9 Muharram 1443H (corresponding to 17 August 2021).

for Alluhaid & Alyahya Chartered Accountants



Saleh Al Yahya
Certified Public Accountant
License number 473

Riyadh: 17 Muharram 1444H
(15 August 2022)



ALINMA ROAD'S MOSQUES ENDOWMENT FUND

(Managed by Alinma Investment Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	<i>Note</i>	30 June 2022 (Unaudited) SR	31 December 2021 (Audited) SR
ASSETS			
Cash and cash equivalents		1,838,270	817,179
Financial assets at fair value through profit or loss ("FVTPL")	5	35,424,001	29,538,354
Financial assets at amortized cost	6	12,104,396	9,260,186
Advances for acquisition of financial assets at FVTPL		125,597	497,250
TOTAL ASSETS		49,492,264	40,112,969
LIABILITIES AND EQUITY			
LIABILITIES			
Accrued expenses and other liabilities		233,925	188,933
TOTAL LIABILITIES		233,925	188,933
EQUITY			
Net assets attributable to unitholders of units		49,258,339	39,924,036
TOTAL LIABILITIES AND EQUITY		49,492,264	40,112,969
Units in issue (numbers)		4,211,178	3,496,692
Net asst value attributable to unitholders (SR)		11.70	11.42

The accompanying notes from 1 to 11 form an integral part of these interim condensed financial statements.

ALINMA ROAD'S MOSQUES ENDOWMENT FUND

(Managed by Alinma Investment Company)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Note</i>	<i>Unaudited</i>	
		<i>For the six-month period ended</i>	
		<i>30 June</i>	<i>30 June</i>
		<i>2022</i>	<i>2021</i>
		<i>SR</i>	<i>SR</i>
INCOME			
Gain on financial assets at FVTPL		1,832,635	1,561,635
Dividend income		236,002	91,470
Special commission income		179,178	132,690
TOTAL INCOME		2,247,815	1,785,795
OPERATING EXPENSES			
Management fees	7	(210,005)	(117,213)
Charge for expected credit loss on financial assets at amortised cost		(92,471)	-
Other operating expenses		(104,771)	(66,227)
TOTAL OPERATING EXPENSES		(407,247)	(183,440)
NET INCOME FOR THE PERIOD		1,840,568	1,602,356
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,840,568	1,602,356

The accompanying notes from 1 to 11 form an integral part of these interim condensed financial statements.

ALINMA ROAD'S MOSQUES ENDOWMENT FUND
(Managed by Alinma Investment Company)
INTERIM CONDENSED STATEMENT OF CASH FLOWS

	<i>Unaudited</i>	
	<i>For the six-month period ended</i>	
	<i>30 June</i>	<i>30 June</i>
	<i>2022</i>	<i>2021</i>
	<i>SR</i>	<i>SR</i>
OPERATING ACTIVITIES		
Net income for the period	1,840,568	1,602,356
Adjustments for:		
Gain on financial assets at FVTPL	(1,832,635)	(1,533,831)
Special commission income	(179,178)	(132,690)
Dividend income	(236,002)	(91,470)
Charge for expected credit loss on financial assets at amortised cost	92,471	-
	(314,776)	(155,635)
Changes in operating assets and liabilities:		
(Increase) decrease in financial assets at FVTPL	(4,053,012)	2,194,133
Increase in financial assets at amortised cost	(3,037,617)	(1,523,111)
Increase (decrease) in accrued expenses and other current liabilities	44,992	(89,342)
Decrease (increase) in advances for acquisition of financial assets at FVTPL	371,653	(497,250)
	(6,988,760)	(71,205)
Dividend received	236,002	91,470
Special commission received	280,114	111,390
Net cash flows (used in) from operating activities	(6,472,644)	131,655
FINANCING ACTIVITIES		
Proceeds from issuance of units	8,516,019	2,895,134
Dividend distributions	(1,022,284)	(266,718)
Net cash flows from financing activities	7,493,735	2,628,416
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,021,091	2,760,071
Cash and cash equivalents at beginning of the period	817,179	738,428
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,838,270	3,498,499

The accompanying notes from 1 to 11 form an integral part of these interim condensed financial statements.

