

DOM CAPITAL MURABHA FUND IN SAUDI RIYALS
(Managed by Dom Capital Financial Company)

INTERIM CONDENSED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REVIEW REPORT
30 JUNE 2024

Dom Capital Murabaha Fund in Saudi Riyals
(Dom Capital Financial Company)

INTERIM CONDENSED FINANCIAL STATEMENTS
As at 30 June 2024

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– 12

**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE UNITHOLDERS OF DOM CAPITAL MURABAHA FUND IN SAUDI RIYALS
(Managed by Dom Capital Financial Company)**

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Dom Capital Murabaha Fund in Saudi Riyals (the "Fund") being managed by Dom Capital Financial Company (the "Fund Manager") as at 30 June 2024, and the related interim condensed statements of profit or loss and other comprehensive income, cash flows, and changes in equity for the period from 9 August 2023 to 30 June 2024 ("the period"), and summary of material 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 Standards 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 interim financial information requires inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures 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 are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

For Maham Company for Professional Services



Abdulaziz Saud Al Shabeebi
Certified Public Accountant
License no. (339)

8 Safar 1446 H
12 August 2024



Dom Capital Murabaha Fund in Saudi Riyals
(Dom Capital Financial Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	<i>Notes</i>	30 June 2024 (Unaudited) SR
ASSETS		
Cash and cash equivalents	5	1,567,248
Financial assets at fair value through profit or loss	6	572,280
TOTAL ASSETS		2,139,528
LIABILITIES AND EQUITY		
LIABILITIES		
Management fees payable	7	2,049
Accrued expenses and other liabilities		57,060
TOTAL LIABILITIES		59,109
EQUITY		
Net assets attributable to unitholders of redeemable units		2,080,419
TOTAL LIABILITIES AND EQUITY		2,139,528
Redeemable units in issue (numbers)		203,469
Net assets value attributable to unitholders per unit (SR)		10.22

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

Dom Capital Murabaha Fund in Saudi Riyals
(Dom Capital Financial Company)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME

For the period from 9 August 2023 to 30 June 2024

		For the period from 9 August 2023 to 30 June 2024 (Unaudited) SR
	<i>Notes</i>	
INCOME		
Special commission income		200,497
Income from financial assets at fair value through profit or loss		12,943
TOTAL INCOME		<u>213,440</u>
EXPENSES		
Management fees	7	(9,883)
Custody fees		(28,290)
Professional fees		(41,333)
Other operating expenses		(31,180)
TOTAL OPERATING EXPENSES		<u>(110,686)</u>
NET INCOME FOR THE PERIOD		<u>102,754</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u><u>102,754</u></u>

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

Dom Capital Murabaha Fund in Saudi Riyals
(Dom Capital Financial Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the period from 9 August 2023 to 30 June 2024

	For the period from 9 August 2023 to 30 June 2024 (Unaudited) SR
OPERATING ACTIVITIES	
Net income for the period	102,754
<i>Adjustment for:</i>	
Income from financial assets at fair value through profit or loss	(12,943)
	<u>89,811</u>
<i>Changes in operating assets and liabilities:</i>	
Financial assets at fair value through profit or loss	(559,337)
Management fees payable	2,049
Accrued expenses and other liabilities	57,060
	<u>(410,417)</u>
Net cash flows used in operating activities	
FINANCING ACTIVITIES	
Proceeds from issuance of units	18,843,391
Payment for redemption of units	(16,865,726)
	<u>1,977,665</u>
Net cash flows from financing activities	
Net increase in cash and cash equivalents	<u>1,567,248</u>
Cash and cash equivalents at the end of the period	<u><u>1,567,248</u></u>

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

Dom Capital Murabaha Fund in Saudi Riyals
(Dom Capital Financial Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the period from 9 August 2023 to 30 June 2024

	For the period from 9 August 2023 to 30 June 2024 (Unaudited) SR
Total comprehensive income for the period	102,754
CHANGE FROM UNIT TRANSACTIONS	
Proceeds from issuance of units during the period	18,843,391
Payment against redemption of units during the period	(16,865,726)
Net increase from unit transactions	1,977,665
Net assets attributable to the redeemable unitholders at the end of the period	2,080,419

REDEEMABLE UNITS' TRANSACTIONS

Transactions in redeemable units for the period from 9 August 2023 to 30 June 2024 are summarized as follows:

	For the period from 9 August 2023 to 30 June 2024 (Unaudited) Units
Units issued during the period	1,878,946
Units redeemed during the period	(1,675,477)
UNITS AT THE END OF THE PERIOD	203,469

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

Dom Capital Murabaha Fund in Saudi Riyals (Dom Capital Financial Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2024

1. GENERAL

Dom Capital Murabaha Fund in Saudi Riyals (the “Fund”) is an open-ended fund established and managed under the agreement between Dom Capital Financial Company (the “Fund Manager”) and investors in the Fund (the “Unitholders”), in accordance with Capital Market Authority (“CMA”) regulations and Shariah rules issued by the Shariah board of the Fund Manager.

