CAIRO FOR INVESTMENT AND REAL ESTATE DEVELOPMENT COMPANY - "CIRA EDUCATIONAL" AND ITS SUBSIDIARIES"S.A.E."

AUDITOR'S REPORT
AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 AUGUST 2023

CAIRO FOR INVESTMENT AND REAL ESTATE DEVELOPMENT COMPANY – "CIRA EDUCATIONAL" (S.A.E) AND ITS SUBSIDIARIES

Consolidated financial statements - For the financial year ended 31 August 2023

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Auditor's report

To the shareholders of Cairo for Investment and Real Estate Development Company - "CIRA Educational" "S.A.E" and its subsidiaries

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Cairo for Investment and Real Estate Development "CIRA Educational" "S.A.E" (the "Company") and its subsidiaries ((collectively, the "Group") which comprise the consolidated statement of financial position as of 31 August 2023 and the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other notes.

Management's responsibility for the consolidated financial statements

These consolidated financial statements are the responsibility of the Group's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Egyptian Accounting Standards (EASs) and in light of the prevailing Egyptian laws. Management responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. Management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and in light of the prevailing Egyptian laws. Those standards require compliance with ethical requirements and plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies and significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Cairo for Investment and Real Estate Development Company "CIRA Educational" "S.A.E" and its subsidiaries at 31 August 2023, and its financial performance and cash flows for the financial year then ended in accordance with Egyptian Accounting Standards and in light of relevant Egyptian laws and regulations.

Tamer Abdel Tawab
Member of Egyptian Society of Accountants & Auditors
Member of American Institute of Certified Public Accountants
R.A.A 17996
F.R.A Registration 388

20 November 2023
Cairo

CAIRO FOR INVESTMENT AND REAL ESTATE DEVELOPMENT COMPANY – "CIRA EDUCATIONAL" (S.A.E) AND ITS SUBSIDIARIES

Consolidated statement of financial position - As at 31 August 2023

(All amounts are shown in EGP)	Note	31 August 2023	31 August 2022
Assets			
Non-current assets			
Fixed assets	6	6,217,839,929	5,570,092,804
Work in progress	7	21,581,907	164,317,426
Investments in associates	8	241,274,499	196,578,530
Goodwill	31	32,381,699	28,975,049
Right-of-use assets - Leases	32	7,811,928	18,263,419
Total non-current assets		**6,520,889,962**	**5,978,227,228**
Current assets			
Work in progress	7	241,644,255	-
Inventory	10	17,533,980	16,349,926
Debtors and other debit balances	11	619,588,480	457,787,394
Cash on hand and balances at banks	12	498,428,158	178,404,068
Total current assets		**1,377,194,873**	**652,541,388**
Total assets		**7,898,084,835**	**6,630,768,616**
Equity and liabilities			
Equity			
Equity attributable to the shareholders of the Parent Company			
Paid-up capital	13	233,116,130	233,116,130
Reserves	14	200,030,606	193,091,736
Retained earnings		934,140,770	1,002,278,439
Total equity attributable to shareholders of the Parent Company		**1,367,287,506**	**1,428,486,305**
Non-controlling interests	30	259,841,324	135,998,396
Total equity		**1,627,128,830**	**1,564,484,701**
Liabilities			
Non-current liabilities			
Loans and credit facilities - Non-current portion	15	868,628,626	1,137,447,664
Ijarah Sukuk- non-current portion	16	413,503,616	531,554,701
Deferred tax liabilities	21	33,929,957	36,553,438
Securitizations - future financial equity	17	784,895,575	-
Creditors and other credit balances - non-current portion	18	1,376,273,586	1,548,620,037
Leases liability - non-current portion	33	4,260,219	2,544,143
Total non-current liabilities		**3,481,491,579**	**3,256,719,983**
Current liabilities			
Provisions	22	57,307,408	84,637,690
Ijarah Sukuk- non-current portion	16	118,051,085	58,051,085
Creditors and other credit balances- current portion	18	1,077,914,309	740,543,741
Advance revenues	19	841,655,159	340,975,051
Current income tax liabilities	20	**185,379,286**	**164,501,879**
Loans and credit facilities - current portion	15	506,495,545	404,226,773
Leases liability - current portion	33	2,661,634	16,627,713
Total current liabilities		**2,789,464,426**	**1,809,563,932**
Total liabilities		**6,270,956,005**	**5,066,283,915**
Total equity and liabilities		**7,898,084,835**	**6,630,768,616**

- The accompanying notes on pages (8) to (66) form an integral part of the consolidated financial statements

Mr./ Mohamed El Khouly
Chief Financial Officer

Dr./ Hassan Hassan El Kalla
Board Chairman

- Auditor's report attached

20 November 2023

CIRA EDUCATION
Tax Card: 200-069-608
C.R: 273431

CAIRO FOR INVESTMENT AND REAL ESTATE DEVELOPMENT COMPANY –
"CIRA EDUCATIONAL" (S.A.E) AND ITS SUBSIDIARIES

Consolidated statement of profit or loss - For the financial year ended 31 August 2023

(All amounts are shown in EGP)	Note	31 August 2023	31 August 2022
Operating income	23	2,343,011,087	1,717,358,172
Operating cost	24	(1,314,120,367)	(835,816,663)
		1,028,890,720	**881,541,509**
General and administrative expenses	25	(301,080,648)	(213,445,556)
Provisions formed	22	(12,130,271)	(13,105,665)
Other revenues	27	13,670,092	9,339,350
The Group's net share in profits / losses of associates	8	(24,506,035)	-
Profits generated from operations		**704,843,858**	**664,329,638**
Finance costs- net	28	(400,372,222)	(126,779,994)
Profit before taxes		**304,471,636**	**537,549,644**
Current income tax	20	(184,896,603)	(162,266,126)
Deferred taxes	21	2,974,033	(1,379,074)
Profit for the year		**122,549,066**	**373,904,444**
Distributed as follows:			
Shareholders of the Parent Company		125,363,095	370,769,124
Non-controlling interests	30	(2,814,029)	3,135,320
		122,549,066	**373,904,444**
Earnings per share			
Basic earnings per share	34	**0,19**	**0,54**

- The accompanying notes on pages (8) to (66) form an integral part of the consolidated financial statements.

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CAIRO FOR INVESTMENT AND REAL ESTATE DEVELOPMENT COMPANY –
"CIRA EDUCATIONAL" (S.A.E) AND ITS SUBSIDIARIES

Consolidated statement of comprehensive income - For the financial year ended 31 August 2023

(All amounts are shown in EGP)	Note	31 August 2023	31 August 2022
Profit for the year		122,549,066	373,904,444
Other comprehensive income items			
Items that can be reclassified to the statement of profit and loss			
Currency differences resulting from foreign transactions translation	30	9,673,588	1,215,933
Total comprehensive income for the year		**132,222,654**	**375,120,377**
Distributed as follows:			
Shareholders of the Parent Company		133,101,965	371,741,870
Non-controlling interests		(879,311)	3,378,507
		132,222,654	**375,120,377**

- The accompanying notes on pages (8) to (66) form an integral part of the consolidated financial statements.

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**CAIRO FOR INVESTMENT AND REAL ESTATE DEVELOPMENT COMPANY –
"CIRA EDUCATIONAL" (S.A.E) AND ITS SUBSIDIARIES**

Consolidated statement of changes in equity - For the financial year ended 31 August 2023

(All amounts are shown in EGP)

	Paid-up capital	Reserves	Retained earnings	Total equity attributable to the shareholders of the Parent Company	Non-controlling interests	Total equity
Balance at 1 September 2021	**233,116,130**	**229,395,120**	**752,532,165**	**1,215,043,415**	**127,775,347**	**1,342,818,762**
Non-controlling interests in acquired entities	-	(37,276,130)	-	**(37,276,130)**	(2,703,661)	**(39,979,791)**
Dividends	-	-	(121,022,850)	**(121,022,850)**	(12,451,797)	**(133,474,647)**
Capital increase	-	-	-	-	20,000,000	**20,000,000**
Reserve resulting from foreign currency translation	-	972,746	-	**972,746**	243,187	**1,215,933**
Net profit for the year	-	-	370,769,124	**370,769,124**	3,135,320	**373,904,444**
Balance at 31 August 2022	**233,116,130**	**193,091,736**	**1,002,278,439**	**1,428,486,305**	**135,998,396**	**1,564,484,701**
Balance at 1 September 2022	**233,116,130**	**193,091,736**	**1,002,278,439**	**1,428,486,305**	**135,998,396**	**1,564,484,701**
Capital increase	-	-	-	-	140,150,000	140,150,000
Transactions with non-controlling interests	-	(800,000)	-	**(800,000)**	(500,000)	**(1,300,000)**
Dividends	-	-	(193,500,764)	**(193,500,764)**	(14,927,761)	**(208,428,525)**
Reserve resulting from foreign currency translation	-	7,738,870	-	**7,738,870**	1,934,718	**9,673,588**
Net profit for the year	-	-	125,363,095	**125,363,095**	(2,814,029)	**122,549,066**
Balance at 31 August 2023	**233,116,130**	**200,030,606**	**934,140,770**	**1,367,287,506**	**259,841,324**	**1,627,128,830**

- The accompanying notes on pages (8) to (66) form an integral part of the consolidated financial statements.

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CAIRO FOR INVESTMENT AND REAL ESTATE DEVELOPMENT COMPANY – "CIRA EDUCATIONAL" (S.A.E) AND ITS SUBSIDIARIES

Consolidated statement of cash flows - For the financial year ended 31 August 2023

(All amounts are shown in EGP)	Note	31 August 2023	31 August 2022
Cash flows from operating activities			
Profit before taxes		304,471,636	537,549,644
Amendments:			
Fixed assets depreciation	6	195,698,143	136,139,942
Interest expenses	28	464,867,320	139,977,406
Amortisation of sukuk issuance cost	28	1,948,915	1,948,915
Amortisation of securitizations cost - future financial equity	28	2,253,505	-
Interests income	28	(55,914,788)	(11,784,315)
Depreciation of right-of-use assets	26	15,836,928	11,199,375
Expected credit losses - debtors and other debit balances	25	11,329,258	16,886,495
Provisions formed	22	12,130,271	13,105,665
The Group's net share in profits / losses of associates	8	24,506,035	-
Leases interest expenses	24	2,588,709	2,024,228
Cash flows before change in assets and liabilities		**938,055,379**	**829,652,123**
Changes in current assets and liabilities			
Inventory		(1,184,054)	(3,333,594)
Debtors and other debit balances		(214,418,003)	19,941,019
Payments for works in progress		(98,908,737)	(142,735,518)
Creditors and other credit balances and advance revenues		627,598,574	1,137,285,736
Utilized provisions	22	(41,660,553)	(17,395,232)
Income taxes paid	20	(164,019,196)	(128,145,595)
Net cash flows generated from operating activities		**1,087,123,963**	**1,712,664,171**
Cash flows from investing activities			
Payments for purchase of fixed assets		(306,274,188)	(198,051,043)
Interests received		55,914,788	11,784,315
Payments for projects in progress		(537,171,080)	(1,938,476,613)
Paid under investments in associates		(32,270,442)	(93,723,906)
Net cash flows used in investing activities		**(819,800,922)**	**(2,218,467,247)**
Cash flows from financing activities			
Leases payments	33	(20,224,149)	(14,132,040)
Proceeds from loans and bank facilities		80,757,805	935,682,680
Paid from loans and bank facilities		(247,308,071)	(223,631,060)
Paid for securitizations cost - future financial equity		(17,357,930)	-
Paid finance costs		(434,253,989)	(139,977,406)
Paid for Ijarah Sukuk		(60,000,000)	-
Proceeds from securitizations - future financial equity		800,000,000	-
Capital increase		140,150,000	20,000,000
Dividends paid		(198,736,205)	(131,383,575)
Net cash flows generated from financing activities		**43,027,461**	**446,558,599**
Net change in cash and cash equivalents during the year		**310,350,502**	**(59,244,477)**
Cash and cash equivalents at the beginning of the year		167,020,089	225,048,633
Currency differences resulting from foreign transactions translation		9,673,588	1,215,933
Cash and cash equivalents at the end of the year	12	**487,044,179**	**167,020,089**

- The accompanying notes on pages (8) to (66) form an integral part of the consolidated financial statements

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1. Introduction

Cairo for Investment and Real Estate Development (the Parent Company) was established under a preliminary contract dated 15 March 1992 which was ratified on 17 August 1992 under ratification minutes No. 1978 (d) of 1992 at Real Estate Registration Office in Nasr City. The Company is registered under the commercial register number 273431 dated 22 August 1992.

The Parent Company's headquarter is located in 36 Sheikh Ahmed El Sawy Street - Nasr City- Cairo.

The Parent Company was founded for the purpose of: Construction, foundation and management of educational institutions in accordance with the applicable laws and decrees, administrative housing, below average housing, medical institutions, trade of medical tools and hospitals equipment, providing petroleum services, buying and selling and the division of land, taking into account the provisions of law No. 143 of 1981, import and export, sale and purchase of residential apartments, administrative units and real estate, without prejudice to the decision of the Minister of Economy and Foreign Trade No. 204 for 1991. The Parent Company may have interests or participate in any means with companies having similar activities or which may assist it in achieving its purpose in Egypt or abroad. The Parent Company may also have the right to be merged, acquired, or annexed to the above mentioned entities under the provisions of law and its executive regulations. The activity of establishing real estates, private and general public contracting and commercial agencies from Egyptian and foreign companies has been added to the purpose of the Group.

The main shareholder of the Parent Company is Social Impact Capital "Ltd." owning of 51,22%.

The consolidated financial statements have been approved by the Company's management on 20 November 2023.

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2. Accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements are summarised below. They were applied consistently over the financial years unless otherwise stated:

2.1 Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards (EAS) and the relevant laws. The consolidated financial statements have been prepared on the basis of the historical cost convention, except for available-for-sale financial investments, which are measured at fair value.

The preparation of the consolidated financial statements in conformity with Egyptian Accounting Standards (EASs) requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement when applying the Group's accounting policies. Note (4) clarifies the most significant accounting estimates and judgements applied for the preparation of the consolidated financial statements.

International Financial Reporting Standards apply for the topics not covered by the EASs until the issuance of a related EAS discussing such topics.

(All amounts in the notes are shown in EGP unless otherwise stated)

2. Accounting policies (continued)

2.2 Basis of consolidation

2.2.1 Subsidiaries

1. Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has the right to, variable returns from its contribution in the investee entity and has the ability to affect these returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.
2. Based upon the Presidential Decree No. 117 of 2013, the Parent Company established Badr University. Based on the same decree, the Group as the Founder is entitled to surplus revenues after deduction of expenses as determinable by the Board of Trustees of the University.
3. Based upon the Presidential Decree No. 444 of 2021, the Parent Company established Badr Assiut University. Based on the same decree, the Group as the Founder is entitled to surplus revenues after deduction of expenses as determinable by the Board of Trustees of the University.