ALINMA ROAD'S MOSQUES ENDOWMENT FUND

(Managed by Alinma Investment Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

	<i>Unaudited</i>	
	<i>For the six-month period ended</i>	
	<i>30 June</i>	<i>30 June</i>
	<i>2022</i>	<i>2021</i>
	<i>SR</i>	<i>SR</i>
EQUITY AT THE BEGINNING OF THE PERIOD	39,924,036	24,009,292
Comprehensive income:		
Net income for the period	1,840,568	1,602,356
Other comprehensive income for the period	-	-
Total comprehensive income for the period	1,840,568	1,602,356
Dividend distribution	(1,022,284)	(266,718)
	40,742,320	25,344,930
CHANGE FROM UNIT TRANSACTIONS		
Proceeds from issuance of units	8,516,019	2,895,134
Net change from unit transactions	8,516,019	2,895,134
EQUITY AT THE END OF THE PERIOD	49,258,339	28,240,064

UNIT TRANSACTIONS

Transactions in units for the period are summarised as follows:

	<i>Unaudited</i>	
	<i>For the six-month period ended</i>	
	<i>30 June</i>	<i>30 June</i>
	<i>2022</i>	<i>2021</i>
	<i>SR</i>	<i>SR</i>
	<i>Units</i>	<i>Units</i>
UNITS AT THE BEGINNING OF THE PERIOD	3,496,692	2,274,217
Units issued during the period	714,486	270,137
Net increase in units	714,486	270,137
UNITS AT THE END OF THE PERIOD	4,211,178	2,544,354

The accompanying notes from 1 to 11 form an integral part of these interim condensed financial statements.

ALINMA ROAD'S MOSQUES ENDOWMENT FUND

(Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2022

1 INCORPORATION AND ACTIVITIES

Alinma Road's Mosques Endowment Fund, (the "Fund"), is an open-ended public fund created under an agreement between Alinma Investment Company (the "Fund Manager"), a subsidiary of Alinma Bank (the "Bank"), and "Msajidona" operating under The Association for the Care of Road Mosques (the "Beneficiary"), in accordance with Shariah rules issued by the Shariah Board of the Fund Manager.

The Fund aims to enhance the developmental role of private endowments by participating and supporting the care of road mosques. The Fund will invest in the financial assets and make distribution of endowment yields to achieve the principle of social solidarity. From the endowed capital, the Fund distributes a percentage of the proceeds (endowment yields) on an annual and continuous basis to the endowment expenses specified for the Fund. Beneficiary represents the Fund in mosques care services, and the Beneficiary is committed to spend the Fund returns on elevating the level of service and sustainability of road mosques.

Capital Market Authority ("CMA") granted approval for the establishment of the Fund in its letter number 19/4883/5/3 dated 7 Dhul-Qa'dah 1440H (corresponding to 10 July 2019). The Fund commenced its operations on 19 Jumada Alawwal 1441H (corresponding to 14 January 2020). The Fund has also obtained approval from General Authority of Awqaf through its letter number 40900404 dated 4 Rajab 1440H (corresponding to 4 April 2019) for raising public subscription for endowments.

The Fund is managed by Alinma Investment Company (the "Fund Manager"), a closed joint stock company with commercial registration number 1010269764, licensed by the Capital Market Authority of the Kingdom of Saudi Arabia ("CMA") under license number 09134-37.

The Fund Manager is responsible for the overall management of the Fund's activities. The Fund Manager can also enter into arrangements with other institutions for the provision of investment, custody or other administrative services on behalf of the Fund.

Inmaa Maazin Alturuk Real Estate Company, a single-shareholding limited liability company with commercial registration number 1010601318, has been established and approved by CMA as a special purpose vehicle ("SPV") for the beneficial interests of the Fund.

The Fund has appointed NOMW Capital Company for Financial Consultant (the "Custodian") to act as its custodian. The fees of the custodian are paid by the Fund.