CMA granted approval for the establishment of the Fund in its letter number 23/5371/5/3 dated 1 Muharram 1445 H (corresponding to 19 July 2023). The Fund commenced its operations on 22 Muharram 1445 H (corresponding to 9 August 2023).

The main investment objective of the Fund is to achieve investment returns with low risks for the unitholders in order to preserve capital and provide liquidity through investing in money markets and other transactions in financial instruments in Saudi Riyals that comply with Sharia standards approved by the Shariah Committee of the Fund Manager. The Fund does not distribute any profits or dividends and all profits are reinvested in the Fund.

The Fund is managed by Dom Capital Financial Company, a closed joint stock company with commercial registration number 1010786417, licensed by the CMA of the Kingdom of Saudi Arabia under license number 32-22249.

The address of the registered office of the Fund and of the Fund Manager is P.O. Box 13512, Riyadh, 7335, Kingdom of Saudi Arabia.

The Fund has appointed Alinma Investment (the “Custodian”) to act as its custodian. The fees of the Custodian are paid by the Fund.

The interim condensed financial statements for the period from 9 August 2023 to 30 June 2024 are the first interim condensed financial statements of 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 have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The results for the six-month period ended 30 June 2024 are not necessarily indicative of the results expected for the financial year ending 31 December 2024.

3.2. *Basis of measurement*

The interim condensed financial statements have been prepared under the historical cost convention using the accrual basis of accounting except for financial assets held at fair value through profit or loss that are measured at fair value.

The Fund presents its interim condensed statement of financial position in order of liquidity based on the Fund Manager’s intention and perceived ability to recover/settle the majority of assets/liabilities of the corresponding financial statement line item.

3.3. *Functional and presentation currency*

These interim condensed financial statements are presented in Saudi Arabian Riyals (“SR”), which is the Fund’s functional and presentation currency. All financial information presented has been rounded to the nearest SR, unless otherwise stated.

3. BASIS OF PREPARATION (CONTINUED)

3.4. *Use of judgements, estimates and assumptions*

In preparing these interim condensed financial statements, the Fund Manager has made judgements, 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3.5. *Going concern*

The Fund Manager has prepared the interim condensed 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 raise 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.

4. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statements are explained below:

4.1 *Cash and cash equivalents*

Cash and cash equivalents consist of cash in current accounts held with local banks and other short-term highly liquid investments with original maturity of 90 or less than 90 days.

4.2 *Financial instruments*

Initial recognition and measurement

The Fund records financial asset or a financial liability in its interim condensed statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument.

At initial recognition, financial assets or financial liabilities are measured at their fair value. In the case of financial assets or financial liabilities not at fair value through profit or loss, its fair value less transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability is the initial recognition amount. For financial assets and financial liabilities at FVTPL, the transaction costs are expensed in interim condensed statements of profit or loss and other comprehensive income.

Classification

The Fund classifies its financial assets under the following categories:

- Amortised cost;
- Fair value through profit or loss (FVTPL); and
- Fair value through other comprehensive income (FVTOCI).

These classifications are on the basis of the business model of the Fund for managing the financial assets and contractual cash flow characteristics.

The Fund measures financial asset at amortised cost when it is within the business model to hold assets in order to collect contractual cash flows, and contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. Any income generated from these financial assets is recognized using effective interest method. The Fund's financial assets at amortized cost includes cash and cash equivalents.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or other comprehensive income.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.2 Financial instruments (continued)

For investment in debt instruments, this will be measured at fair value through other comprehensive income if:

- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For investments in equity instruments, this will depend on whether the Fund has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The fund has classified investments in mutual fund units as FVTPL.

The Fund classifies all financial liabilities as subsequently measured at amortised cost using the effective interest rate method except for financial liabilities at fair value through profit or loss. The fund has classified management fee payable and accrual and other liabilities as amortised cost financial liabilities.

Impairment of financial assets

The Fund assesses on a forward-looking basis the Expected Credit Losses ("ECL") associated with its financial assets carried at amortised cost and FVTOCI. The ECL is based on a 12-month ECL and lifetime ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial origination, the allowance will be based on the lifetime ECL.

Derecognition of financial instruments

The Fund derecognizes a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognizes its retained interest in the asset and associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of the transferred financial asset, the Fund continues to recognize the financial asset and also recognizes collateralized financing for the proceeds received.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in interim condensed statements of profit or loss and other comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the interim condensed statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously reflects the rights and obligations that the Fund has retained.

4.3 Fair value measurement

The Fund measures financial instruments such as equity instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the assumption that the transactions to sell the asset or transfer the liability occur either:

- In the primary market for the assets or liabilities or
- In the absence of a principal market, in the most advantageous market for the asset or liability

At 30 June 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.3 Fair value measurement (continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the interim condensed financial statements at fair value on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each period. The Fund determines the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

At each reporting date, the Fund analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Fund's accounting policies

For the purpose of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. Fair value related disclosures for financial instruments disclosed are discussed in note 8.

