

BIR AR RIYADH WAQF 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

BIR AR RIYADH WAQF FUND
(Managed by Alinma Investment Company)

INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2022

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

To the Unitholders of Bir AR Riyadh Waqf Fund
(Managed by Alinma Investment Company)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Bir AR Riyadh Waqf 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 27 Sha'ban 1443H (corresponding to 30 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 20 Muharram 1443H (corresponding to 18 August 2021).

for Alluhaid & Alyahya Chartered Accountants



Saleh Al Yahya
Certified Public Accountant
License number 473

Riyadh: 17 Muharram 1444H
(15 August 2022)



BIR AR RIYADH WAQF 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		1,903,818	1,040,194
Financial assets at fair value through profit or loss ("FVTPL")	5	38,849,424	36,888,067
Financial assets at amortized cost	6	16,792,281	15,837,335
Advances for acquisition of financial assets at FVTPL		152,009	686,800
TOTAL ASSETS		57,697,532	54,452,396
LIABILITIES AND EQUITY			
LIABILITIES			
Accrued expenses and other liabilities		322,937	270,852
TOTAL LIABILITIES		322,937	270,852
EQUITY			
Net assets attributable to unitholders of units		57,374,595	54,181,544
TOTAL LIABILITIES AND EQUITY		57,697,532	54,452,396
Units in issue (numbers)		5,148,574	5,062,719
Net asst value attributable to unitholders (SR)		11.14	10.70

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

BIR AR RIYADH WAQF FUND
(Managed by Alinma Investment Company)

**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME**

		<i>Unaudited</i>	
		<i>For the period from</i>	
		<i>1 January 2022</i>	<i>18 October 2020</i>
		<i>to 30 June</i>	<i>to 30 June</i>
		<i>2022</i>	<i>2021</i>
	<i>Note</i>	<i>SR</i>	<i>SR</i>
INCOME			
Gain on financial assets at FVTPL		3,927,016	2,605,239
Special commission income		364,557	389,769
Dividend income		362,453	-
TOTAL INCOME		4,654,026	2,995,008
OPERATING EXPENSES			
Management fees	7	(253,727)	(312,815)
Charge for expected credit loss on financial assets at amortized cost		(46,754)	(79,576)
Other expenses		(120,790)	(143,582)
TOTAL OPERATING EXPENSES		(421,271)	(535,973)
NET INCOME FOR THE PERIOD		4,232,755	2,459,035
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		4,232,755	2,459,035

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

BIR AR RIYADH WAQF FUND
(Managed by Alinma Investment Company)
INTERIM CONDENSED STATEMENT OF CASH FLOWS

	<i>Unaudited</i>	
	<i>For the period from</i>	
	<i>1 January 2022</i>	<i>18 October 2020</i>
	<i>to 30 June</i>	<i>to 30 June</i>
	<i>2022</i>	<i>2021</i>
	<i>SR</i>	<i>SR</i>
OPERATING ACTIVITIES		
Net income for the period	4,232,755	2,459,035
Adjustments for:		
Gain on financial assets at FVTPL	(3,927,016)	(2,605,239)
Dividend income	(362,453)	-
Special commission income	(364,557)	(389,769)
Charge for of expected credit loss on financial assets at amortized cost	46,754	79,576
	(374,517)	(456,397)
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets at FVTPL	1,965,659	(24,195,201)
Increase in financial assets at amortised cost	(996,390)	(20,118,632)
Decrease in advance against investment	534,791	-
Increase in accrued expenses and other current liabilities	52,085	337,053
	1,181,628	(44,433,177)
Dividend received	362,453	
Special commission received	359,247	99,268
Net cash flows from (used in) operating activities	1,903,328	(44,333,909)
FINANCING ACTIVITIES		
Proceeds from issuance of units	1,043,849	50,332,257
Dividend distribution	(2,083,553)	-
Net cash flows (used in) from financing activities	(1,039,704)	50,332,257
NET INCREASE IN CASH AND CASH EQUIVALENTS	863,624	5,998,348
Cash and cash equivalents at beginning of the period	1,040,194	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,903,818	5,998,348