The consolidated financial statements include the financial statements of the following subsidiaries:

	Country of incorporation	Ownership % 2023	Ownership % 2022
Cairo for Educational Services Company	Egypt	69,4%	69,4%
Upper Egypt Educational Services Company	Egypt	99%	99%
Egyptian Educational Systems Company	Egypt	100%	100%
Global Educational Technologies Company	Egypt	79,5%	79,5%
Cairo Egypt for Educational Premises Company	Egypt	59,95%	59,95%
Futures and Nations Company	Egypt	50%	50%
EMCO for Systems and Computers Company	Egypt	82,5%	82,5%
Egyptian Schools Company	Egypt	61%	61%
Educational Systems International Company	Egypt	80%	80%
Badr University	Egypt	100%	100%
Badr Assiut University	Egypt	100%	-
CIRA Talent Company for Sports Services and Talent Development	Egypt	99%	99%
Cosmic Company for Educational Investment	Egypt	65%	-
Cosmic Company for Educational Services	Egypt	38%	-
Edu Hive Company	Egypt	42%	
Star Light Company	UAE	80%	80%
Al-Ahly CIRA	Egypt	51%	51%

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2. Accounting policies (continued)

2.2 Basis of consolidation (continued)

2.2.1 Subsidiaries (continued)

(a) Acquisition method

The Group applies the acquisition method when processing each business combination.

The consideration transferred in a business combination to acquire a subsidiary is measured at the fair value accounted for as the fair values of the assets transferred and the liabilities incurred by the Group to the former shareholders of the acquiree and the equity issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from arrangements related to a contingent consideration. Identifiable assets acquired, liabilities, and contingent liabilities are measured at their fair value at the acquisition date. In any business combination, the Group measures any non-controlling interests in the subsidiary at the proportionate share of the recognised amounts of subsidiary's identifiable net assets at the date of acquisition.

Acquisition-related costs are recognised as expenses when incurred.

If the business combination is achieved in stages, the Group re-measures the previously held equity in the acquiree at fair value at the acquisition date. Any gain or loss arising from re-measurement is recognised within other comprehensive income items.

Inter-company assets, liabilities, equity, income, expenses and cash flows related to transactions between the Group entities are derecognised. When necessary, subsidiaries' financial statements shall be adjusted to conform with the Group's accounting policies.

(b) Changes in ownership interests held within controlling interests

The Group treats transactions with non-controlling interests that do not lead to loss of control as transactions with equity holders in the Group. The adjustment between the carrying amounts of the controlling and non-controlling interests is the result of the change in ownership shares to reflect their relative shares in the subsidiary. Any difference between the adjustment amount to the non-controlling interest and any consideration paid or received is recognized in a separate reserve within equity of the Parent Company.

When the Group discontinues a consolidation or equity account of an investment due to a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. The fair value becomes the initial carrying amount for the subsequent accounting purposes of the profit share as an associate, joint venture or financial asset. Furthermore, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

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2. Accounting policies (continued)

2.2 Basis of consolidation (continued)

2.2.1 Subsidiaries (continued)

(c) Disposal of subsidiaries

When the Group ceases to have control, the Group recognises any retained investment in the entity that was a subsidiary at its fair value at the date when control is lost, with the resultant change recognised as profit or loss attributable to the shareholders of the Parent Company.

(d) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value at the date of acquisition of the Group's equity previously held at the acquiree over the net values of the identifiable acquired assets, liabilities, and contingent liabilities at the date of acquisition. If the consideration transferred, non-controlling interest in the acquiree and the date of acquisition fair value of the Group's equity previously held at the acquiree is less than the net of the identifiable acquired assets, liabilities, and contingent liabilities assumed at the date of acquisition, the Group recognises the gain resulting from profits and losses at the date of acquisition and the gains are attributed to the Group.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill is monitored inside the Group at the operating segments level.

Goodwill and intangible assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they may be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised when the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the fair value of the asset less de-recognition costs and value in use, whichever is higher. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows, that are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that have suffered impairment are reviewed for possible reversal of impairment at the end of each reporting period.

(e) Measurement period

The measurement period is the period required for the Group to obtain the information needed for initial measurement of the items resulting from the acquisition of the subsidiaries. Such period shall not exceed one year from the date of acquisition. In case the Group obtains new information during the measurement period relative to the acquisition, the amounts recognised at the date of acquisition shall be retrospectively amended.

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2. Accounting policies (continued)

2.2 Basis of consolidation (continued)

2.2.2 Associates

Associates are all entities over which the Group has significant influence but not control. Generally, this is the case when the Group owns directly or indirectly between 20% and 50% of the voting rights in the associates.

(a) Equity method

The equity method is used in accounting for investments in associates, so that the investment is recognised at the cost of its acquisition, provided that such cost is modified after the date of acquisition according to the changes occurring during post-acquisition period on the Group's share in the net assets of the associates. The Group's profit or loss includes its share in the associate's profit or loss. The consolidated statement of other comprehensive income includes the Group's share in the associate's other comprehensive income. This is in exchange for adjusting the carrying amount of the investment by the Group's total share in the changes in equity after the date of acquisition.

(b) Changes in equity

If the Group's equity in an associate is reduced but significant influence is retained, only a proportionate share of the reduction rate of the amount of profit or loss previously recognised in other comprehensive income is reclassified to profits or losses when relevant assets or liabilities are disposed of.

(c) Losses of associates

When the Group's share of losses in an associate equals or exceeds its interest in these associates, the Group ceases to recognise its share in additional losses. Once the Group's share is reduced to zero, further losses and corresponding liability are recognised but only to the extent of incurred legal or constructive obligations by the Group or payments made on behalf of associates. When those companies realise profits in subsequent periods, the Group resumes to recognise its share in those profits, only after its share of profits equals its share in unrecognised losses.

(d) Transactions with associates

In relation to profits or losses resulting from transactions between the Group and the associate, only the portion not owned by the Group is recognised.

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(e) Goodwill arising from investment in associates

The excess of the total consideration transferred over the Group's share in the net fair value for the acquired determinable assets and contingent liabilities at the date of acquisition is recognised as goodwill.

The goodwill resulting from contribution in associates is recognised within the cost of investment in associates net of the accumulated impairment losses in the investment value of associates and shall not be recognised separately. The impairment of goodwill in associates is not separately tested, it is rather tested in the carrying amount of the investment as a whole- as a separate asset- by comparing its carrying amount with the recoverable amount. Impairment loss recognised in this case is not allocated on any asset. Therefore, any reverse settlement of the impairment losses will be recognised to the extent in which the recoverable amount subsequently increases, provided it does not exceed the impairment losses previously recognised.

(All amounts in the notes are shown in EGP unless otherwise stated)

2. Accounting policies (continued)

2.3 New and amended Egyptian Accounting Standards

The Minister of Investment issued Resolution No. 883 of 2023 on 6 March 2023, amending some provisions of the EASs, which include some new accounting standards and amendments to some existing standards. These amendments were published in the Accounting Standards in the Official Gazette on 6 March 2023. The Group has assessed the impact of applying these amendments, and there is no material impact from these new issues and amendments on the Group and its activities during the financial period ended 31 August 2023. The significant amendments are summarised as follows, which were applied for financial periods commencing on or after 31 August 2024:

Standard name	Amendment summary	Date of application
EAS (10) "fixed assets and their depreciations"	**"Standard scope"** The scope of the standards has been amended to include "bearer plants" **"Measurement"** - An option to apply the re-evaluation model for fixed assets has been added The fair value is determined by an estimation made by experts specialized in evaluating and appraising among those registered in a register designated for that in the Financial Regulatory Authority. - Paragraph 20/a has been added, according to which the entity shall recognise the proceeds from the sale of any output produced during the process of bringing the fixed asset to the condition necessary for it to be operable in the manner intended by the Management within the profits or losses. **"Disclosures"** Some new disclosures have been added to the re-evaluation model.	The entity applies the amendments to add the option to use the re-evaluation model on the financial periods commencing on or after 1 January 2023 retrospectively, with the recognition of the accumulated impact of applying the re-evaluation model initially by adding it to the re-evaluation surplus account within equity at the beginning of the financial period in which the Group applies this model for the first time.
EAS (23) - "Intangible assets"	**"Standard scope"** The scope of the intangible assets standard has been amended to include rights held	The entity applies the amendments to add the option to use the re-evaluation model on the financial periods

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Standard name	Amendment summary	Date of application
	by the lessee under licensing agreements for items such as animated films, video recordings, plays, manuscripts, patents, and copyrights. **"Measurement"** - An option to apply the re-evaluation model for intangible assets has been added - The fair value is determined by an estimation made by experts specialized in evaluating and appraising among those registered in a register designated for that in the Financial Regulatory Authority. **"Disclosures"** Some new disclosures have been added to the re-evaluation model.	commencing on or after 1 January 2023 retrospectively, with the recognition of the accumulated impact of applying the re-evaluation model initially by adding it to the re-evaluation account within equity at the beginning of the financial period in which the entity applies this model for the first time.
Amendments of EAS No. (10) "Fixed Assets" and EAS No. (23) "Intangible Assets" related to depreciation and amortization	This amendment shows that the depreciation method that is based on revenues generated from the operation that includes amortization of the asset may not be used. As the generation of revenues related to the asset reflects factors other than the amortisation of economic benefits related to the asset. It is possible to refute this assumption in limited cases related to intangible assets when there is a close correlation between the volume of revenues and the intangible asset.	This standard is applied to the financial periods commencing on or after 1 January 2023
EAS No. (49) "Leases"	**"Measurement"** A re-evaluation model option has been added to all right-of-use assets if the right-of-use asset is related to a category of fixed assets in which the lessee applies the re-evaluation model contained in EAS No. (10)	The entity applies the amendments to add the option to use the re-evaluation model on the financial periods commencing on or after 1 January 2023 retrospectively, with the recognition of the accumulated impact of applying

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Standard name	Amendment summary	Date of application
	"Fixed assets and their depreciation" **"Disclosures"** Some new disclosures have been added to the re-evaluation model according to EAS No. (10) "Fixed assets and their depreciation".	the re-evaluation model initially by adding it to the re-evaluation surplus account within equity at the beginning of the financial period in which the entity applies this model for the first time.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in Egyptian Pounds, which is the Group's functional and presentation currency.

(b) Transactions and balances

Transactions made in foreign currency during the period are initially recognised in the functional currency of the Group on the basis of translation of foreign currency using the prevailing exchange rates between the functional currency and the foreign currency at the date of the transaction, and the monetary items denominated in foreign currency are also translated using the closing rate at the end of each financial period. The Group recognizes the profits and losses of currency differences resulting from the settlement of such a monetary items or from the translation of monetary items - using exchange rates different from those used in their translation upon initial recognition in the same period or in previous financial statements - and this is included in the statement of profit and loss in the period in which these differences arise.

Translation differences on non-monetary financial assets and liabilities measured at fair value are recognised as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equity instruments held at fair value through profit or loss are recognised as profit or loss as part of fair value gains or losses. For financial assets available for sale that do not represent monetary items (for example, equity instruments), the gain or loss is recognized in other comprehensive income.

2.5 Fixed assets

The Group applies the cost model at measurement of fixed assets. The fixed assets are recognised in light of this model after being recognised as an asset, based on their cost net of the accumulated depreciation and accumulated impairment losses. The cost of a fixed asset includes any costs directly associated with bringing the asset to a working position and condition that it is ready for the intended use by the Group's management.

2. Accounting policies (continued)

2.5 Fixed assets (continued)

The Group capitalises subsequent costs of the acquisition of a fixed asset as a separate asset, only when it is probable that future economic benefits will flow to the Group and the cost of the item can be measured reliably. The Group recognises in the carrying amount of a fixed asset the cost incurred to replace part of that asset at the date such costs are incurred, which is depreciated over the remaining useful life of the related asset or the estimated useful life, whichever is less, and the carrying amount of replaced parts is derecognised. The Group recognises the costs of daily servicing of the fixed asset in the consolidated statement of profit or loss.

The straight line method is used to allocate the depreciation of fixed assets consistently over their estimated useful lives, except for lands, which are characterised with unlimited estimated useful life.

The estimated useful lives for each type of asset group are as follows:

Buildings, premises and facilities	2,5 – 5%
Devices, furniture and equipment	20%
Computer	20%
Transportations	20%
Equipment and tools	20%

The Group reviews the residual value of fixed assets and estimated useful lives of fixed assets at the end of each financial year, and adjusts them when expectations differ from previous estimates and it is accounted for prospectively.

The carrying amount of the fixed asset is reduced to the amount of recoverable amount, if the recoverable amount of an asset is less than its carrying amount. This reduction is considered as a loss resulting from impairment.

Profit or loss on the disposal of an item of fixed assets from the books are determined based on the difference between the net proceeds from the disposal of the item and the carrying amount of the item, and the gain or loss resulting from the disposal of fixed assets is included in the consolidated statement of profit or loss within "other revenues".

2.6 Projects in progress

Projects in progress are recognised at cost, which includes all direct costs related and required to bring the asset to the condition needed for operation and to be used in the intended purpose. Projects in progress are transferred to fixed assets when they are completed and available for their intended use.

2.7 Works in progress

Works in progress are recognised at cost, which includes all direct costs related and required to bring the asset to the condition needed for sale.

2. Accounting policies (continued)

2.8 Impairment of non-financial assets

The Company carries out an annual impairment test for intangible assets that have an indefinite useful lives or intangible assets that are not available for use at the date of the financial statements. The asset is assessed for impairment by comparing its carrying amount with its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of impairment testing, assets are allocated at the smallest identifiable group of assets generating cash inflows that are significantly greater than the cash inflows from other assets or groups of assets (cash-generating unit). Impairment losses recognised in prior years are reversed when there is an indication that such losses no longer exist or have decreased. Impairment losses are also reversed to release the amount that is equal to the carrying amount which would have been determined (net of depreciation). Such reversal is recognised in the statement of profit or loss.

2.9 Financial instruments

(a) Key measurement conditions

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of the fair value is the price in an active market. An active market is the market in which transactions for an asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of financial instruments traded in an active market is measured as a product of the quoted price of an individual asset or liability and the number of instruments held by the Company. This is the case even if a market's normal daily trading volume is insufficient to accommodate the quantity held, and placing orders to sell the position in a single transaction may affect the quoted price. The fair value of financial instruments that are not traded in an active market is determined by using evaluation techniques.

(b) Transaction costs

Transaction costs are incremental costs directly attributable to the acquisition, issuance or derecognition of a financial instrument. The incremental cost is the cost that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees who act as selling agents), consultants, brokers, traders, fees levied by regulatory authorities. Transaction costs do not include debt premiums, discounts, finance costs, internal administrative costs, or retention costs.

