

**CAIRO FOR INVESTMENT AND REAL ESTATE
DEVELOPMENT AND ITS SUBSIDIARIES (S.A.E.)**

**LIMITED REVIEW REPORT
AND THE INTERIM CONDENSED CONSOLIDATED
STATEMENT FINANCIAL STATEMENTS FOR THE THREE-
MONTH PERIOD ENDED 30 NOVEMBER 2022**

**CAIRO FOR INVESTMENT AND REAL ESTATE DEVELOPMENT “S.A.E” AND ITS
SUBSIDIARIES**

**Interim condensed consolidated financial statements
For the three-month period ended 30 November 2022**

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Limited review report on the condensed consolidated interim financial statements

The Board of Directors of CAIRO FOR INVESTMENT AND REAL ESTATE DEVELOPMENT "S.A.E."

Introduction

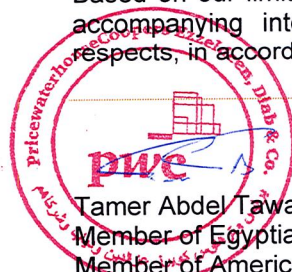
We have performed a limited review for the accompanying interim condensed consolidated statement of financial position of Cairo for Investment and Real Estate Development "S.A.E" (the "Parent Company") and its subsidiaries (together "The Group") as at 30 November 2022 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with Egyptian Accounting Standard (30) "Interim financial statements", and our responsibility is limited to expressing a conclusion on these interim condensed consolidated financial statements based on our limited review.

Scope of limited review

We conducted our limited review in accordance with the Egyptian Standard on Limited Review Engagements (2410), "Limited Review of Interim Financial Statements Performed by the Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and adopting analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim condensed consolidated statement financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all respects, in accordance with Egyptian Accounting Standard (30) "Interim Financial Statements".



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 388

25 January 2023
Cairo

**CAIRO FOR INVESTMENT AND REAL ESTATE DEVELOPMENT "S.A.E."
AND ITS SUBSIDIARIES**

Interim condensed consolidated statement of financial position - At 30 November 2022

(All amounts are shown in Egyptian Pounds)

	Note	30 November 2022	31 August 2022
Non-current assets			
Fixed assets	6	5,941,803,625	5,570,092,804
Work in progress - non-current portion	7	21,581,906	164,317,426
Investments in associates	8	252,895,680	196,578,530
Goodwill	26	28,975,049	28,975,049
Right-of-use assets - Leases	12	14,551,019	18,263,419
Total non-current assets		6,259,807,279	5,978,227,228
Current assets			
Inventory	10	13,853,329	16,349,926
Work in progress - current portion	7	111,152,196	-
Debtors and other debit balances	11	618,772,491	457,787,394
Cash on hand and balances at banks	13	981,438,595	178,404,068
Total current assets		1,725,216,611	652,541,388
Total assets		7,985,023,890	6,630,768,616
Equity			
Equity attributable to the shareholders of the Parent Company			
Paid-up capital		233,116,130	233,116,130
Reserves		192,777,770	193,091,736
Retained earnings		987,147,585	1,002,278,439
Total equity attributable to shareholders of the Parent Company		1,413,041,485	1,428,486,305
Non-controlling interests	25	136,925,598	135,998,396
Total equity		1,549,967,083	1,564,484,701
Non-current liabilities			
Loans and credit facilities - non-current portion	14	1,120,893,034	1,137,447,664
Ijarah bonds - non-current portion	15	532,041,930	531,554,701
Future financial rights securitization bonds	16	784,243,310	-
Deferred tax liabilities		37,865,355	36,553,438
Creditors and other credit balances - non-current portion	17	1,548,620,037	1,548,620,037
Leases liability - non-current portion	19	2,154,092	2,544,143
Total non-current liabilities		4,025,817,758	3,256,719,983
Current liabilities			
Provisions		82,537,689	84,637,690
Ijarah bonds-current portion	15	58,051,085	58,051,085
Creditors and other credit balances- current portion	17	1,006,595,074	740,543,741
Advance revenues	18	650,015,437	340,975,051
Current income tax liabilities		218,091,170	164,501,879
Loans and credit facilities - current portion	14	381,647,393	404,226,773
Leases liability - current portion	19	12,301,201	16,627,713
Total current liabilities		2,409,239,049	1,809,563,932
Total liabilities		6,435,056,807	5,066,283,915
Total liabilities and equity		7,985,023,890	6,630,768,616

- The accompanying notes on pages 7 to 32 form an integral part of the interim condensed consolidated statement financial statements
- Limited review report attached

Mr. Mohamed El Khouly
Chief Financial Officer

25 January 2023



Dr. Hassan Hassan El Kalla
Board Chairman

Elkalla

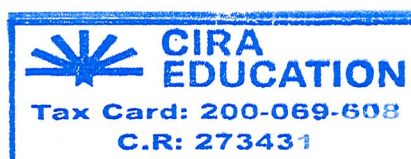
**CAIRO FOR INVESTMENT AND REAL ESTATE DEVELOPMENT "S.A.E."
AND ITS SUBSIDIARIES**

**Interim condensed consolidated statement of profit or loss
For the three-month period ended 30 November 2022**

(All amounts are shown in Egyptian Pounds)

	Note	30 November 2022	30 November 2021
Operating revenue	20	632,776,774	430,016,163
Operating cost	21	(327,364,695)	(204,177,655)
		305,412,079	225,838,508
General and administrative expenses	22	(64,123,360)	(46,712,000)
Other income		5,479,329	2,283,789
Net finance costs	23	(80,068,295)	(38,543,027)
Profit before tax		166,699,753	142,867,270
Current income tax		(53,589,291)	(42,657,884)
Deferred taxes		(954,570)	162,049
Profit for the period		112,155,892	100,371,435
Distributed as follows:			
Shareholders of the Parent Company		107,241,661	99,584,219
Non-controlling interests	25	4,914,231	787,216
		112,155,892	100,371,435
Earnings per share			
Basic earnings per share	27	0.175	0.162