4.4 Accrued expenses

Liabilities are recognized for amounts to be paid in the future for services received, whether invoiced by suppliers or not. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

4.5 Redeemable units

Redeemable units are classified as equity instruments when:

- The redeemable units entitle the Unitholder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation
- The redeemable units are in the class of instruments that is subordinate to all other classes of instruments
- All redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features
- The redeemable units do not include any contractual obligation to deliver cash or another financial asset other than the Unitholder's rights to a pro rata share of the Fund's net assets
- The total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Fund over the life of the instrument

In addition to the redeemable units having all of the above features, the Fund must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Fund
- The effect of substantially restricting or fixing the residual return to the redeemable unitholders

Dom Capital Murabaha Fund in Saudi Riyals
(Dom Capital Financial Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

At 30 June 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.5 Redeemable units (continued)

The Fund continuously assesses the classification of the redeemable units. If the redeemable units cease to have all the features, or meet all the conditions set out, to be classified as equity, the Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognized in net assets attributable to the Unitholders. If the redeemable units subsequently have all the features and meet the conditions to be classified as equity, the Fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition and cancellation of redeemable units are accounted for as equity transactions. No gain or loss is recognized in the interim condensed statement of comprehensive income on the purchase, issuance or cancellation of the Fund's own equity instruments.

4.6 Net assets value per unit

The net assets value per unit disclosed in the interim condensed statement of financial position is calculated by dividing the net assets value of the Fund by the number of units in issue at the period end.

4.7 Management fees, custody fees and other expenses

Management fees, custody fees and other expenses are charged at rates/amounts specified in the terms and conditions of the fund.

4.8 Zakat and income tax

The Fund is not responsible for paying any zakat or income tax, as this is considered as the obligation of Unitholders, and therefore no provision is made for it in these interim condensed financial statements.

5. CASH AND CASH EQUIVALENTS

	30 June 2024
	(Unaudited)
	SR
Short-term Murabaha deposit (i)	1,560,000
Accrued income on short-term Murabaha deposit	6,955
Cash at bank	293
	1,567,248

- (i) This represents Murabaha deposits placed with several banks operating in Saudi Arabia with original maturities less than 90 days and carried an average profit rate of 5.53% per annum.

6. FINANCIAL ASSETS AT FAIR VALUE THROUH PROFIT OR LOSS

Financial assets at fair value through profit or loss comprise of investment in public funds that are registered in the Kingdom of Saudi Arabia.

	30 June 2024	
	(Unaudited)	
	Cost	Market Value
	SR	SR
Rassanah Capital Murabaha Fund	110,570	112,625
Yaqeen SAR Murabaha Fund	450,144	459,655
	560,714	572,280

Dom Capital Murabaha Fund in Saudi Riyals
(Dom Capital Financial Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

At 30 June 2024

7. RELATED PARTY TRANSACTIONS AND BALANCES

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 or operational decisions. The Fund Manager and entities, persons related to Fund Manager are considered as related parties of the Fund. In the ordinary course of its activities, the Fund transacts business with its related parties. Related party transactions are governed by limits set by the regulations issued by the CMA. All the related party transactions are approved by the Board of Directors.

7.1 Related party transactions

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

			For the period from 9 August 2023 to 30 June 2024
Name of related party	Nature of relationship	Nature of transaction	(Unaudited) SR
Dom Capital Financial Company	Fund Manager	Management fees (i)	9,883
Board of Director	Members of Board of Director	Board fees expense	10,000

- (i) The Fund Manager is responsible for the overall management of the Fund's activities. The Fund Manager charges management fee at the rate of 0.25% that is calculated based on the net value of the Fund's assets.

7.2 Related party balances

Period end balances payable arising from transactions with related parties are as follows:

			30 June 2024 (Unaudited) SR
Name of related party	Nature of relationship	Balance	
Dom Capital Financial Company	Fund Manager	Management fees payable	2,049

8. FAIR VALUE OF FINANCIAL INSTRUEMENTS

The Fund has investments at fair value through profit or loss which are measured at fair values and are classified within level 2 of the fair value hierarchy. Management believes that the fair value of all other financial assets and liabilities are classified at amortized cost and at reporting date approximate their carrying values owing their short term-term tenure and the fact that these are readily realizable. There were no transfers between various levels of fair value hierarchy during the current period.

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

As at 30 June 2024 (Unaudited)	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Financial assets at fair value through profit or loss	-	572,280	-	572,280
	-	572,280	-	572,280

At 30 June 2024

9. LAST VALUATION PERIOD

The last valuation day of the period was 30 June 2024.

10. SUBSEQUENT EVENTS

The Fund manager is not aware of any significant subsequent events that would materially impact the interim condensed financial statements.

11. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These financial statements are approved by the Fund's Board of Directors on 8 Safar 1446 H (corresponding to 12 August 2024)