2 REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the "Regulations") issued by the CMA detailing requirements for all Investment Funds within the Kingdom of Saudi Arabia.

3 BASIS OF PREPARATION

3.1 *Statement of compliance*

These interim condensed financial statements for the six-months period ended 30 June 2022 of the Fund have been prepared 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 that are endorsed by Saudi Organisation for Chartered and Professional Accountants ("SOCPA").

The Fund Manager has prepared the financial statements on the basis that the Fund will continue to operate as a going concern. The Fund Manager considers that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Fund's annual financial statements as at 31 December 2021.

ALINMA ROAD'S MOSQUES ENDOWMENT FUND

(Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 June 2022

3 BASIS OF PREPARATION (continued)

3.2 Basis of measurement

These interim condensed financial statements have been prepared under historical cost convention, except for the financial assets that are measured at FVTPL which are measured at fair value.

The interim condensed statement of financial position is stated broadly in order of liquidity.

3.3 Functional and presentation currency

These interim condensed financial statements are presented in Saudi Riyal (SR), which is also the functional currency of the Fund. All financial information has been rounded off to the nearest SR, unless otherwise stated.

3.4 Use of judgements, estimates and assumptions

In preparing these interim condensed financial statements, the Fund Manager has made the judgement, estimates, and assumptions that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by the Fund Manager in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual audited financial statements.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended 31 December 2021 except for the adoption of new standards effective as of 1 January 2022. Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed financial statements of the Fund.

The Fund has not early adopted any standard, interpretation or amendment that has been issued but not effective yet.

5 FINANCIAL ASSETS AT FVTPL

	30 June 2022 (Unaudited)		31 December 2021 (Audited)	
	Cost (SR)	Market value (SR)	Cost (SR)	Market value (SR)
Listed equity shares (i)	21,966,675	22,204,395	15,833,869	17,141,859
Investment in public funds	7,517,893	7,584,377	10,220,087	10,392,154
Investment in private funds	5,635,229	5,635,229	2,004,341	2,004,341
	<u>35,119,797</u>	<u>35,424,001</u>	<u>28,058,297</u>	<u>29,538,354</u>

ALINMA ROAD'S MOSQUES ENDOWMENT FUND

(Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 June 2022

5 FINANCIAL ASSETS AT FVTPL (continued)

- (i) Listed equities industry concentration of the investment portfolio of the Fund is disclosed in the table below:

Industry group	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Cost SR	Fair value SR	% of market value	Cost SR	Fair value SR	% of market value
REITs	6,148,001	5,574,922	25.1%	5,421,027	5,452,669	31.8%
Banks	3,400,442	4,626,987	20.8%	2,376,574	3,380,854	19.7%
Materials	3,728,496	3,489,008	15.7%	2,154,420	2,473,460	14.4%
Retailing	2,267,662	2,128,766	9.6%	408,588	452,640	2.6%
Food and Staples						
Retailing	1,536,147	1,458,042	6.6%	518,220	508,719	3.0%
Energy	1,325,865	1,433,233	6.5%	1,061,330	990,552	5.8%
Telecommunication						
Services	1,399,509	974,304	4.4%	856,501	872,336	5.1%
Health Care equipment and Svr	807,376	925,859	4.2%	69,213	205,946	1.2%
Real Estate Management and Development	526,200	539,355	2.4%	-	-	-
Utilities	546,337	523,032	2.4%	513,632	770,448	4.5%
Software	256,896	511,785	2.3%	519,198	462,219	2.7%
Diversified Financials	23,745	19,102	0.1%	773,769	602,551	3.5%
Transportation	-	-	-	604,343	428,450	2.5%
Media and Entertainment	-	-	-	557,053	541,015	3.2%
	21,966,675	22,204,395	100.00	15,833,869	17,141,859	100.00

6 FINANCIAL ASSETS AT AMORTISED COST

	30 June 2022 (Unaudited) SR	31 December 2021 (Audited) SR
Murabaha deposit (i)	3,000,000	3,000,000
Sukuks (ii)	8,933,375	6,050,000
Accrued special commission income	263,492	229,466
	12,196,867	9,279,466
Less: Expected credit losses allowance	(92,471)	(19,280)
	12,104,396	9,260,186

(i) Murabaha deposit

The Murabaha deposits amounted to SR 3,000,000 are placed with an investment company operating in Gulf country with original maturity of 1 year and carry special commission income rate of 5.25% per annum, (31 December 2021: SR 3,000,000 are placed with an investment company operating in Gulf country with original maturity of 1 year and carry special commission income rate of 5.25% per annum).