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

BIR AR RIYADH WAQF FUND
(Managed by Alinma Investment Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

	<i>Unaudited</i>	
	<i>For the period from</i>	
	<i>1 January 2022</i>	<i>18 October 2020</i>
	<i>to 30 June</i>	<i>to 30 June</i>
	<i>2022</i>	<i>2021</i>
	<i>SR</i>	<i>SR</i>
EQUITY AT THE BEGINNING OF THE PERIOD	54,181,544	-
Comprehensive income:		
Net income for the period	4,232,755	2,459,035
Other comprehensive income for the period	-	-
Total comprehensive income for the period	4,232,755	2,459,035
Dividend distribution	(2,083,553)	-
	56,330,746	2,459,035
CHANGE FROM UNIT TRANSACTIONS		
Proceeds from issuance of units	1,043,849	50,332,257
Net change from unit transactions	1,043,849	50,332,257
EQUITY AT THE END OF THE PERIOD	57,374,595	52,791,292

UNIT TRANSACTIONS

Transactions in units for the period are summarised as follows:

	<i>Unaudited</i>	
	<i>For the period from</i>	
	<i>1 January 2022</i>	<i>18 October 2020</i>
	<i>to 30 June</i>	<i>to 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	5,062,719	-
Units issued during the period	85,855	5,032,516
Net increase in units	85,855	5,032,516
UNITS AT THE END OF THE PERIOD	5,148,574	5,032,516

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

BIR AR RIYADH WAQF FUND

(Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2022

1 INCORPORATION AND ACTIVITIES

Bir ArRiyadh Waqf 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 “Al-Bir Charity in Riyadh” (the “Beneficiary”), in accordance with Shariah rules issued by the Shariah Board of the Fund Manager.

The Fund aims to strengthen and enhance the development role of private endowments in supporting needy families. 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 Charity association, and the Beneficiary is committed to spend the Fund returns on the poor and needy families.

Capital Market Authority (“CMA”) granted approval for the establishment of the Fund in its letter dated 2 Dhul-Qa’dah 1441H (corresponding to 23 July 2020). The Fund commenced its operations on 1 Rabea Al-Awl 1442H (corresponding to 18 October 2020). The Fund has also obtained approval from General Authority of Awqaf through its letter number 6 dated 14 /8/ 1441H (corresponding to 8 April 2020) for raising public subscription for endowments.

The Fund’s first interim financial statements were prepared for the period from 18 October 2020 (date of establishment of the Fund) to 30 June 2021. Accordingly, the comparative financial information included in these financial statements is for the period from 18 October 2020 to 30 June 2021.

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.

Bir Alinma Real Estate Company, a single-shareholding limited liability company with commercial registration number 1010651520, 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 AND CHANGE IN ACCOUNTING POLICY

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.

BIR AR RIYADH WAQF FUND

(Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 June 2022

3 BASIS OF PREPARATION (continued)

3.1 Statement of compliance (continued)

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.

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

Financial assets at FVTPL comprised of investment in equity instruments of entities listed and investment funds registered in the Kingdom of Saudi Arabia.

	30 June 2022 (Unaudited)		31 December 2021 (Audited)	
	Cost (SR)	Market value (SR)	Cost (SR)	Market value (SR)
Listed equities (i)	29,219,973	28,431,571	23,917,869	25,155,396
Investment in public funds	6,395,635	6,440,353	9,191,952	9,295,172
Investment in private funds	3,977,500	3,977,500	2,437,500	2,437,500
	<u>39,593,108</u>	<u>38,849,424</u>	<u>35,547,321</u>	<u>36,888,068</u>