(c) Amortised cost

Amortised cost is the amount for which a financial instrument was recognised at initial recognition less any principal payments in addition to accrued interests, and financial assets, less any provision for expected credit losses. Accrued interests include the amortisation of deferred transaction costs at initial recognition and any premium or discount till the maturity date using the effective interest rate method.

2. Accounting policies (continued)

2.9 Financial instruments (continued)

(d) Effective interest rate method

The effective interest rate method is a method of allocating interest income or interest expense over the relevant period, to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate at which estimated future cash payments or receipts are discounted (excluding future credit losses) through the estimated life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument. The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount which reflects the credit distribution over the floating rate specified in the instrument, or other variables that are not adjusted to market rates. Such premiums or discounts are amortised over the expected life of the financial instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate. For assets that are purchased or originated credit impaired ("POCI") at initial recognition, the effective interest rate is adjusted for credit risk, i.e. it is calculated based on the expected cash flows at initial recognition instead of contractual payments.

(e) Financial instruments – initial recognition

According to EAS No. (47), the financial asset is classified at the initial recognition either as financial assets at amortised cost or financial assets at fair value through comprehensive income or financial assets at fair value through profit or loss. The classification of financial assets in accordance with EAS (47) depends on the business model in which the financial asset is managed, the contracted cash flows and their characteristics.

(f) Classification and subsequent measurement - measurement categories.

The Company classifies its financial assets into the following measurement categories: Amortised cost. The classification and subsequent measurement of debt financial assets depends on: (i) The Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

(g) Classification and subsequent measurement - business model

The business model reflects how the Company manages the assets in order to generate cash flows – whether the Company's objective is: (i) solely to collect the contractual cash flows from the assets ("held to collect contractual cash flows",) or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("held to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the Company undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the Company in determining the business model include the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets are collected, how risks are assessed and managed, how the assets' performance is assessed and how managers are compensated).

2. Accounting policies (continued)

2.9 Financial instruments (continued)

(h) Financial assets - classification and subsequent measurement - characteristics of cash flows

Where the business model is to hold assets to collect contractual cash flows or to hold and sell contractual cash flows, the Company assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin.

Where the contractual terms introduce exposure to risks or fluctuations that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed at initial recognition of an asset and it is not subsequently reassessed.

(i) Financial assets – reclassification

Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The reclassification has a prospective impact and takes place from the beginning of the first reporting period that follows the change in the business model.

(j) Impairment of financial assets - credit losses provision for ECLs

The Company assesses, on a forward-looking basis, the ECLs associated with debt instruments carried at amortised cost. The Company measures ECLs and recognises net impairment losses of financial assets at each reporting date. The measurement of ECLs reflects the following: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Debt instruments measured at amortised cost and trade and other receivables are presented in the statement of financial position less the provision for ECLs.

The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired at initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECLs measured at an amount equal to the portion of lifetime ECLs that result from default events possible within the next twelve months or until contractual maturity, if shorter ("twelve months ECLs"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECLs are measured based on ECLs on a lifetime basis, i.e. up until contractual maturity, taking into account expected prepayments, if any ("lifetime ECLs"). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and ECLs are measured as lifetime ECLs. The Company's definition of credit-impaired assets and the definition of default are explained in Note 3. For credit-impaired financial assets that are purchased or originated ("POCI assets"), the ECLs are always measured as lifetime ECLs.

2. Accounting policies (continued)

2.9 Financial instruments (continued)

(k) Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

(l) Financial assets – derecognition

The Company derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire or (b) the Company transfers the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement whilst (i) it also transfers substantially all the risks and rewards of ownership of the assets or (ii) neither transfer nor retain substantially all the risks and rewards of ownership but does not retain control.

Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

(m) Financial liabilities - measurement categories

Financial liabilities are subsequently measured at amortised cost.

(n) Financial liabilities – derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the liability specified in the contract is discharged, cancelled or expired).

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial amendments of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of gains or losses on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using the accumulated method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying amounts is attributed to a capital transaction with the owners.

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2. Accounting policies (continued)

2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts, while the Company has an intention to settle on a net basis or recognise the asset and settle the liability simultaneously. This right to offset may not be (a) contingent on future events (b) the legal right shall be enforceable in all of the following circumstances: (i) In the normal course of business, (ii) in the event of default, and (iii) in the event of insolvency or bankruptcy.

2.11 Inventory

Inventory are evaluated at the lower of actual cost or net realisable value. Cost is determined using the moving average method and includes purchase cost and other direct costs. The net realisable value comprises the estimated selling price in the ordinary course of business, less selling expenses. A provision is made for slow moving inventory based on management's assessment of inventory movement.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, short-term financial investments with original maturities of not more than three months from the date of establishment. Cash and cash equivalents are included at amortized cost for the following reasons: (1) They are held to collect contractual cash flows and those cash flows are SPPI, and (2) they are not designated at FVTPL. Benefits only imposed by legislation, such as bail legislation in some countries, have no impact on SPPI assessment, unless they are included in the contractual terms so that the benefit applies even if the legislation is subsequently changed.

2.13 Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, and it is more likely that an outflow of resources will be required to settle these obligations; and the amount can be reliably estimated. Provisions are reviewed at the date of each consolidated financial position and adjusted to reflect the best current estimate. Where the impact of the time value of cash is significant, the amount recognised as a provision should be the present value of the expected expenses required to settle the obligation.

2.14 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less impairment.

The carrying amount of the asset is reduced using the impairment account, and the loss is recognised in the statement of profit or loss using the provision for ECLs model. The subsequent recoveries of the amounts previously written-off are included in the statement of income.

2.15 Issued and paid-up capital

Ordinary shares are classified as equity.

2. Accounting policies (continued)

2.16 Borrowing

Borrowing is initially recognised at fair value, net of incurred transaction costs. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the recoverable amount is recognised in the statement of profit or loss over the term of the borrowing using the effective interest method. Fees paid for obtaining the borrowing facilities are recognized as borrowing transaction costs until part or all of the facility is withdrawn. In this case, amortisation of a part of the transaction cost related to the loan unused amounts is deferred until they are used. As long as there is no evidence that part or all of the facility is likely to be withdrawn. The fees are capitalized as prepayments for liquidity services and are amortised over the term of the facilities to which they relate.

The Group's borrowings are represented in banks, issued Ijarah Sukuk, and securitizations of future financial equity.

Borrowings are derecognised from the statement of financial position when the liability specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been cancelled or transferred to other party and the consideration paid, including any transferred non-monetary assets or contingent liabilities, is recognised in profit or loss as other finance income or costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

2.17 Borrowing costs

When obtaining general borrowings or borrowing for the purpose of acquiring a qualifying asset to bear the borrowing cost, which is the asset that necessarily requires a substantial period of time to get ready for its intended use or sale, the Group capitalises borrowing costs directly attributable to the establishment or production of a qualifying asset as part of that asset's cost until the completion of all the material activities required for the preparation of the qualified asset for its intended use or sale to a third party.

When funds are borrowed for the purpose of acquiring a qualifying asset to bear the borrowing cost, the Group determines the amount of borrowing cost that is capitalised on this asset, which is the actual borrowing cost incurred by the entity during the period because of the borrowing transaction less any revenue realised from the temporary investment of borrowed funds.

The Group recognises other borrowing costs as expenses in the period the Group incurs such costs.

2.18 Current and deferred income tax

(a) Current income tax

- The Group's current taxes are calculated in accordance with the Egyptian laws and regulations applicable in the country where the Group's companies operate.
- The Group is subject to corporate income taxes. The Group uses tax advisors to estimate the income taxes provision. In case of differences between the final tax outcome with the initially recorded amounts, such differences will impact income taxes and deferred taxes provision in the year in which they occur.

2. Accounting policies (continued)

2.18 Current and deferred income tax (continued)

(b) Deferred income tax

Deferred income taxes are fully recognised using the assets and liabilities method on temporary differences between the tax value of assets and liabilities and their carrying amounts in the consolidated financial statements. The applicable tax rates are used to calculate the deferred income taxes.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.19 Revenue recognition

Revenue from contracts with customers are recognised according to the following five steps:

Step 1 - Determine the contract with customer:

A contract is defined as an agreement between two or more parties that establishes enforceable rights and obligations and sets standards for these rights and obligations.

Step 2 Determine performance obligations in the contract:

A performance obligation in a contract is a pledge to transfer good or service to the customer.

Step 3 - Determine the transaction price:

The transaction price is the amount of the consideration that the Company expects to receive in exchange for the services promised to be provided to the customer, excluding the amounts collected on behalf of third parties.

Step 4 - Allocation of transaction price to performance obligations in the contract:

For a contract that contains more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that indicates the consideration that the Company expects to realize in exchange for fulfilling each performance obligation.

Step 5- Revenue is recognized when the Group satisfies a performance obligation.

The following are the types of revenues generated by the Company.

(a) Tuition revenues

The Company provides educational services to students through its owned schools. Tuition revenues are recognised throughout the period of rendering the tuition services.

(b) Bus revenues

The Group provides transport services to students through its owned schools. Bus revenues is recognised throughout the period of rendering the services.

2. Accounting policies (continued)

2.19 Revenue recognition (continued)

(c) Admission revenue

Admission revenue is recognised when applying for schools and recognised throughout the period of rendering services.

(d) Contracting revenues

EAS (48) "Revenue from Contracts with Customers" defines a single accounting for revenue arising from contracts with Customers as a comprehensive model and replaces the current revenue recognition guidelines found in many standards and interpretations within the Egyptian Financial Reporting Standards. The standard establishes a five-step model that is based on revenue arising from contracts with Customers.

(e) Rental revenues

Rental revenues are recognized net of any discount allowed by the lessor using the straight-line method over the period in which the lessee uses the leased asset.

(f) Interest income

Interest income is recognised on a time-proportion basis using the effective interest rate method. When a receivable balance resulting from the recognition of interest is impaired, the carrying amount will be reduced to its recoverable amount.

(g) Dividends income

Dividend income is recognised when the right to receive payment is established.

2.20 Leases

The Group leases some buildings as a lessor, which are used in the Group's business. The duration of these contracts ranges from one to five years, and these contracts do not include any non-leasing components.

The leases were accounted for until 31 August 2021 as operating lease contracts, and from 1 September 2021, these contracts were accounted for in accordance with the requirements of EAS (49) "Leases" and accordingly, the Group recognised usufruct assets and related lease obligations.

The initial recognition and measurement of these assets and liabilities on the basis of the present value, and the lease obligations include the net present value of unpaid lease payments on the date of the beginning of the application. Lease liabilities are deducted using the interest rate implicit in the lease contract if it can be determined easily, and if this rate cannot be determined easily, the interest rate is used on the assumption for the Group.

2. Accounting policies (continued)

2.20 Leases (continued)

Right-of-use assets are measured on a cost basis, as shown below:

- The amount of the initial measurement of the lease liabilities.
- Any lease payments made on or before the contract commencement date less any lease incentives received.
- Any initial direct costs.
- Estimating the costs that the lessee will incur in returning the asset to its original condition.

Subsequent measurement of (right-of-use asset):
After the lease commencement date, the "right-of-use assets" are measured at cost. As shown below:

- Any accumulated depreciation and any accumulated impairment losses are deducted.
- Any re-measurement of the lease liability.

(a) Initial Measurement (Lease liabilities):

On the start date of the lease. Lease liabilities include the net present value of unpaid lease payments at the date of application. Lease liabilities are deducted using the interest rate implicit in the lease contract if it can be determined easily, and if this rate cannot be determined easily, the interest rate is used on the assumption for the Group.

(b) Subsequent Measurement (Lease Liabilities):

After the lease commencement date, "lease liabilities" are measured. As follows:

- Increase the carrying amount of the liability to reflect the interest on the lease liability.
- Decrease the carrying amount of the liability to reflect the lease payments.

2.21 Employees' benefits

(a) Employees' share of profit

According to the Companies Law, the Group pays 10% of its cash dividends to be distributed to its employees amounting maximum of total salaries of the last financial year before distribution. Employees' share of profit is recognised as dividends in shareholders' equity and as liabilities when approved by the Shareholders' (Group's companies) General Assembly. No liability is recognised in the employees' share of undistributed dividends.

(b) Defined contribution plans

The Group pays contributions to the Public Authority for Social Insurance Plans to the employees on a mandatory basis in accordance with Social Insurance Authority Law No. 79 of 1975 and its amendments. The entity's liability is determined by the amount of its contribution. Contributions are charged to the statement of profit or loss using the accrual basis of accounting.

2. Accounting policies (continued)

2.22 Fair value of financial instruments

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

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

The Group should be able to have access to the principal market or the most advantageous market. The fair value of the asset or liability is measured using the assumptions that market participants may use when pricing the asset or liability, assuming that market participants behave in their own economic interests.

Fair value measurement for a non-financial asset takes into consideration the market participant's ability to generate economic benefits through the maximum and best use of the asset, or by selling it to another market participant that would ensure the best and ultimate use of the asset.

The Group uses valuation techniques that are appropriate in the circumstances and where sufficient data are available to measure the fair value, increase the use of relevant observable inputs and minimize the use of inputs that are not observable.

The fair value of all assets and liabilities is measured or disclosed in the consolidated financial statements and are included in the fair value hierarchy described below, based on the lowest input levels that are significant to the fair value measurement as a whole:

- Level 1 - Market prices (unadjusted) prevailing in active markets for similar assets or liabilities.
- Level 2 - Other valuation methods in which the lowest levels of inputs that have a material effect on the measurement of fair values are observable, either directly or indirectly.
- Level 3 - Valuation methods in which the lowest levels of inputs that have a material effect on the measurement of fair values are not observable.

2.23 Segments reporting

Business segments are reported in accordance with internally submitted reports to senior management which makes decisions on the resources allocation and performance assessment of the Group's segments, and represented in the Group's central management committee. Group activities are divided into schools activities and higher education activities.

2.24 Uncertain tax positions

Uncertain tax positions of the Group are reassessed by the management at the end of each reporting period. Income tax positions liabilities determined by the Management are recorded and are certain to result in additional taxes if the tax position is to be appealed by the tax authorities. The assessment is based on the interpretation of tax laws prevailing or substantially applicable at the end of the reporting period, and any known court or other rulings on these cases. Liabilities for fines, interests and taxes other than income are recognized based on Management's best estimate of the expenditures required to settle the obligations at the end of the reporting period. Amendments for uncertain income tax positions, other than interests and fines, are recorded in the income tax expense. Amendments to uncertain income tax positions in respect of interests and fines are recorded under finance costs and other profits/(losses), net, respectively.