ALINMA ROAD'S MOSQUES ENDOWMENT FUND

(Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 June 2022

6 FINANCIAL ASSETS AT AMORTISED COST (continued)

(ii) Sukuks

Investments in sukuk are redeemable at par value at their maturity date. The average effective commission rate for these investments as at year end is 5.97 % per annum (31 December 2021: 6.39%).

The remaining maturity of these sukuk are as follows:

	30 June 2022 (Unaudited) SR	% of value	31 December 2021 (Audited) SR	% of value
Later than 1 year and no later than 5 years	5,583,375	62.50%	4,200,000	69.42%
Later than 5 years	3,350,000	37.50%	1,850,000	30.58%
	8,933,375	100.00%	6,050,000	100.00%

7 RELATED PARTY TRANSACTIONS AND BALANCES

In ordinary course of activities, the Fund transacts business with related parties. The related party transactions are in accordance with the terms and conditions of the Funds. All related party transactions are approved by the Fund's Board of Directors.

Related parties of the Fund include the Fund's Board of Directors, Fund Manager, the Bank, entities related to the Bank and the Fund Manager and any party that has the ability to control other party or exercise significant influence over the party in making financial or operational decisions.

7.1 Related party transactions

The following are the details of the significant transactions with related parties during the period:

			<i>Unaudited</i> <i>For the six-month period ended</i>	
<i>Name of related party</i>	<i>Nature of relationship</i>	<i>Nature of transaction</i>	<i>30 June 2022 SR</i>	<i>30 June 2021 SR</i>
Alinma Investment Company	Fund Manager	Management fees	(210,005)	(117,213)
		Brokerage fee	(3,409)	(711)
Fund Board	Members of Fund Board	Fund Board fee	(19,836)	(9,973)

ALINMA ROAD'S MOSQUES ENDOWMENT FUND

(Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 June 2022

7 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

7.2 Related party balances

Period/year end balances receivable (payable) arising from transactions with related parties are as follows:

<i>Name of related party</i>	<i>Nature of relationship</i>	<i>Balance</i>	30 June 2022 (Unaudited) SR	31 December 2021 (Audited) SR
Alinma Investment Company	Fund Manager	Cash and cash equivalents	96,895	817,179
		Accrued Management fees	(95,914)	(75,712)
Fund Board	Members of Fund Board	Fund board fee	(38,354)	(7,099)

8 FAIR VALUE MEASUREMENT

Financial assets consists of cash and cash equivalents, financial assets at FVTPL, financial assets at amortized cost and advance against acquisition of financial assets at FVTPL. Financial liabilities consists of redemptions payable and other liabilities.

The following table shows the fair values of financial assets, including their levels in the fair value hierarchy:

As at 30 June 2022 (Unaudited)	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Financial assets at FVTPL (note 5)	22,204,395	7,584,377	5,635,229	35,424,001
As at 31 December 2021 (Audited)	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Financial assets at FVTPL (note 5)	17,141,859	10,392,154	2,004,341	29,538,354

Other than above financial assets at FVTPL, fair value of other financial instruments approximates their carrying value and all other financial assets and financial liabilities are classified as level 2.

9 LAST VALUATION DATE

The last valuation date of the period was 30 June 2022 (31 December 2021: 30 December 2021).

10 COMPARATIVE FIGURES

Certain of the prior period amounts have been reclassified to conform to the presentation in the current period.

11 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements were approved by the Fund Manager on 17 Muharram 1444H (corresponding to 15 August 2022).