BIR AR RIYADH WAQF 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
Real Estate Investment Funds	7,675,043	6,856,422	17.65%	5,668,949	5,474,761	14.8%
Banks	5,262,969	6,570,021	16.91%	5,169,448	6,275,475	17.0%
Materials	4,327,656	4,511,556	11.61%	3,839,603	4,149,462	11.2%
Retailing	2,687,344	2,498,365	6.43%	-	-	0.0%
Food and Staples						
Retailing	1,968,883	1,872,723	4.82%	706,680	684,302	1.9%
Telecommunication						
Services	1,990,274	1,571,369	4.04%	1,964,093	1,791,768	4.9%
Health Care equipment and Services	1,121,094	1,363,275	3.51%	1,054,301	1,071,462	2.9%
Energy	2,537,586	1,236,031	3.18%	1,129,870	933,424	2.5%
Software	325,888	649,230	1.67%	1,073,069	1,272,232	3.4%
Real Estate						
Management and Development	626,400	642,060	1.65%	-	-	0.0%
Utilities	663,530	633,726	1.63%	509,600	764,400	2.1%
Diversified Financials	33,306	26,793	0.07%	1,017,696	1,004,356	2.7%
Transportation	-	-	-	909,760	848,456	2.3%
Media and						
Entertainment	-	-	-	874,800	885,298	2.4%
	29,219,973	28,431,571	100.00	23,917,869	25,155,396	100.00

6 FINANCIAL ASSETS AT AMORTISED COST

	30 June 2022 (Unaudited) SR	31 December 2021 (Audited) SR
Murabaha deposit (i)	5,000,000	5,000,000
Sukuks (ii)	11,495,000	10,700,092
Accrued special commission income	360,927	154,135
	16,855,927	15,854,227
Less: Expected credit losses allowance	(63,646)	(16,892)
	16,792,281	15,837,335

- (i) This represents Murabaha deposits placed with investment company with original maturity of 6 months and carry an average special commission income rate of 5.18% per annum (31 December 2021: original maturity of 6 months to 2 years and carry an average special commission income rate of 5.18% per annum).

BIR AR RIYADH WAQF 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 6.05% per annum (31 December 2021: 6.12%).

The remaining maturity of these sukuk are as follows:

	30 June 2022 (Unaudited) SR	% of value	31 December 2021 (Audited) SR	% of value
Not later than one year	100,000	0.87%	100,000	0.93%
Later than 1 year and no later than 5 years	11,395,000	99.13%	10,600,092	99.07%
	11,495,000	100.00%	10,700,092	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

Name of related party	Nature of relationship	Nature of transaction	Unaudited For the period from	
			1 January 2022 to 30 June 2022 SR	18 October 2020 to 30 June 2021 SR
Alinma Investment Company	Fund Manager	Management fees	(253,727)	(312,815)
		Brokerage fee	(12,104)	(1,776)
Fund Board	Members of Fund Board	Fund Board fee	(19,836)	(22,915)

BIR AR RIYADH WAQF 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>	<i>30 June 2022 (Unaudited) SR</i>	<i>31 December 2021 (Audited) SR</i>
Alinma Bank	Parent Company of Fund Manager	Sukuks	2,019,777	2,020,000
Alinma Investment Company	Fund Manager	Cash and cash equivalents	32,868	1,040,194
		Accrued Management fees	(111,924)	(102,681)
		Administration fee payable	-	(53,747)
Fund Board	Members of the Board fee	Fund board fee	(42,915)	(43,079)

8 FAIR VALUE MEASUREMENT

Financial assets consists of cash and cash equivalents, financial assets at FVTPL, financial assets at amortized cost, receivables against matured sukuk and accrued special commission income. 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:

<i>As at 30 June 2022 (Unaudited)</i>	<i>Level 1 SR</i>	<i>Level 2 SR</i>	<i>Level 3 SR</i>	<i>Total SR</i>
Financial assets at FVTPL (note 5)	28,431,571	6,440,353	3,977,500	38,849,424
<i>As at 31 December 2021 (Audited)</i>	<i>Level 1 SR</i>	<i>Level 2 SR</i>	<i>Level 3 SR</i>	<i>Total SR</i>
Financial assets at FVTPL (note 5)	25,155,396	9,295,172	2,437,500	36,888,068

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).