2. Accounting policies (continued)

2.25 Dividends

Dividends are recognised as liabilities in the consolidated financial statements upon approval of the General Assembly of the Company's shareholders. The Company is obligated to deduct 10% dividends tax, related to the dividends expected to shareholders and pay it within one month from the date of the Ordinary General Assembly's approval of the dividends.

2.26 Comparatives figures

Where necessary, comparative figures are reclassified to conform to the current presentation.

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including market risk (including foreign currency rate risks and interest rate risks), credit risk and liquidity risk. The overall risk management programme focuses on minimising the potential adverse effects on the Group's financial performance.

The Group's management aims to minimise the potential adverse effects of such risks on the Group's financial performance.

The Group does not use any derivative financial instruments to hedge specific risks.

3.1.1 Market risk

(a) Risks of change in currency exchange rates

Foreign currency exchange rates risks is the risk of fluctuations in the fair value of future cash flows of the financial instrument due to the change in foreign currency rates. The following analysis shows the calculation of the impact of reasonable and possible changes in foreign currencies against the Egyptian pound while keeping all other variables constant, on the consolidated statement of profit or loss.

The following table shows the currencies position denominated in Egyptian Pounds on the date of the consolidated financial position:

Currency	31 August 2023	31 August 2022
USD - asset	30,802,610	16,555,805
GBP - asset	2,070	452
Euro - asset/ (liability)	(6,890,899)	36,071
AED - asset	145,979	127,608

(All amounts in the notes are shown in EGP unless otherwise stated)

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

3.1.1 Market risk (continued)

At the end of the year, if the currencies rate increased or decreased by 10%, the effect on the consolidated financial statement would be as follows:

Currency	31 August 2023	31 August 2022
USD +/- 10%	3,080,261	1,655,581
GBP +/- 10%	207	45
EUR +/- 10%	(689,090)	3,607
AED +/- 10%	14,598	12,761

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(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in the market's interest rates.

The Group is exposed to cash flow risk arising from changes in interest rates of its assets and liabilities due after more than one year bearing variable interest (bank deposits, credit facilities and Ijarah bonds). The Group maintains an appropriate mix of fixed rate and floating rate loans to manage the interest rate risk.

Note (15) shows the loans and credit facilities owed by the Group.

The below table shows the analysis of sensitivity to possible and reasonable changes in interest rates, while holding the other variables constant, and the sensitivity on the consolidated statement of profit or loss.

The sensitivity on the consolidated statement of profits or losses is the effect of the assumed changes in the interest rates on the Group's results for one year based on financial assets and liabilities with variable interest rates at the end of the year:

	Increase (decrease)	Impact on the consolidated profit or loss EGP
31 August 2023	300 points	80,747,233
31 August 2022	300 points	63,938,407

3.1.2 Credit risk

Credit risk arises from current accounts and bank deposits, as well as credit risk associated with the Group's customers represented in accrued revenues and amounts due from related parties. The Group's credit risk is managed as a whole.

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3. Financial risk management (continued)

3.1 Financial risk factors (continued)

3.1.2 Credit risk (continued)

For banks, the Group dealt with banks with high credit ratings and high credit quality which are supervised by the Central Bank of Egypt. For customers, the management takes all legal arrangements and documents when the transaction is executed to reduce the credit risk to a minimum, specifically for trade receivables. The Group collects most of its revenues in advance before providing the educational and other related services. The necessary provisions are formed to face the risk of default of customers for each case separately.

Balances exposed to credit risks are as follows:

	31 August 2023	31 August 2022
Balances and deposits at banks	494,007,604	174,311,892
Due from related parties	134,293,745	62,054,241
Accrued revenues	156,772,712	108,313,241
Investment funds	4,141	3,773

All accrued revenues balances that exceed more than one year are impaired to their maturity dates. The total balance of provisions for expected credit losses at the end of the year amounted to EGP 34,694,190 (2022: EGP 24,118,302).

3.1.3 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial liabilities as they fall due, as a result of shortage of funding. The Group's exposure to liquidity risk results primarily from the lack of offset between maturities of financial assets and liabilities.

Prudent liquidity risk management requires maintaining sufficient cash, availability of funding through an adequate amount of available credit facilities, and reliance on related parties.

The management makes cash flow projections on a monthly basis, which are discussed during the Parent Company's Executive Committee meeting, and takes the necessary actions to negotiate with suppliers, follow-up the collection process from customers and manage the inventory balances in order to ensure sufficient cash is maintained to discharge the Group's liabilities.

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3. Financial risk management (continued)

3.1 Financial risk factors (continued)

3.1.3 Liquidity risk (continued)

The following table shows the aging of the Group's liabilities and based on undiscounted future cash flows:

	31 August 2023		
	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years
Loans and credit facilities	45,454,055	461,241,531	868,428,626
Securitizations - future financial equity	-	-	800,000,000
Ijarah Sukuk	60,000,000	60,000,000	420,000,000
Land purchase payables	52,491,235	181,126,345	1,304,565,630
Accrued expenses	166,754,396	127,117,411	-
Dividends payables	-	49,138,212	-
Suppliers and contractors	-	60,769,691	33,694,155
Due to governmental agencies	25,274,753	38,818,329	-
Due to related parties	64,093,082	-	-
Leases liabilities	-	2,661,634	4,260,219

	31 August 2022		
	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years
Loans and credit facilities	45,281,438	358,945,336	1,137,447,664
Ijarah Sukuk	30,000,000	30,000,000	540,000,000
Land purchase payables	-	250,760,018	1,548,620,037
Accrued expenses	120,651,985	-	-
Dividends payables	-	24,518,131	-
Suppliers and contractors	70,267,785	52,262,345	-
Due to governmental agencies	57,260,942	728,498	-
Due to related parties	119,746,780	-	-
Leases liabilities		16,627,713	2,544,143

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders using the consolidated financial statements. The Group also aims to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain optimal capital structure, the management may adjust the amount of dividends paid to shareholders, reduce capital, issue new shares of capital or reduce the Group's due debts.

The Group's management monitors the capital structure using the gearing ratio. The net debt represents the total loans and credit facilities less cash on hand and balances at banks. The total capital is represented in the Group's total equity as shown in the consolidated statement of financial position as well as the net debts.

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3. Financial risk management (continued)

3.2 Capital risk management (continued)

The gearing ratios at 31 August 2023 and 31 August 2022 are as follows:

	31 August 2023	31 August 2022
Borrowings	1,375,124,171	1,541,674,437
Securitizations - future financial equity	800,000,000	-
Creditors and other credit balances	2,454,187,895	2,289,163,778
Ijarah Sukuk	540,000,000	600,000,000
Total debts	**5,169,312,066**	**4,430,838,215**
Less: Cash on hand and balances at banks	(498,428,158)	(178,404,068)
Net surplus of debts	**4,670,883,908**	**4,252,434,147**
Equity	1,627,128,830	1,564,484,701
Total capital	**6,298,012,738**	**5,816,918,848**
Gearing ratio	74,16%	73,10%

3.3 Estimation of fair value

The fair value is assumed to approximate nominal value less any estimated credit settlements for financial assets and liabilities with maturities less than one year. For variable interest long-term loans, their fair value also approximates their nominal value, as they are at variable interest associated with the corridor rate declared by the Central Bank of Egypt.

4. Significant accounting estimates and judgements

4.1 Significant accounting estimates and assumptions

Estimates and assumptions are evaluated based on historical experience and some other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will rarely equal the actual results. The following are the significant estimates and assumptions used by the Group:

(a) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, and it is more likely than not that an outflow of resources will be required to settle these liabilities; and the amount can be reliably estimated. the Group reviews the provision at the date of each financial position and adjusts it to show the best present estimate after taking the appropriate advice from an expert.

4. Significant accounting estimates and judgements (continued)

4.1 Significant accounting estimates and assumptions (continued)

(b) Impairment of goodwill

The Group's management annually assesses goodwill to determine any impairment in goodwill. the carrying amount of goodwill is reduced if it is higher than the expected recoverable amount. goodwill impairment losses are charged to the consolidated statement of profit or loss and cannot be subsequently reversed.

(c) Impairment of due revenues

Impairment of accrued revenues is estimated by monitoring the aging of debts, and the ratios adopted were prepared based on management's best estimate through their experience.

Accrued revenues balances that exceed more than one year are decreased to its maturity dates.

(d) Expected credit losses for financial assets

Loss provisions for financial assets are based on assumptions about the risk of default and expected loss rates. The Group uses a range of significant judgments in making these assumptions and selecting inputs in the impairment calculation, based on the Group's past history and current market conditions as well as future estimates at the end of each year. The expected loss rates are based on the historical credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the due amounts. The Group has determined GDP and therefore adjusts historical loss rates based on expected changes in these factors.

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(e) Estimating useful lives of fixed assets

The useful lives of fixed assets, machinery and equipment. Estimating the useful lives of items of fixed assets is a matter of judgement based on experience with similar assets. The future economic benefits included in the assets are primarily depreciated through use. However, other factors, such as technical or commercial obsolescence, often result in the decrease of economic benefits of the assets. Management assesses the remaining useful lives based on the current technical conditions of the assets and the estimated period during which the assets are expected to generate benefits for the Group. The following main factors are taken into consideration:

- The expected use of assets.
- The expected material amortisation, which depends on operating factors and maintenance programme; and
- technical or commercial obsolescence arising from changes in market conditions.

4.2 Critical judgements in applying the Group's accounting policies

Generally, applying the Group's accounting policies does not require the management to use the personal judgement (other than the judgement related to the accounting estimates and assumptions referred to in the Note 4,1), as such judgement could have a significant impact on the amounts recognised in the consolidated financial statements.

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5. Segments reporting

Management of the Parent Company, which is composed of the Chief Executive Officer and the Chief Financial Officer, monitors the financial performance of the Group on the basis of cash generating segments. These sectors include the activity of schools and higher education. The financial performance of these segments during the financial year ended 31 August 2023 and 31 August 2022 are as follows.

Below are the assets and liabilities of each segment:

	School segment		Higher Education segment		Consolidation entries		Total	
	31 August 2023	31 August 2022	31 August 2023	31 August 2022	31 August 2023	31 August 2022	31 August 2023	31 August 2022
Financial position:								
Non-current assets	6,681,679,789	5,909,944,738	2,509,739,144	1,257,194,413	(2,670,528,971)	(1,188,911,923)	**6,520,889,962**	**5,978,227,228**
Current assets	1,896,177,042	1,223,462,976	1,050,549,952	638,661,969	(1,569,532,121)	(1,209,583,557)	**1,377,194,873**	**652,541,388**
Total assets	**8,577,856,831**	**7,133,407,714**	**3,560,289,096**	**1,895,856,382**	**(4,240,061,092)**	**(2,398,495,480)**	**7,898,084,835**	**6,630,768,616**
Current liabilities	2,598,267,378	2,540,216,293	807,179,628	420,908,955	(1,569,560,965)	(1,209,612,401)	**2,789,464,426**	**1,809,563,932**
Non-current liabilities	3,158,730,678	3,216,781,763	48,924,760	71,072,541	26,488,946	26,916,764	**3,481,491,579**	**3,256,719,983**
Total liabilities	**5,756,998,056**	**5,756,998,056**	**856,104,388**	**491,981,496**	**(1,543,072,019)**	**(1,182,695,637)**	**6,270,956,005**	**5,066,283,915**

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5. Segments reporting (continued)

	School segment		Higher Education segment		Contracting		Others	Total	
	The financial year ended at 31 August		The financial year ended at 31 August		The financial year ended at 31 August		The financial year ended at 31 August	The financial year ended at 31 August	
	2023	2022	2023	2022	2023	2022	2023	2023	2022
Revenues									
Tuition revenues	710,860,587	606,569,343	1,169,196,187	947,976,777	-	-	-	1,880,056,774	1,554,546,120
Bus revenues	26,589,430	18,041,412	5,549,868	4,608,548	-	-	-	32,139,298	22,649,960
Admission revenues	5,769,100	6,229,559	21,836,984	16,820,916	-	-	-	27,606,084	23,050,475
Contracting revenues	-	-	-	-	315,688,335	57,893,163	-	315,688,335	57,893,163
Other activities revenues	49,155,797	40,025,142	38,364,799	19,193,312	-	-	-	87,520,596	59,218,454
Total revenues	**792,374,914**	**670,865,456**	**1,234,947,838**	**988,599,553**	**315,688,335**	**57,893,163**	**-**	**2,343,011,087**	**1,717,358,172**
Costs									
Tuition cost									
Employees costs	(361,237,551)	(280,792,751)	(214,096,896)	(155,431,475)	-	-	-	(575,334,447)	(436,224,226)
Tuition tools, aids and books expenses	(37,905,712)	(30,148,715)	(3,083,511)	(1,285,979)	-	-	-	(40,989,223)	(31,434,694)
Maintenance, electricity and utilities expenses	(32,893,278)	(30,346,110)	(20,309,319)	(16,827,530)	-	-	-	(53,202,597)	(47,173,640)
Leases	(10,392,320)	(10,817,063)	(1,692,205)	(2,568,539)	-	-	-	(12,084,525)	(13,385,602)
Depreciation of right-of-use assets	(13,734,660)	(6,855,830)	-	(4,343,545)	-	-	-	(13,734,660)	(11,199,375)
Professional and consulting fees and charges and others	(15,788,035)	(9,696,040)	(25,025,936)	(23,031,364)	-	-	-	(40,813,971)	(32,727,404)
Contracting expenses	-	-	-	-	(280,652,581)	(53,279,754)	-	(280,652,581)	(53,279,754)
Other expenses	(52,202,287)	(50,052,445)	(3,859,018)	(680,866)	-	-	-	(56,061,305)	(50,733,311)
Bus costs	(33,656,963)	(22,451,754)	(11,562,834)	(4,818,617)	-	-	-	(45,219,797)	(27,270,371)
Leases liabilities interests expenses	(1,450,771)	(2,024,228)	(1,137,938)	-	-	-	-	(2,588,709)	(2,024,228)
Total costs	**(559,261,577)**	**(443,184,936)**	**(280,767,657)**	**(208,987,915)**	**(280,652,581)**	**(53,279,754)**	**-**	**(1,120,681,815)**	**(705,452,605)**
	233,113,337	**227,680,520**	**954,180,181**	**779,611,638**	**35,035,754**	**4,613,409**	**-**	**1,222,329,272**	**1,011,905,567**
Administrative expenses and provisions	(129,091,102)	(98,951,176)	(176,571,696)	(125,022,031)	(5,288,530)	-	-	(310,951,328)	(223,973,207)
Depreciation	(61,981,660)	(54,528,525)	(133,716,483)	(78,413,547)	-	-	-	(195,698,143)	(132,942,072)
The Group's net share in profits / losses of associates	-	-	-	-	-	-	(24,506,035)	(24,506,035)	-
Operating profit	**42,040,575**	**74,200,819**	**643,892,002**	**576,176,060**	**29,747,224**	**4,613,409**	**(24,506,035)**	**691,173,766**	**654,990,288**

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5. Segments reporting (continued)

	School segment		Higher Education segment		Contracting		Others	Total	
	The financial year ended At 31 August		The financial year ended At 31 August		The financial year ended At 31 August		The financial year ended at 31 August	The financial year ended At 31 August	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2023**	**2022**
Other revenues	3,563,566	4,844,312	22,889,256	7,857,050	-	-	-	26,452,822	12,701,362
Interests payable	40,478,097	5,012,058	15,436,691	6,772,257	-	-	-	55,914,788	11,784,315
Amortisation of Sukuk issuance cost	(1,948,915)	(1,948,915)	-	-	-	-	-	(1,948,915)	(1,948,915)
Amortisation of securitizations - future financial equity	(2,253,505)	-	-	-	-	-	-	(2,253,505)	-
Finance costs	(448,018,396)	(128,768,560)	(16,848,924)	(11,208,846)	-	-	-	(464,867,320)	(141,926,321)
Net (loss) / profit before taxes	**(366,138,578)**	**(46,660,286)**	**665,369,025**	**579,596,521**	**29,747,224**	**4,613,409**	**(24,506,035)**	**304,471,636**	**537,549,644**
Current income tax	(20,263,512)	(22,296,021)	(164,633,091)	(139,970,105)	-	-	-	(184,896,603)	(162,266,126)
Deferred income tax	508,670	(521,326)	2,465,363	(857,748)	-	-	-	2,974,033	(1,379,074)
Net (losses)/ profits for the year	**(385,893,420)**	**(69,477,633)**	**503,201,297**	**438,768,668**	**29,747,224**	**4,613,409**	**(24,506,035)**	**122,549,066**	**373,904,444**

For the purposes of preparing the Group's segment reporting, management has reclassified fixed assets' depreciation to be in a separate line proceeding the total education costs. Also, the management has reclassified the formed provisions to be part of the general and administrative expenses.
With reference to the liability and the adoption of the regulatory reasons for the key management of the Group, all financing burdens costs are directly charged to Cairo for Investment Company, and accordingly, the school segment on a separate basis, which affects the business outcomes of this segment on a separate basis.

