

BAITK LIQUIDITY FUND
(Managed by Saudi Kuwaiti Finance House)

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

Baitk Liquidity Fund
(Managed by Saudi Kuwaiti Finance House)
INTERIM CONDENSED FINANCIAL STATEMENTS
As at 30 June 2024

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE UNITHOLDERS OF BAITK LIQUITY FUND
(Managed by Saudi Kuwaiti Finance House)**

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Baitk Liquidity Fund (the "Fund") being Managed by Saudi Kuwaiti Finance House (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 sixth-month period then ended 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.

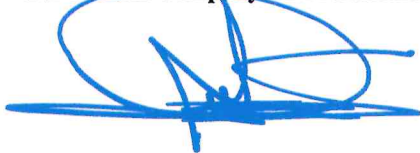
Scope of Review

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)**

**17 Muharram 1446 H
23 July 2024**



Baitk Liquidity Fund
(Managed by Saudi Kuwaiti Finance House)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	<i>Notes</i>	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
ASSETS			
Cash and cash equivalents		12,014,452	17,697,387
Financial assets at amortised cost	5	46,645,477	31,767,569
Financial assets at fair value through profit or loss	6	4,309,488	4,192,624
TOTAL ASSETS		62,969,417	53,657,580
LIABILITIES AND EQUITY			
LIABILITIES			
Management fee payable	7	70,048	31,601
Accrued expenses		130,011	130,539
TOTAL LIABILITIES		200,059	162,140
EQUITY			
Net assets attributable to unitholders of redeemable units		62,769,358	53,495,440
TOTAL LIABILITIES AND EQUITY		62,969,417	53,657,580
Redeemable units in issue (numbers)		5,384,004	4,705,740
Net assets value attributable to unitholders per unit (SR)		11.66	11.37

The accompanying notes 1 to 10 form an integral part of these interim condensed financial statements.

Baitk Liquidity Fund
(Managed by Saudi Kuwaiti Finance House)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME

For the six-month period ended 30 June 2024

		For the six-month period ended	
		30 June 2024	30 June 2023
		(Unaudited)	(Unaudited)
	Notes	SR	SR
INCOME			
Special commission income		1,453,332	410,065
Income from financial assets at fair value through profit or loss		116,864	27,831
TOTAL INCOME		1,570,196	437,896
EXPENSES			
Management fees	7	(55,859)	(18,105)
Custody fees		(14,918)	(17,014)
Professional fees		(28,074)	(29,891)
Provision for expected credit losses		(91,519)	(9,904)
Other operating expenses		(34,672)	(14,346)
TOTAL OPERATING EXPENSES		(225,042)	(89,260)
NET INCOME FOR THE PERIOD		1,345,154	348,636
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,345,154	348,636

The accompanying notes 1 to 10 form an integral part of these interim condensed financial statements.

Baitk Liquidity Fund
(Managed by Saudi Kuwaiti Finance House)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2024

	For the six-month period ended	
	30 June	30 June
	2024	2023
	(Unaudited)	(Unaudited)
	SR	SR
OPERATING ACTIVITIES		
Net income for the period	1,345,154	348,636
<i>Adjustment for:</i>		
Income from financial assets at fair value through profit or loss	(116,864)	(27,831)
Provision for expected credit losses	91,519	9,904
	1,319,809	330,709
<i>Changes in operating assets and liabilities:</i>		
Financial assets at amortised cost	(14,969,427)	(1,178,749)
Financial assets at fair value through profit or loss	-	(86,554)
Management fees payable	38,447	15,743
Accrued expenses and other payable	(528)	18,052
Net cash flows used in operating activities	(13,611,699)	(900,800)
FINANCING ACTIVITIES		
Proceeds from issuance of units	11,576,744	420,000
Payment for redemption of units	(3,647,980)	(11,115)
Advance from investors	-	11,000,000
Net cash flows from financing activities	7,928,764	11,408,885
Net (decrease) increase in cash and cash equivalents	(5,682,935)	10,508,085
Cash and cash equivalents at the beginning of the period	17,697,387	5,551,203
Cash and cash equivalents at the end of the period	12,014,452	16,059,288

The accompanying notes 1 to 10 form an integral part of these interim condensed financial statements.

Baitk Liquidity Fund
(Managed by Saudi Kuwaiti Finance House)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2024

	<i>For the six-month period ended</i>	
	30 June	30 June
	2024	2023
	(Unaudited)	(Unaudited)
	SR	SR
Net assets attributable to the redeemable unitholders at the beginning of the period (audited)	53,495,440	16,209,427
Comprehensive income:		
Total comprehensive income for the period	1,345,154	348,636
CHANGE FROM UNIT TRANSACTIONS		
Proceeds from issuance of units during the period	11,576,744	420,000
Payment against redemption of units during the period	(3,647,980)	(11,115)
Net increase from unit transactions	7,928,764	408,885
Net assets attributable to the redeemable unitholders at the end of the period (unaudited)	62,769,358	16,966,948

REDEEMABLE UNITS' TRANSACTIONS

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

	For the six-month period ended	
	30 June	30 June
	2024	2023
	(Unaudited)	(Unaudited)
	Units	Units
UNITS AT THE BEGINNING OF THE PERIOD	4,705,740	1,503,633
Units issued during the period	993,388	38,037
Units redeemed during the period	(315,125)	(1,000)
NET INCREASE IN UNITS DURING THE PERIOD	678,264	37,037
UNITS AT THE END OF THE PERIOD	5,384,004	1,540,670

The accompanying notes 1 to 10 form an integral part of these interim condensed financial statements.