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6. Fixed assets

	Lands	Buildings, premises and facilities	Devices, furniture & fixtures	Computers	Transportations	Equipment & tools	Projects in progress	Total
Cost at 1 September 2022	**1,780,112,097**	**1,433,613,735**	**289,008,542**	**91,327,735**	**80,098,352**	**49,528,255**	**2,458,266,769**	**6,181,955,485**
Additions for the year	447,081,849	943,390,389	117,509,542	11,411,140	20,040,001	47,732,386	537,261,548	**2,124,426,855**
Transferred to Badr University	(264,225,196)	-	-	-	-	-	(979,762,311)	**(1,243,987,507)**
Transferred from projects in progress	-	52,273,723	-	-	-		(89,267,803)	**(36,994,080)**
Disposals	-	-	-	-	(2,526,010)	-	-	**(2,526,010)**
Cost at 31 August 2023	**1,962,968,750**	**2,429,277,847**	**406,518,084**	**102,738,875**	**97,612,343**	**97,260,641**	**1,926,498,203**	**7,022,874,743**
Accumulated depreciation at 1 September 2022	**-**	**307,188,663**	**167,217,590**	**59,364,349**	**47,442,474**	**30,649,605**	**-**	**611,862,681**
Depreciation for the year	-	89,967,516	54,389,410	15,087,112	12,672,097	23,582,008	-	**195,698,143**
Accumulated depreciation of disposals	-	-	-	-	(2,526,010)	-	-	**(2,526,010)**
Accumulated depreciation at 31 August 2023	**-**	**397,156,179**	**221,607,000**	**74,451,461**	**57,588,561**	**54,231,613**	**-**	**805,034,814**
Net carrying amount at 31 August 2023	**1,962,968,750**	**2,032,121,668**	**184,911,084**	**28,287,414**	**40,023,782**	**43,029,028**	**1,926,498,203**	**6,217,839,929**

As explained in Note (16), the fixed assets item as at 31 August 2023 includes assets that have been secured by bonds issued and include the land and buildings of Futures French/ German International Languages School in Rehab city, the land and buildings of Futures Language School - Rehab city, the land and buildings of Futures Girls Elementary School (1) and (2), and the land and buildings of Othman Ibn Affan School - Rehab city. The net carrying amount of these assets as at 31 August 2023 amounts to EGP 45,838,548. (2022: EGP 39,390,770).

Projects in progress represent the projects related to Badr University and Assiut University including the costs of completing the constructions and buildings of the University as approved by the Ministry of Higher Education and are added to the Company's investments of Badr University after completion of each stage, in addition to the constructions and buildings works related to the schools owned by the Company.

During the year, the total capitalized borrowing cost on the balance of projects in progress amounted to EGP 41,594,689. (2022: EGP 85,187,508).

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6. Fixed assets (continued)

	Lands	Buildings, premises & facilities	Devices, furniture & fixtures	Computers	Transportations	Equipment & tools	Projects in progress	Total
Cost at 1 September 2021	**1,849,742,979**	**1,267,007,220**	**243,366,287**	**76,111,802**	**56,001,355**	**33,415,463**	**563,047,864**	**4,088,692,970**
Additions for the year	862,920,796	39,019,061	22,331,018	12,156,676	24,082,000	16,112,792	2,049,191,850	**3,025,814,193**
Transferred from projects in progress	-	127,587,454	23,311,237	3,059,257	14,997	-	(153,972,945)	**-**
Re-classified	(932,551,678)	-	-	-	-	-	-	**(932,551,678)**
Cost at 31 August 2022	**1,780,112,097**	**1,433,613,735**	**289,008,542**	**91,327,735**	**80,098,352**	**49,528,255**	**2,458,266,769**	**6,181,955,485**
Accumulated depreciation at 1 September 2021	**-**	**240,182,600**	**128,130,241**	**45,485,418**	**36,750,739**	**25,173,741**	**-**	**475,722,739**
Depreciation for the year	-	67,006,063	39,087,349	13,878,931	10,691,735	5,475,864	-	**136,139,942**
Accumulated depreciation at 31 August 2022	**-**	**307,188,663**	**167,217,590**	**59,364,349**	**47,442,474**	**30,649,605**	**-**	**611,862,681**
Net carrying amount at 31 August 2022	**1,780,112,097**	**1,126,425,072**	**121,790,952**	**31,963,386**	**32,655,878**	**18,878,650**	**2,458,266,769**	**5,570,092,804**

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7. Works in progress

	31 August 2023	31 August 2022
Medical City - Capital Med	228,260,146	142,735,519
Cairo Heights project - Residential buildings	21,581,907	21,581,907
Regent School in the Cosmic Village	9,678,738	-
Al-Ahly CIRA Company	3,248,852	-
Tech School in the Cosmic village	456,519	-
	263,226,162	**164,317,426**

Related contracting revenues were recognized during the year amounting to EGP 315,688,335 (2022: EGP 57,893,163) and contracting costs amounting to EGP 280,652,581 (2022: EGP 53,279,754).

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8. Investments in associates

	Shareholding percentage			
	2023	2022	31 August 2023	31 August 2022
Egyptians Health Care Company	28,6%	28,6%	240,520,534	187,572,030
Global Furniture (1)	40%	-	14,500,000	-
Innovvette for Education Company (2)	51%	51%	10,700,000	5,600,000
Perdive for Programming Company	48,5%	48,5%	255,000	255,000
New Soft Company	23%	23%	156,165	156,165
Cairo Facility Management Company	30%	30%	60,000	94,000
CIRA Talent Company for Sports Services and Talent Development**	33%	33%	-	2,500,000
Cosmic Company for Educational Investment**	65%	65%	-	812,500
			266,191,699	**196,989,695**
Less:				
Group's share in profits or losses of associates			(24,506,035)	-
Impairment losses in associates			(411,165)	(411,165)
			241,274,499	**196,578,530**

** CIRA Talent Company for Sports Services and Talent Development and Universal Company for Educational Investment have been consolidated during the year ended 31 August 2023.

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8. Investments in associates (continued)

(a) Group's share of profits or (losses) of associates:

	31 August 2023	31 August 2022
Egyptians Health Care Company	(15,611,241)	-
Innovvette Company	(10,700,000)	-
Global Furniture	1,805,206	-
	(24,506,035)	-

(1) During the year ended 31 August 2022, the Company purchased a 40% investment from Global Furniture Company, and the investment was classified as an investment in associates due to the significant influence.

(2) During the financial year ended 31 August 2023, the Company increased its investment in the capital of Innovvette Company at an amount of EGP 5,100,000, without changing its shareholding percentage in the Company.

9. Unconsolidated subsidiaries

The historical cost of investments in unconsolidated subsidiaries is as follows:

	31 August 2023	31 August 2022
International Health Care Company	1,126,285	1,126,285
Alex For Educational Services Company	325,000	325,000
	1,451,285	**1,451,285**
Less: Impairment	(1,451,285)	(1,451,285)
	-	-

Those entities have not been consolidated as the value of these investments has been fully impaired during the past years. Those entities have discontinued their activities and there are no liabilities to be incurred by the Group regarding the liabilities of those entities.

10. Inventory

	31 August 2023	31 August 2022
Computer and electrical equipment inventory	17,533,980	16,349,926

(All amounts in the notes are shown in EGP unless otherwise stated)

11. Debtors and other debit balances

	31 August 2023	31 August 2022
Advances to suppliers	233,301,611	68,722,998
Accrued revenues	156,722,712	108,313,241
Due from related parties (Note 29)	134,293,745	62,054,241
Paid under investments in associates account	21,521,411	77,252,973
Surplus from future securitizations	16,473,683	-
Withholding tax	15,949,909	6,630,830
Prepaid expenses	14,221,925	10,310,500
Insurances with others	13,135,040	5,271,281
Contracting insurance	9,989,424	-
Advances and loans	8,782,223	6,596,118
Assets against specific-purpose liabilities	-	35,000,000
Deferred interests	-	86,223,456
Other debit balances	29,890,987	15,530,058
	654,282,670	**481,905,696**
Less:		
Provision for ECLs of debtors and other debit balances	(34,694,190)	(24,118,302)
	619,588,480	**457,787,394**

Provision for "ECLs" of debtors and other debit balances during the year is represented below:

	31 August 2023	31 August 2022
Balance at the beginning of the year	24,118,302	19,637,513
Formed during the year	11,329,258	16,886,495
Write-off during the year	-	(4,444,433)
Provisions no longer required during the year	(753,370)	(7,961,273)
Balance at the end of the year	**34,694,190**	**24,118,302**

- As at 31 August 2023, accrued revenue balances, due from related parties that are not impaired amounted to EGP 254,889,262 (31 August 2022: EGP 146,249,180).
- As at 31 August 2023, debtors and other debit balances subject to impairment amounted to EGP 34,694,190 (31 August 2022: EGP 24,118,302).

12. Cash on hand and balances at banks

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	31 August 2023	31 August 2022
Current accounts at banks	439,287,028	162,935,316
Deposits	54,720,576	11,376,576
Cash investment fund	4,141	3,773
Cash on hand	4,416,413	4,088,403
	498,428,158	**178,404,068**

(All amounts in the notes are shown in EGP unless otherwise stated)

12. Cash on hand and balances at banks (continued)

* Current accounts and deposits are deposited with local banks under the supervision of Central Bank of Egypt.

** The deposits are due within periods of 365 days from date of placement, and are subject to interest rates of 14,5% (31 August 2022: 11,25%) per annum. Also, interest rates of current accounts reached 10% per annum. (31 August 2022: 7% per annum).

For the purposes of preparing the consolidated statement of cash flows, cash and cash equivalents included the following, as of the date of the financial position:

	31 August 2023	31 August 2022
Cash on hand and balances at banks	**498,428,158**	**178,404,068**
Less:		
Deposits for more than 3 months	(11,376,577)	(11,376,577)
Restricted cash at banks	(7,402)	(7,402)
	487,044,179	167,020,089

13. Paid-up capital

The authorized capital is set at EGP 500,000,000. The issued capital was set at EGP 233,116,130, distributed on 582,790,325 shares, each amounting to EGP 0,40, all of which are fully paid monetary shares.

The shareholders structure as at 31 August 2023 and 31 August 2022 is as follows:

	Shareholding percentage	Nominal value
Social Impact Capital "L.L.C"	51,22%	119,395,130
Others	48,78%	113,721,000
		233,116,130

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14. Reserves

The following table shows the movement on reserves during the year:

	31 August 2023		
	Balance at 1 September	Formed during the year	Balance at 31 August
Legal reserve	116,558,065	-	**116,558,065**
Statutory reserve	19,834,444	-	**19,834,444**
Special reserve	55,390,982	(800,000)	**54,590,982**
Reserve resulting from foreign currency translation	1,308,245	7,738,870	**9,047,115**
Total	**193,091,736**	**6,938,870**	**200,030,606**

(All amounts in the notes are shown in EGP unless otherwise stated)

14. Reserves (continued)

	31 August 2022		
	Balance at 1 September	Formed during the year	Balance at 31 August
Legal reserve	116,558,065	-	**116,558,065**
Statutory reserve	19,834,444	-	**19,834,444**
Special reserve	92,667,112	(37,276,130)	**55,390,982**
Reserve resulting from foreign currency translation	335,499	972,746	**1,308,245**
Total	**229,395,120**	**(36,303,384)**	**193,091,736**

(a) Legal, statutory, and special reserve

In accordance with the Companies Law No. 159 of 1981 and the Parent Company's Articles of Association, 5% of the net profit for the year is transferred to the legal reserve account. Provision formation will be discontinued once the legal reserve reaches 50% of the issued and authorized capital.

Also, at least 5% of the profit has to be set aside and transferred to the statutory reserve, until the reserve reaches 25% of the Parent Company's issued capital, and when the reserve is decreased, the said deduction shall be returned. On 30 May 2021, Article (56) of the Company's Articles of Association was amended to discontinue the deduction of the statutory reserve from profits.

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15. Loans and credit facilities

	Current portion		Non-current portion	
Statement	31 August 2023	31 August 2022	31 August 2023	31 August 2022
Qatar National Bank- credit facility	20,367,475	40,405,811	-	-
Qatar National Bank loan (1)	22,222,222	22,222,222	-	22,222,222
Qatar National Bank loan (2)	52,000,000	-	208,000,000	260,000,000
Ahli United Bank loan	320,176,073	251,035,865	463,946,312	583,536,817
European Bank loan	90,562,875	90,562,875	181,125,750	271,688,625
Incolease Company for Finance Lease loan	1,166,900	-	15,556,564	-
	506,495,545	**404,226,773**	**868,628,626**	**1,137,447,664**

(a) Qatar National Bank (1) loan

On 30 May 2019, the Company signed a medium-term loan contract in an amount of EGP100 million for the purpose of utilizing it to partially finance the projects of constructing new faculties in Badr University that is 100% owned by the Company. The contract ends on 31 August 2024. The loan is to be paid on 9 semi-annual instalments of equal value in addition to the related interests.

The balance of this loan as at 31 August 2023 amounted to EGP 22,222,222 (31 August 2022: EGP 44,444,444).

15. Loans and credit facilities (continued)

(b) Qatar National Bank (2) loan

On 9 September 2021, the Company signed a medium-term loan contract in an amount of EGP 260 million, with the purpose of utilizing it to partially finance the remaining projects of the Company's expansion plan represented in establishing the Faculty of Pharmacy and Dentistry at Badr University, Assiut Governorate, and establishing two new schools in Minya and Mirage City, and completing the construction works at Badr University and schools in New Mansoura City. The contract ends on 31 August 2028. The loan is to be paid on 12 semi-annual instalments of equal value in February and August, in addition to the applicable interest. Provided that the first instalment is due on the last day of February 2024, followed by the second instalment on the last day of August 2021, and so on, respectively and periodically, every six-months until the maturity date of the eleventh and final instalment that is due on 31 August 2028 in addition to the related interests.

The balance of this loan at 31 August 2023 amounted to EGP 260,000,000 (31 August 2022: EGP 260,000,000). The loan is subject to an interest rate at the corridor rate announced by the Central Bank, plus a credit margin.

The principal conditions and guarantees of the above loans are:

- Transfer all income generated from operations of the schools and Badr University to a special account with the lending bank and is used as an additional repayment method for the principal and interest.
- Dividends are not to be distributed unless all liabilities arising from loans from the distribution year are fulfilled.
- Assets are not to be sold, mortgaged, or assigned to third parties without obtaining a written approval from the bank.
- Shareholders' equity in the consolidated financial statements should not be less than EGP 420 million. Maintain financial leverage ratio (total liabilities/ equity) below 1,2 :1 Debt service rate (earnings before interest, tax and depreciation/ total financial liabilities) is not to be less than 1:1.
- Not to obtain any loans or credit facilities unless after obtaining a written approval from the bank.

(c) Ahli United Bank loan

On 14 January 2021, the Company signed a medium-term loan contract of EGP 100 million for the purpose of future expansions in establishing schools and new faculties in Badr University which is wholly owned by the Company. The contract amount was increased by EGP 200 million as a second payment. The contract was increased again by an amount of EGP 225 million. The contract ends on 31 August 2024, and this loan is to be paid in 9 semi-annual instalments of equal value starting from February 2022. However, the Company is still paying the related interests during the current year, with a grace period estimated at one year without any administrative expenses. On 11 November 2021 and 10 April 2022, the contract was increased for the last time by an amount of EGP 150 million. During the year, the Company obtained a credit facility of EGP 20 million. The Company signed a medium-term loan contract with an amount of EGP 150 million, for the purpose of the medical city project of Egyptians Health Care Company.

The balance of this loan as of 31 August 2023 amounted to EGP 784,122,385 (31 August 2022: EGP 834,572,681).

15. Loans and credit facilities (continued)

(c) Ahli United Bank loan (continued)

Principal conditions and guarantees:

- Submitting to the bank the collateral guarantees from the following companies: Upper Egypt Educational Services, Emco for Systems and Computers, Global Educational Technologies, and Educational Systems International, provided that each guarantee covers the full amount of the finance granted by the bank under this contract.
- Submitting to the bank every six-months the commercial register extract of the Company, explaining that there are no mortgages on its assets.
- Opening an operating account with the bank, the First Party, to collect all revenues related to the funded schools and the revenues resulting from the expansion of Badr University, that have been funded by the bank.
- Submitting to the bank a written undertaking signed by the legal representative of Badr University to transfer the net surplus generated from its activity to the Company to cover any financial liabilities payable on the Company throughout the duration of the finance granted by the bank, according to the budget of the University.
- Submitting to the bank a quarterly financial report within 90 days of the end of each quarter of the financial year of the borrowing Company and the guarantors. The Company is also committed to achieving the financial terms in all consolidated financial positions and budgets provided to the bank throughout the duration of the finance as follows:

(1) The debt service rate of consolidated financial statements (total cash flows from operating activities in addition to depreciation and amortisation less tax divided by annual financial payments in addition to the annual dividends) should not fall below 1,15.
(2) The financial leverage of consolidated financial statements (total bank loans divided by net shareholders' equity) should not exceed 1,5.

The loan is subject to an interest rate at the corridor rate announced by the Central Bank, plus a credit margin.

(d) European Bank loan

On 30 September 2019, the Company signed a medium-term loan contract of EGP 452 million. The first instalment was injected on 19 September 2019, and the second instalment was injected within three months from 31 August 2021 for the purpose of purchasing a new land in Assiut to establish faculties related to Badr University - Assiut and the establish stage 1 of the University fully owned by the Company. The contract ends on 30 September 2027. The loan shall be paid on 12 semi-annual instalments of equal value. However, the Company is still paying the related interests, during the current year, with a grace period of approximately two years.

The balance of this loan at 31 August 2023 amounted to EGP 271,688,625 (31 August 2022: EGP 362,251,500). The loan is subject to an interest rate at the corridor rate announced by the Central Bank, plus a credit margin.

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15. Loans and credit facilities (continued)

(d) European Bank loan (continued)

Principal conditions and guarantees:

- The ratio of debt service coverage of consolidated financial statements, that is the cash available for debt service for a period of 12 months before the repayment date to the total principal payments of the repayment on all outstanding financial debts should be a ratio of 1:1,2.
- The net financial debts should not exceed 3 times the profits before interest, tax and depreciation.
- The ratio of the debt should not exceed 1,3 of the total equity.
- The borrower undertakes that the contribution of the guarantor in the revenues and profits before interest, taxes and depreciation should not be less than 50%.

(e) Incolease Company for Finance Lease loan

On 17 August 2023, the Company signed a medium-term loan contract of EGP 27,339,482 for the purpose of constructing new faculties in Badr University that is 100% owned by the Company. The contract ends on 31 August 2027. The loan is to be paid in 54 quarterly instalments of fixed value , noting that this value changes (increase or decrease) according to the change in the corridor rate announced by the Central Bank of Egypt, which was 12,25% when the contract was signed.

The balance of this loan as at 31 August 2023 amounted to EGP 16,723,464 (31 August 2022: Nil).

16. Ijarah Sukuk

	31 August 2023	31 August 2022
Ijarah Sukuk- non-current portion	420,000,000	540,000,000
Prepaid expenses - Sukuk	(6,496,384)	(8,445,299)
Total	**413,503,616**	**531,554,701**
Ijarah Sukuk- current portion	120,000,000	60,000,000
Prepaid expenses - Sukuk	(1,948,915)	(1,948,915)
Total	**118,051,085**	**58,051,085**
	531,554,701	**589,605,786**

On 29 December 2021, the Company issued Ijarah Sukuk in compliance with the provisions of Islamic Sharia, negotiable and non-convertible for shares on a single issue amounting to EGP 600 million with the purpose of recovering investment costs and using them in the Group's activities for future expansions in the higher education and pre-university education sector and to pay off the Group's financial liabilities including its liabilities towards the lending banks. 6 million sukuk were issued with a nominal value of 100 per sakk, and the period of issuance is 84 months starting from January 2022. The rental value of sukuk is to be paid in 10 equal semi-annual instalments starting from 30 April 2023 until the end of the issuance period on 31 October 2027.

16. Ijarah Sukuk (continued)

The sukuk were issued with a guarantee of a land and buildings of four schools owned by the Group, which are the land and buildings of Futures French/ German International Languages School in Rehab city, the land and buildings of Futures Language School - Rehab city, the land and buildings of Futures Girls Elementary School (1) and (2), and the land and buildings of Othman Ibn Affan School - Rehab city. These assets subject of securitization were valued at a fair value of EGP 878,743,896, which represents a ratio of 1:1,46 of the total value of the issued sukuk. The school buildings mentioned above are insured against theft and fire.

The variable return of these sukuk is calculated in Egyptian pounds based on the lending rate announced by the Central Bank of Egypt in addition to the 0,75% margin ratio, provided that the announced lending rate is reviewed by the Central Bank of Egypt every six months. The return shall be paid semi-annually on 30 April and 31 October of each year until the end of the issuance period on 31 October 2027.

In implementing the sukuk issuance process, the following contracts were concluded:

(a) A contract of sale and purchase of the assets subject of securitization has been concluded to the securitization company in exchange for payment of the purchase price from the entire proceeds of subscribing to the sukuk
(b) A leasing contract for the assets subject of securitization has been concluded whereby the securitization company is obligated to lease the assets subject to the bonding mentioned above to the Group as a lessee for the duration of the issuance period in exchange for a rental value paid by the Group to the securitization company according to the payment terms mentioned above.
(c) Purchase and sell contracts has been concluded whereby upon the expiry of the lease term, the assets subject of securitization will be resold to the Group.
(d) A service agency contract was concluded between the securitization company and the Group according to which the Group was authorized to act as a management agent of the assets subject of securitization.

These assets have not been derecognised from the books of the Group, due to the lack of conditions for derecognition of the assets, including the non-transfer of control over the leased assets to the securitization company and the Group's continuity in managing these assets.

The cost item for issuing sukuk represents the professional financial expenses and consultancy fees required to issue the sukuk. This item is amortised over the period of issuance mentioned above. The movement in the cost of issuing the sukuk is as follows:

	31 August 2023	31 August 2022
Balance at the beginning of the year	**10,394,214**	**12,343,129**
Amortisation of sukuk issuance cost (Note 28)	(1,948,915)	(1,948,915)
Balance at the end of the year	**8,445,299**	**10,394,214**

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17. Securitizations- future financial equity

	31 August 2023	31 August 2022
Securitizations- future financial equity	800,000,000	-
Prepaid expenses - securitizations	(15,104,425)	-
Total	**784,895,575**	-

The Egyptian Financial Regulatory Authority approved that the Financial Group for Securitization Company issues the first multi-issuance program for future financial equity securitizations at an amount of EGP 2 billion for a period of 3 years in favour of Cairo for Investment and Real Estate Development Company in the capacity of the assigning company for the future financial equity portfolio, provided that the first issuance of the program amounts to a maximum of EGP 800 million for a period of seven years, and the first tranche was issued at an amount of EGP 800 million during the period.

The cost item for issuing securitizations - future financial equity represents the required professional financial expenses and consultancy fees. This item is amortised over the period of issuance mentioned above. The movement in the cost of securitizations - future financial equity is as follows:

	31 August 2023	31 August 2022
Balance at the beginning of the year	-	-
Securitizations issuance cost - future financial equity	17,357,930	-
Amortisation of securitizations - future financial equity (Note 28)	(2,253,505)	-
Balance at the end of the year	**15,104,425**	-

The Company maintains a reserve account with the custodian which is financed by transferring any surplus from the proceeds account after paying the coupon due, from an asset and return, to the bondholders, and any commissions and expenses due, as of the first coupon due in 30 April 2023. So that the amounts outstanding in the reserve account at any time shall be a maximum of the amount due to the bondholders of the asset and return of the next coupon, to meet any deficit to meet the rights of the securitization bonds holders, without referring to the Financial Group for Securitization Company. There is no specific date required to fully feed this account (the value of due from the asset and return of the next coupon) as long as the Company has not been disbursed. The Company undertakes and guarantees to pay the bondholders' dues on their due dates, and in the event of any deficit to pay the amount and asset of the bonds and the next due return, and the reserve account balance is insufficient, it undertakes to pay to cover this deficit from its own resources. There is also a franchise right for the bondholders over the cash flows subject to the securitization in the event of a breach.

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(All amounts in the notes are shown in EGP unless otherwise stated)

18. Creditors and other credit balances

	31 August 2023	31 August 2022
Land purchase payables	1,538,183,210	1,799,380,055
Suppliers and contractors	94,463,846	68,386,882
Contractor insurance	52,171,600	42,138,098
Deposits for others	12,667,033	25,806,970
Social Insurances	15,035,846	10,635,984
Accrued expenses	293,871,807	120,651,985
Due to related parties (Note 29)	289,069,902	119,746,780
Due to government agencies	64,093,082	57,989,440
Dividends payables	49,138,212	24,518,131
Other credit balances	45,493,357	19,909,453
	2,454,187,895	**2,289,163,778**
Less: Non-current portion		
Lands purchase payables - non-current portion*	(1,376,273,586)	(1,548,620,037)
	1,077,914,309	**740,543,741**

* The balance of land purchase payables represents new lands in the framework of the expansion of the Company's activities and the establishment of new schools. A land was purchased in Badr City and Badr University in Assiut Governorate amounting to EGP 673 million, 15% of its amount was paid and the rest shall be paid in 20 semi-annual instalments ending on 12 January 2031. A land was also purchased in the New Alamein City amounting to EGP 31 million, 20% of its amount was paid, and the rest shall be paid in 8 semi-annual instalments ending on 2 June 2024. Rasheed land was also purchased, 15% was paid, and the rest shall be in 10 semi-annual instalments ending on 12 September 2026, with an amount of EGP 37 million. A land in Qena was purchased, 15% was paid, and the rest shall be paid in 10 semi-annual instalments ending on 29 November 2025, with an amount of EGP 10 million. A land in Sohag was purchased as well, 15% was paid, and the rest shall be in 10 ten semi-annual instalments ending on 20 October 2025, with an amount of EGP 10 million, and finally, 2 buildings in the city of Nasser Assiut, 40% was paid, and the rest shall be paid in 12 quarterly instalments ending on 10 May 2025, with an amount of EGP 11 million.

19. Advance revenues

Advance revenues represent the revenues that the Group has collected and has not provided the educational services related to it yet.