Baitk Liquidity Fund

(Managed by Saudi Kuwaiti Finance House)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2024

1. GENERAL

Baitk Liquidity Fund (the “Fund”) is an open-ended fund established and managed under the agreement between Saudi Kuwaiti Finance House (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 17/575/5/16 dated 4 Jumada Al-Awwal 1438H (corresponding to 1 February 2017). The Fund commenced its operations on 22 Rabi al-Thani 1439 H (corresponding 9 January 2018).

The Fund is designed to invest in short to medium-term cash instruments in Saudi Riyals and US Dollars that comply with Sharia standards approved by the Shariah Committee of the Fund Manager.

The Fund is managed by Saudi Kuwaiti Finance House, a Saudi closed joint stock company with commercial registration number 1010312522, licensed by the CMA of the Kingdom of Saudi Arabia under license number 08124-37.

The address of the registered office of the Fund and of the Fund Manager is in P.O. Box 15005, Riyadh, 11523, Kingdom of Saudi Arabia.

The Fund Manager is responsible for the overall management of the Fund's activities. According to the fund agreement, the Fund Manager may delegate the powers entrusted to him to one or a group of financial institutions inside and outside the Kingdom of Saudi Arabia.

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”).

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Fund's annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA.

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.

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.

Baitk Liquidity Fund
(Managed by Saudi Kuwaiti Finance House)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

At 30 June 2024

3. BASIS OF PREPARATION (CONTINUED)

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.

3.4. Use of judgements, estimates and assumptions

In preparing these interim condensed financial statements, 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 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. MATERIAL 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 2023 except for the adoption of new standards effective as of 1 January 2024. Several amendments apply for the first time in 2024, 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 AMORTISED COST

	30 June 2024	31 December 2023
	(Unaudited)	(Audited)
	SR	SR
Murabaha deposits (i)	46,429,236	31,405,460
Accrued income on short-term Murabaha deposit	598,517	653,770
Less: Allowance for expected credit losses	(382,276)	(291,661)
	<u>46,645,477</u>	<u>31,767,569</u>

- (i) This represents Murabaha deposits placed with several banks and investment companies operating in Saudi Arabia with original maturities greater than 90 days but not exceeding 1 year and carried an average Murabaha commission income rate of 6.15% per annum (31 December 2023: 6.33%).

6. FINANCIAL ASSETS AT FAIR VALUE THROUH PROFIT OR LOSS

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

	30 June 2024		31 December 2023	
	(Unaudited)		(Audited)	
	Cost	Market Value	Cost	Market Value
	(SR)	(SR)	(SR)	(SR)
Artal Murabaha Fund (Category A)	2,700,000	2,860,463	2,700,000	2,782,675
Al-Khair Capital Murabaha Fund in Saudi Riyals	1,400,000	1,449,025	1,400,000	1,409,949
	<u>4,100,000</u>	<u>4,309,488</u>	<u>4,100,000</u>	<u>4,192,624</u>

Baitk Liquidity Fund
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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

<i>Name of related party</i>	<i>Nature of relationship</i>	<i>Nature of transaction</i>	<i>For the six-month period ended</i>	
			<i>30 June 2024</i> <i>(Unaudited)</i> <i>SR</i>	<i>30 June 2023</i> <i>(Unaudited)</i> <i>SR</i>
Saudi Kuwaiti Finance House	Fund Manager	Management fees (i)	55,859	18,105
Board of Director	Members of Board of Director	Board fees expense	12,183	12,082

- (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 0.2% that is calculated based on the net value of the Fund's assets.

As at 30 June 2024, the Fund Manager held 1,000,000 units (31 December 2023: 1,000,000 units).

7.2 Related party balances

Period/year end balances 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 2024</i> <i>(Unaudited)</i> <i>SR</i>	<i>31 December 2023</i> <i>(Audited)</i> <i>SR</i>
			<i>SR</i>	<i>SR</i>
Saudi Kuwaiti Finance House	Fund Manager	Management fees payable	70,048	31,601

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 or prior 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 amortized cost, net	-	-	46,645,477	46,645,477
Financial assets at fair value through profit or loss	-	4,309,488	-	4,309,488
	-	4,309,488	46,645,477	50,954,965

Baitk Liquidity Fund
(Managed by Saudi Kuwaiti Finance House)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

At 30 June 2024

8. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

As at 31 December 2023 (Audited)	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Financial assets at amortized cost, net	-	-	31,767,569	31,767,569
Financial assets at fair value through profit or loss	-	4,192,624	-	4,192,624
	<u>-</u>	<u>4,192,624</u>	<u>-</u>	<u>4,192,624</u>
	<u>-</u>	<u>4,192,624</u>	<u>31,767,569</u>	<u>35,960,193</u>

9. LAST VALUATION PERIOD

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

10. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These financial statements are approved by the Fund's Board of Directors on 17 Muharram 1446 H (corresponding to 23 July 2024).