	31 August 2023	31 August 2022
Advance revenues - higher education	381,044,611	207,297,993
Advance revenue - primary education	281,560,796	133,677,058
Advance revenues - contracting	179,049,752	-
	841,655,159	**340,975,051**

(All amounts in the notes are shown in EGP unless otherwise stated)

20. Income tax

Income tax charged to the consolidated statement of profits or losses for the year is as follows:

	31 August 2023	31 August 2022
Current income tax	184,896,603	162,266,126
Deferred tax (Note 21)	(2,974,033)	1,379,074
Total	**181,922,570**	**163,645,200**

Tax on the profit before tax differs from the amount expected to be reached by applying the average tax rate applicable to the Group's profits as follows:

	31 August 2023	31 August 2022
Accounting profit before tax	304,471,636	537,549,644
Income taxes based on prevailing tax rates	68,506,118	120,948,668
Add (less):		
Non-deductible expenses	48,454,175	36,390,867
Non-taxable revenues	(23,909,043)	(466,906)
Deferred tax assets not recognised	88,871,320	3,220,198
Tax differences for previous years	-	3,552,373
Tax as per the statement of profit or loss	**181,922,570**	**163,645,200**

Current income tax liabilities in the consolidated statement of financial position:

	31 August 2023	31 August 2022
Balance at the beginning of the year	**164,501,879**	**130,381,348**
Payments during the year	(164,019,196)	(128,145,595)
Charged to the consolidated statement of profit or loss during the year	184,896,603	162,266,126
Balance at the end of the year	**185,379,286**	**164,501,879**

21. Deferred tax liabilities

Deferred tax liabilities comprises temporary differences attributable to fixed assets:

	Balance at 1 September 2022	Movement for the year	Balance at 31 August 2023
Fixed assets	36,553,438	(2,974,033)	**33,929,957**
	36,553,438	**(2,974,033)**	**33,929,957**

	Balance at 1 September 2021	Movement for the year	Balance at 31 August 2022
Fixed assets	35,174,364	1,379,074	**36,553,438**
	35,174,364	**1,379,074**	**36,553,438**

(All amounts in the notes are shown in EGP unless otherwise stated)

22. Provisions

	31 August 2023	31 August 2022
Claims provision	56,243,972	83,713,517
Lawsuits provision	1,063,436	924,173
	57,307,408	**84,637,690**

The movement of provisions during the year is as follows:

	31 August 2023				
	Balance at the beginning of the year	Formed during the year	Utilised during the year	Transferred from credit balances	Balance at the end of the year
Claims provision	**83,713,517**	11,991,008	(41,660,553)	2,200,000	**56,243,972**
Lawsuits provision	**924,173**	139,263	-	-	**1,063,436**
	84,637,690	**12,130,271**	**(41,660,553)**	**2,200,000**	**57,307,408**

	31 August 2022			
	Balance at the beginning of the year	Formed during the year	Utilised during the year	Balance at the end of the year
Claims provision	**87,872,874**	13,105,665	(17,265,022)	**83,713,517**
Lawsuits provision	**1,054,383**	-	(130,210)	**924,173**
	88,927,257	**13,105,665**	**(17,395,232)**	**84,637,690**

(a) Claims provision

Claims provision is related to expected claims from other parties in relation to the Company's activities. Information usually published on the provisions made according to accounting standards was not disclosed, as the management believes that doing so may seriously affect the outcome of negotiations with these parties. The management reviews these provisions on an annual basis, and the allocated amount is adjusted according to the latest developments, discussions and agreements with such parties.

(b) Lawsuits provision

Lawsuits provision amounted to EGP 1,063,436 at 31 August 2023 (31 August 2022: EGP 924,173) based on the Group's legal advisor's estimations. The provision is adjusted for each amendment per each case separately.

If the estimations related to formed provisions have changed by 10% (increase or decrease), the impact on the consolidated statement of profit or loss will be EGP 106,344 increase or decrease (31 August 2022: EGP 92,417).

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23. Operating revenues

	31 August 2023	31 August 2022
Tuition revenues	1,880,056,774	1,554,546,120
Bus revenue	32,139,298	22,649,960
Admission revenue	27,606,084	23,050,475
Contracting revenues	315,688,335	57,893,163
Other operating revenues	87,520,596	59,218,454
	2,343,011,087	**1,717,358,172**

Related contracting revenues were recognized during the year amounting to EGP 315,688,335 (2022: EGP 57,893,163) and contracting costs amounting to EGP 280,652,581 (2022: EGP 53,279,754) from related parties.

24. Operating cost

	31 August 2023	31 August 2022
Employees' salaries, wages and benefits	575,334,447	436,224,226
Depreciation expenses	193,438,553	133,561,928
Contracting cost	280,652,581	53,279,754
Maintenance, electricity, utilities and communications expenses	53,202,597	47,173,640
Professional and consulting fees and charges and others	40,813,971	32,727,404
Tuition tools, aids and books expenses	40,989,223	31,434,694
Transportation expenses	45,219,797	27,270,371
Leases	12,084,525	13,385,602
Right-of-use assets depreciation - leases	13,734,660	11,199,375
Leases liabilities interests expenses	2,588,709	2,024,228
Other expenses	56,061,304	47,535,441
	1,314,120,367	**835,816,663**

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25. General and administrative expenses

	31 August 2023	31 August 2022
Employees' salaries, wages and benefits	168,898,311	124,895,910
Professional and consulting fees and charges	46,202,308	31,723,950
ECL of debtors and other debit balances	11,329,258	14,520,533
Maintenance, electricity, utilities and communications expenses	25,214,323	13,074,543
Salaries and allowances of the Board, its committees, and board of trustees members	1,022,000	929,300
Right-of-use assets depreciation - leases	2,102,268	-
Depreciation expenses	2,259,590	2,578,014
Takaful contribution	3,078,846	1,965,265
Leases	3,838,941	1,596,389
Other expenses	37,134,803	22,161,652
	301,080,648	**213,445,556**

(All amounts in the notes are shown in EGP unless otherwise stated)

26. Expenses by nature

	31 August 2023	31 August 2022
Salaries, wages and benefits	744,232,758	561,120,136
Depreciation expenses	195,698,143	136,139,942
Professional and consulting fees, charges, and penalties	87,016,279	64,451,354
Maintenance, electricity, utilities and communications expenses	78,416,920	60,248,183
Contracting costs	280,652,581	53,279,754
Tuition tools, aids and books expenses	40,989,223	31,434,694
Transportation expenses	45,219,797	27,270,371
Leases *	4,652,392	14,981,991
ECL of debtors and other debit balances	11,329,258	14,520,533
Right-of-use assets depreciation - leases	15,836,928	11,199,375
Lease liabilities interests	2,588,709	2,024,228
Takaful contribution	3,078,846	1,965,265
Salaries and allowances of the Board, its committees, and board of trustees members	1,022,000	929,300
Other expenses	104,467,181	69,697,093
	1,615,201,015	**1,049,262,219**

* These leases are leases of less than a year and of a small value.

** Consultation amounts include amounts paid to Social Impact Capital "LLC" (Parent Company) in exchange for administrative consultations.

27. Other revenues

	31 August 2023	31 August 2022
Variable leases	2,981,030	2,576,433
Reversal of provisions no longer required	-	1,907,516
Investment fund income	3,796,134	1,185,167
Miscellaneous revenues	6,892,928	6,892,928
	13,670,092	**9,339,350**

28. Finance costs – net

	31 August 2023	31 August 2022
Interest revenues	55,914,788	11,784,315
foreign currency differences profits	12,782,730	3,362,012
Amortisation of sukuk issuance cost	(1,948,915)	(1,948,915)
Amortisation of securitizations cost - future financial equity	(2,253,505)	-
Interest expenses	(464,867,320)	(139,977,406)
	(400,372,222)	**(126,779,994)**

(All amounts in the notes are shown in EGP unless otherwise stated)

29. Related parties transactions

During the year, the Group has made some transactions with related parties represented in the main shareholder of the Group, its associates and some entities that are owned by the major shareholders. Outstanding balances from and to related parties resulting from these transactions are as follows:

29.1 Balances due from related parties

Company	31 August 2023	31 August 2022
Parent Company	45,601,089	52,180,174
Associates	88,692,656	9,874,067
	134,293,745	**62,054,241**

29.2 Balances due to related parties

Company	31 August 2023	31 August 2022
Associates	289,069,902	119,746,780
	289,069,902	**119,746,780**

29.3 Related parties transactions during the year

	Movement	
	31 August 2023	**31 August 2022**
Egyptians Health Care Company		
Contributions in share capital	81,001,086	-
Mafrix Company		
Bank transfers	(227,761)	-
Social Impact Capital		
Bank transfers	4,784,494	-
Future for Educational Activities		
Proceeds of tuition revenues	(3,466,638)	-
Tuition expenses	3,170,917	-
Management consideration	64,960,67	-
Badr University in Assiut (under construction)		
Bank transfers and other payments	-	17,871,864
Student payments	-	(538,745)
NFX E-Learning Investments		
Bank transfers	23,352,116	22,233,150

29.4 Board of directors' salaries and allowances

The charges of the key management of the Company during the year and the charged to the statement of profit or loss represents the amounts of salaries and allowances of members of the Board of Directors and its committees disclosed in the general and administrative expenses note (Note 26).

(All amounts in the notes are shown in EGP unless otherwise stated)

30. Non-controlling interests

The movement of non-controlling interests in subsidiaries included in the consolidated financial statements during the year is as follows:

	Share capital	Retained Earnings	31 August 2023
Balance at 1 September 2022	**82,286,673**	**53,711,723**	**135,998,396**
Non-controlling interests of acquired companies	140,150,000	-	140,150,000
Transactions with non-controlling interests	(500,000)	-	(500,000)
Dividends	-	(14,927,761)	(14,927,761)
Currency differences resulting from foreign transactions translation	-	1,934,718	1,934,718
Profit for the year	-	(2,814,029)	(2,814,029)
Balance at 31 August 2023	**221,936,673**	**37,904,651**	**259,841,324**

	Share capital	Retained Earnings	31 August 2022
Balance at 1 September 2021	**64,990,334**	**62,785,013**	**127,775,347**
Non-controlling interests of acquired companies	(2,703,661)	-	(2,703,661)
The share of non-controlling interest in the capital increase	20,000,000	-	20,000,000
Dividends	-	(12,451,797)	(12,451,797)
Currency differences resulting from foreign transactions translation	-	243,187	243,187
Profit for the year	-	3,135,320	3,135,320
Balance at 31 August 2022	**82,286,673**	**53,711,723**	**135,998,396**

31. Goodwill

Goodwill arises on the acquisition of subsidiaries and acquisitions during the period and it represents the difference arising between the consideration paid in the subsidiaries, the non-controlling interest in the acquiree and the fair value of net assets of subsidiaries at the acquisition date. It represents the acquiree payments for future economic benefits of assets that cannot be identified individually or recognized separately. The goodwill is as follows:

	31 August 2023	31 August 2022
Egyptian Educational Systems Company	5,133,061	5,133,061
Educational Systems International Company	355,800	355,800
Global Educational Technologies Company	238,666	238,666
Cairo for Educational Services Company	157,018	157,018
Cairo Masr for Educational Premises Company	51,936	51,936
Star Light Company	31,578,279	28,171,629
	37,514,760	**34,108,110**
(Less):		
Impairment of goodwill related to companies under liquidation	(5,133,061)	(5,133,061)
	32,381,699	**28,975,049**

(All amounts in the notes are shown in EGP unless otherwise stated)

31. Goodwill (continued)

For the goodwill impairment testing purposes, each subsidiary is considered a cash generating unit. During the year, the management conducted a goodwill impairment test based on the "value in use". Below is summary for the significant assumptions employed by the management for the purpose of testing goodwill value:

Growth rate	3%
Discount rate	20%

Management used the estimated budgets approved by the Parent Company's Board of Directors. The value in use exceeded the carrying amount of the entities and no impairment of goodwill has resulted for any of the cash generating units.

- On 21 April 2019, the Extraordinary General Assembly meeting of the Egyptian Education Systems Company resolved to agree to put the Company under liquidation, provided that the liquidation period is one year, starting from the date of the notification of the resolution to put the Company under liquidation in the commercial register, and it was approved to appoint Mr./ Mohamed Naguib Salah El-Din, the liquidator of the Company. As Cairo for Investment and Real Estate Development Company owns 100% of the Egyptian Education Systems Company, Cairo for Investment and Real Estate Development Company will acquire all of these assets. This resulted in impairment of its goodwill of EGP 5,133,061 on 31 August 2019.
- On 26 June 2019, the Group purchased 60% of the shares of Star Light (owner of Canadian Columbia International School) under the agreement signed with W.D. Capital Company. The control of the Group was transferred on 1 September 2019. The Group expects that this acquisition will result in an increase in its market share and future economic benefits. This transaction resulted in goodwill of EGP 28,171,629.

The following table shows the consideration transferred to acquire Star Light Company, and the fair value of the acquired assets, liabilities and non-controlling interest at the date of acquisition.

Acquisition cost at 1 September 2019	
Cash paid	(103,406,650)
Total acquisition cost	**(103,406,650)**

Assets and liabilities acquired from Star Light Group for Educational Services and its subsidiaries on 1 September 2019 were as follows:

	EGP
Fixed assets	190,346,554
Other debit balances	5,606,125
Cash at banks	9,754,516
Deferred tax liabilities	(29,571,124)
Other liabilities	(66,344,961)
Net fair value of assets acquired	**109,791,110**
Non-controlling interests at the date of acquisition	(37,962,739)
Cash paid	(103,406,650)
Goodwill	**32,381,699**

(All amounts in the notes are shown in EGP unless otherwise stated)

32. Right-of-use assets – leases

The right-of-use asset represents the lease contracts related to the buildings. It was measured at the carrying amount as if the standard was applied since the beginning of the lease contract, but it was deducted using the borrowing rate for the lessee at the date of application, and was subsequently depreciated over the life of the lease contract using the straight-line method.

	31 August 2023	31 August 2022
Balance at the beginning of the year	**18,263,419**	-
The impact of initial application of EAS No. (49) "Leases"	-	29,462,794
Additions	5,385,437	-
Depreciation of right-of-use assets during the year	(15,836,928)	(11,199,375)
Balance	**7,811,928**	**18,263,419**

Lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be determined, the lessee's borrowing rate is used, which is the rate that shall be paid by the lessee to borrow the funds needed for the acquisition of an equivalent value asset in a similar economic environment with similar terms and conditions. An average interest rate of 20,5% was used.

33. Lease liabilities

The liability represents the present value of the lease liabilities relating to the administrative office of the Group that was obtained in return for a lease, and was assessed at the present value of the contractual lease payments deductible at the lessee's incremental borrowing rate of 20,5%.

The following is the deducted amount for lease liabilities:

	31 August 2023	31 August 2022
Present value		
Within 1 year	2,661,634	16,627,713
More than one year	4,260,219	2,544,143
	6,921,853	**19,171,856**

The lease liabilities were presented as follows:

	31 August 2023	31 August 2022
Lease liabilities as at the beginning of the year	**19,171,856**	-
The impact of applying EAS No. (49) "Leases"	-	31,279,668
Additions	5,385,437	-
Add: Interest charged during the year	2,588,709	2,024,228
(Less): Lease payments during the year	(20,224,149)	(14,132,040)
Lease liabilities at 31 August 2023	**6,921,853**	**19,171,856**

(All amounts in the notes are shown in EGP unless otherwise stated)

34. Earnings per share

The following is the earnings per share taking into account an increase in the capital that was indicated in the commercial register issued on 17 December 2018:

	31 August 2023	31 August 2022
Net profits for the year	125,363,095	370,769,124
Board of directors' remuneration	(4,466,098)	(18,538,456)
Employees' profits share	(8,264,691)	(37,076,912)
	112,632,306	**315,153,756**
Weighted average number of shares	**582,790,325**	**582,790,325**
Earnings per share for the year	**0,19**	**0,54**

35. Tax position

35.1 Cairo Education Services "S.A.E"

(a) Corporate Tax

- The Company was inspected for the years from 1998 until 1999 and the due tax of EGP 129,874 was paid.
- The Company was inspected for the years from 2000 to 2004, and they were appealed on the legal deadlines. The dispute was referred to the Appeal Committee with a tax of 9,743,688, and the amount was paid on 8/10/2023.
- The Company was not inspected from 2005 to 2008. The Company submits the tax returns regularly within the legal deadlines and pays the due tax based on the tax returns submitted on the legal deadlines and years from 2005 until 4 May 2008.
- The net profit of schools activity is exempted from the corporate income tax in accordance with Law No. 91 of 2005.
- The Company was inspected for the years from 2009 to 2010, and the due tax amounting to 3,537,060 was paid for the years 2009 and 2010. They were appealed on the legal deadline, and the dispute was referred to the Internal Committee.
- Years from 2011 to 2014, the Company was not inspected during the aforementioned years except for 2012. It was appealed on the legal deadline and the dispute is being settled.
- Years from 2015 to 2016, the tax returns were submitted on the legal deadline, and the Company was notified of Forms No. (10) Taxes for 2015 and 2016, with a tax, and they were appealed on the legal deadline, and the dispute was referred to the Internal Committee of the Authority.
- Years from 2017, tax returns were submitted on the legal deadline, and the Company was not notified of any tax forms until 2023.

(b) Salaries tax

- The Company was inspected for 2015, and the due tax was paid.
- The Company was notified of Form No. (38) Salaries for the years 2016/2017, and they were appealed on the legal deadlines, and the dispute was referred to the Internal Committee.
- The Company submits returns and pays tax on the legal deadlines, from the years 2018 until 2023.

35. Tax position (continued)

35.1 Cairo Education Services "S.A.E" (continued)

(c) Stamp Duty Tax

- The Company was inspected until 30/6/2010. The Company was notified of the amount of 76,067, and part of it was paid.
- The Company was notified of Form No. (19) Stamp Duty Tax for the years 2010/2017, and they were appealed on the legal deadlines, and the dispute is still pending before the Internal Committee.
- Years from 2018 to 31 August 2023, the Company was not inspected until the financial statements date.

(d) Value added tax (VAT)

The Company is not subject to the provisions of Law No. 67 of 2016.

(i) Years from 2002 until 2004

The Authority has accounted the Company depending on estimation, and Form No. 18 was notified and objected and Form No. 19 Tax was notified and appealed. The file was referred to the Internal Committee of the Authority and the Company submitted a request to re-inspect these years and the dispute was transferred to the appeal committees. A defence memorandum was submitted and the appeal committee decision was issued to return the file to the Authority to prepare for the completion of the book inspection at the Authority.

(ii) Years from 2005 until 2008

The tax returns were submitted on deadline and the tax was paid based on the tax returns and the Company was not inspected since it was not included in the inspection sample and tax returns net profits for those years were approved.

(iii) Years from 2009 until 2010

The Company was charged with the corporate tax based on estimation. The Company was notified of Form 19, and it was appealed. The file was referred to the Internal Committee of the Authority.

35.2 Cairo For Investment & Real Estate Development "S.A.E"

(a) Corporate Tax

(i) Years from 2011 until 2012

Accounting and assessments were conducted for the years 2011/2012 according to the decision of the Appeal Committee with a total tax of (EGP 9,905,640), and the due tax was paid in full.

(ii) Years from 2013 until 2014

The Company was charged with the corporate tax based on estimation. The Company was notified of Form 19 and it was appealed on the legal deadline. The file was referred to the Internal Committee of the Authority to issue a decision for re-inspection.

35. Tax position (continued)

35.2 Cairo For Investment & Real Estate Development "S.A.E" (continued)

(iii) Years from 2015 until 2016

The Company has not been inspected for those years and it submits the tax returns at the specified tax dates and the tax is paid based on the tax return.

(iv) Years from 2017 until 2018:

The Company was charged and was notified of Forms 19 Taxes for the years 2017 and 2018. The forms were appealed, and an internal committee is being set up for re-inspection.

(v) Years from 2019 to 31 August 2023

The Company has not been inspected for those years and it submits the tax returns at the specified tax dates and the tax is paid based on the tax return.

(b) Salaries tax

(i) Years from 2011 until 2014

Accounting was conducted with a total amount of (EGP 1,315,330), and the tax was paid and settled.

(ii) Years from 2015 to 2020:

Tax returns were submitted on their legal deadlines, the tax was paid based on the tax returns, and the Company is under inspection by taxes.

(iii) Years from 2021 to 31 August 2023

Tax returns were submitted on their legal deadlines, the tax was paid based on the tax returns, and the Company was not inspected.

(c) Stamp Duty Tax

(i) Years from 2006 to 2019:

The Company was inspected and notified of Form No. 5 Stamp, and the payment and settlement were fully made.

(ii) Years from 2020 to 31 August 2023:

Tax returns were submitted on their legal deadlines, the tax was paid based on the tax returns, and the Company was not inspected.

35. Tax position (continued)

35.2 Cairo For Investment & Real Estate Development "S.A.E" (continued)

(d) General tax on sales

The Company submits tax returns on sales regularly and on the legal deadlines. The Company was inspected since inception until 2005, and the tax differences resulting from the inspection and the additional tax were paid. The Company was inspected for the years from 2006 until 2013. The tax and fines were fully paid for that period . The Company was not notified on any other inspections. Tax returns were submitted for the years from 2014 to 31 August 2023 on their legal deadlines, the tax was paid based on the tax returns, and the Company was not inspected.

35.3 Egyptian Company for Education Systems "S.A.E"

(a) fCorporate income tax

(i) Years from 2005 to 31 August 2023

- Tax returns were submitted on the legal deadline and the Company is exempted from taxes until 4 May 2008 according to the provisions of Law No. 91 of 2005.
- The period from 5 May 2008 until 31 August 2023. The Company was not notified of any tax forms during that period, except for the year 2015/2016, as Form 19 was notified and appealed.

(b) Salaries tax

(i) Years from 2005 to 31 August 2023

The Company pays the payroll tax monthly on their legal deadlines, and there are no payroll tax notifications for those years.

(c) Stamp duty tax

(i) Years from 2005 to 31 August 2023

The Company did not receive any tax notifications related to the tax period.

(d) General tax on sales

The Company is not subject to the provisions of Law No. 11 of 1991 and its amendments.

(e) Value added tax (VAT)

The Company is not subject to the provisions of Law No. 67 of 2016.

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35. Tax position (continued)

35.4 Global Educational Technology "S.A.E"

(a) Corporate income tax

(i) Years from 2003 to 2004

The Company submits the tax returns on the legal deadlines and it has not been notified of the inspection during these years.

(ii) Years from 2005 to 4 May 2008

- The Company submits tax returns on the legal deadline.
- The Company is exempted from the commercial profits tax in accordance with Law No. 91 of 2005.

(iii) Years from 2008 to 31 August 2023

The Company submits the tax returns on the legal deadlines and it has not been notified of the inspection during these years.

(a) Salaries tax

(i) Years from 2003 to 31 August 2023

The Company pays the salaries tax monthly on their legal deadlines, and there are no payroll tax notifications for those years, except for the year 2012/2013, as Form 38 Salaries was notified and appealed on the legal deadline.

(b) Stamp duty tax

(i) Years from 2003 to 31 August 2023

The Company did not receive any tax notifications related to the tax period.

(c) General tax on sales

(i) Years from 2003 to 31 August 2023

The Company is not subject to the provisions of Law No. 11 of 1991 and its amendments.

(d) Value added tax (VAT)

(i) Years from 2003 to 31 August 2023

The Company is not subject to the provisions of Law No. 67 of 2016.
Registered for VAT on 8/3/2021

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35. Tax position (continued)

35.5 Future and Nations Company "S.A.E"

(a) Income tax:

The Company has not been notified of the inspection from inception until now, and the tax return is being prepared and submitted on the legal deadlines, except for the years 2010/2015/2016/2017, as the estimated Form No. (19) was issued, and the forms were appealed on the legal deadline, and the dispute was referred to the Internal Committee. The dispute for the 2010 was issued to reduce the tax due from the Company, and the tax was paid and settled.

(b) Salaries Tax:

(i) Years from 2009 to 2015

The Company was inspected, and the salaries tax was paid for that period.

(ii) Years from 2016 to 31 August 2023

The Company submits tax returns on the legal deadline, and the tax is paid on the legal deadlines.

(c) Stamp Duty Tax

The Company has not been notified of the inspection since inception until now, and the tax is paid on the legal deadlines.

(d) Value added tax (VAT)

The Company is not subject to the provisions of Law No. 67 of 2016.

35.6 Upper Egypt for Educational Services "S.A.E"

(a) Corporate income tax

(i) Years from 2009 to 31 August 2023

Tax returns were submitted on the legal deadline, and the Company was not notified of the inspection during those years, except for 2010, as tax differences amounting to (EGP 16,178) were assessed and fully paid, and delay penalties are being settled in accordance with the Overriding Law, and from 2017 to 2019, notification was given of the preparation of inspection documents.

(b) Salaries tax

(i) Years from 2009 to 2015

Assessment was conducted based on the decision of the Dispute Resolution Committee, and the amount was settled and fully paid.

(ii) Years from 2016 to 31 August 2023

The Company submits tax returns on the legal deadlines, and it has not been notified of any tax forms during those years.

35. Tax position (continued)

35.6 Upper Egypt for Educational Services "S.A.E" (continued)

(c) Stamp duty tax

(i) Years from 2009 to 31 August 2023

The Company did not receive any tax notifications related to the tax period.

(d) General tax on sales

(i) Years from 2009 to 31 August 2023

The Company is not subject to the provisions of Law No. 11 of 1991 and its amendments.

(e) Value added tax (VAT)

(i) Years from 2009 to 31 August 2023

The Company is not subject to the provisions of Law No. 67 of 2016.

35.7 Badr University "S.A.E"

(a) Corporate income tax:

(i) Years from 2021 to 31 August 2023

The Company submits tax returns on the legal deadline, and it has not received any tax forms to date.

(b) Salaries tax

(i) Years from 2021 to 31 August 2023

The Company submits tax returns on the legal deadline, and it has not received any tax forms to date.

(c) Stamp duty tax

(i) Years from 2021 to 31 August 2023

The Company did not receive any tax notifications related to the tax period.

(d) Value added tax (VAT)

(i) Years from 2021 to 31 August 2023

The Company submits tax returns on the legal deadline, and it has not received any tax forms to date.

(e) Withholding tax

(i) The University's records were inspected from the date of inception until 31 August 2014.

The University's records were not inspected from 1 September 2014 until 31 August 2023.

35. Tax position (continued)

35.8 Canadian Columbia International School "S.A.E"

(a) Corporate income tax

(i) Years 2008 and 2009

The Company was inspected for the corporate income tax for the years 2008 and 2009, and the final assessment was made on the Company based on the reservation form 9 and the payment was made in full.

(ii) Years 2009 and 2010

The Company was inspected for corporate income tax for the years 2009 and 2010, and the payment was made in full.

(iii) Years 2011 and 2012

The Company was inspected for tax on corporate income for the years 2012 and 2011, and the dispute between the Company and the competent authority was referred to court, and the dispute is still ongoing.

(iv) Years 2013 and 2014

The Company was inspected for the corporate income tax for the years 2013 and 2014. The Company was notified of the estimated Form No. 19, and it was appealed and no payment has been made to date.

(v) Years from 2015 until 2019

The Company has not yet been inspected to date, and it submits the tax returns at the specified tax dates and the tax is paid based on the tax return.

(b) Salaries tax

(i) Years from 2008 to 2015

The salaries tax was assessed, the inspection was made, and payment was made in full.

(ii) Years from 2016 until 2019

These years have not been inspected, and no claims have been received from the Authority.

(c) Stamp Duty Tax

(i) Years from 2008 until 2017

The Company was inspected, it was notified of Form No. 3 Stamp Duty, and the taxes due from the Company were paid.

35. Tax position (continued)

35.8 Canadian Columbia International School "S.A.E" (continued)

(d) Real estate taxes

(i) Years from 2013 to 2018

The Company was notified of the assessment of the tax due, amounting to EGP 1,263,033, and part of the tax was paid at an amount of EGP 360,000.

35.9 Universal Company for Educational Investment "S.A.E"

(a) Corporate income tax:

(i) Years from 2021 to 31 August 2023

The Company submits tax returns on the legal deadline, and it has not received any tax accounting during those years.

(b) Salaries tax

(i) Years from 2021 to 31 August 2023

The Company did not receive any tax accounting related to the tax period.

(c) Stamp duty tax

(i) Years from 2021 to 31 August 2023

The Company did not receive any tax accounting related to the tax period.

(d) Value added tax (VAT)

The Company is not subject to the provisions of Law No. 67 of 2016.

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35.10 Universal Company for Educational Services "S.A.E"

(a) Corporate income tax:

(i) Years from 2021 to 31 August 2023

The Company submits tax returns on the legal deadline, and it has not received any tax accounting during those years.

(b) Salaries tax

(i) Years from 2021 to 31 August 2023

The Company did not receive any tax accounting related to the tax period.

35. Tax position (continued)

35.10 Universal Company for Educational Services "S.A.E" (continued)

(c) Stamp duty tax:

(i) Years from 2021 to 31 August 2023

The Company did not receive any tax accounting related to the tax period.

(d) Value added tax (VAT):

The Company is not subject to the provisions of Law No. 67 of 2016.

36. Contingent liabilities

The Group has contingent liabilities as at 31 December 2023 against banks represented in letters of guarantee arising from the normal activities of the Company that are not expected to result in significant liabilities amounting to EGP 11,376,577 (31 December 2022: EGP 11,376,577).

37. Significant events

- Badr University branch was opened in Assiut Governorate for the academic year 2022/2023, with 7 colleges, and 1200 students have been accepted.
- The Monetary Policy Committee held four meetings in which it raised the overnight deposit interest rates and the overnight lending rate by 700 points to 19,25%, 20,25% and 19,75% respectively. The discount rate was also raised by 700 points to 19,75%.
- The approval of the Financial Regulatory Authority was obtained for the Group's future issuance of securitizations in Egyptian pounds of EGP 2 billion, and the first tranche was obtained of EGP 800 million, during November 2022.

38. Subsequent events

The approval of the Financial Regulatory Authority (FRA) was obtained for the Group's future issuance of securitizations , and the second tranche was obtained, at an amount of EGP 700 million, during the month of November 2023.