- The accompanying notes on pages 7 to 32 form an integral part of the interim condensed consolidated statement financial statements



**CAIRO FOR INVESTMENT AND REAL ESTATE DEVELOPMENT "S.A.E."
AND ITS SUBSIDIARIES**

**Interim condensed consolidated statement of other comprehensive income
For the three-month period ended 30 November 2022**

(All amounts are shown in Egyptian Pounds)

	<u>Note</u>	<u>30 November 2022</u>	<u>30 November 2021</u>
Profit for the period		112,155,892	100,371,435
Other comprehensive income items		-	-
Currency differences resulting from foreign operations translation		(392,458)	(119,374)
Total comprehensive income for the period		111,763,434	100,252,061
Distributed as follows:			
Shareholders of the Parent Company		106,927,695	99,512,595
Non-controlling interests	25	4,835,739	739,466
		111,763,434	100,252,061

- The accompanying notes on pages 7 to 32 form an integral part of the interim condensed consolidated statement financial statements



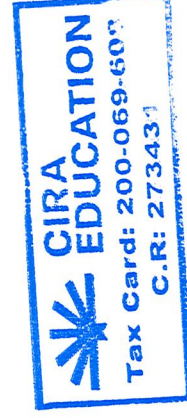
CAIRO FOR INVESTMENT AND REAL ESTATE DEVELOPMENT "S.A.E." AND ITS SUBSIDIARIES

Interim condensed consolidated statement of changes in equity - For the three-month period ended 30 November 2022

(All amounts are shown in Egyptian Pounds)

	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
Dividends	-	-	(103,271,069)	(103,271,069)	(5,612,393)	(108,883,462)
Non-controlling interests in acquired entities	-	(23,648,061)	-	(23,648,061)	(7,603,661)	(31,251,722)
Capital increase	-	-	-	-	20,000,000	20,000,000
Currency differences resulting from foreign operations translation	-	(71,624)	-	(71,624)	(47,750)	(119,374)
Profit for the period	-	-	99,584,219	99,584,219	787,216	100,371,435
Balance at 30 November 2021	233,116,130	205,675,435	748,845,315	1,187,636,880	135,298,759	1,322,935,639
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
Non-controlling interests in acquired entities	-	-	-	-	875,000	875,000
Dividends	-	-	(122,372,515)	(122,372,515)	(4,783,537)	(127,156,052)
Currency differences resulting from foreign operations translation	-	(313,966)	-	(313,966)	(78,492)	(392,458)
Profit for the period	-	-	107,241,661	107,241,661	4,914,231	112,155,892
Balance at 30 November 2022	233,116,130	192,777,770	987,147,585	1,413,041,485	136,925,598	1,549,967,083

- The accompanying notes on pages 7 to 32 form an integral part of the interim condensed consolidated statement financial statements



**CAIRO FOR INVESTMENT AND REAL ESTATE DEVELOPMENT "S.A.E."
AND ITS SUBSIDIARIES**

**Consolidated interim statement of cash flows
For the three-month period ended 30 November 2022**



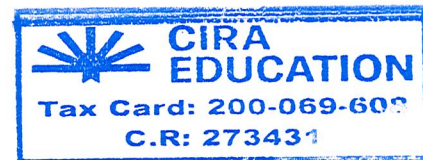
(All amounts are shown in Egyptian Pounds)

	Note	30 November 2022	30 November 2021
Cash flows from operating activities			
Profit before tax		166,699,753	142,867,270
Adjustments:			
Fixed assets depreciation	6	43,192,876	32,309,858
Finance costs		94,485,009	40,964,984
Amortization of Sukuk issuance cost		487,229	487,229
Amortization of securitization Bonds issuance cost		589,840	-
Interests revenues		(9,008,805)	(2,979,823)
Depreciation of right-of-use assets - Leases		3,712,400	3,712,400
ECL of debtors and other debit balances		150,000	1,719,988
Leases interest expenses		591,693	959,220
Cash flows before change in assets and liabilities		300,899,995	220,041,126
Changes in current assets and liabilities			
Inventory		2,496,597	(2,661,262)
Work in progress		31,583,324	(25,614,046)
Debtors and other debit balances		(159,915,502)	(130,539,696)
Creditors and other credit balances and advance revenues		266,051,333	37,109,932
Advance revenues		309,040,386	339,757,734
Income tax paid		-	(372,342)
Used provisions		(2,100,001)	-
Net cash flows generated from operating activities		748,056,132	437,721,446
Cash flows from investing activities			
Payments for purchase of fixed assets		(217,010,958)	(51,962,954)
Interests collected		9,008,805	2,979,823
Payments for projects in progress		(197,879,987)	(277,930,906)
Disposal of projects in progress		-	7,146,964
Paid under investments in associates		(56,317,150)	(45,086,831)
Leases payments		(5,308,256)	(4,970,540)
Net cash flows used in investing activities		(467,507,546)	(369,824,444)
Cash flows from financing activities			
Proceeds from loans and bank facilities		55,315,626	317,208,860
Paid from loans and bank facilities		(94,449,636)	(60,457,440)
Proceeds from securitization bonds		800,000,000	-
Payments on securitization bonds expenses		(16,346,530)	(40,964,984)
Paid finance costs		(94,485,009)	-
Minority interests share of capital increase of subsidiaries		-	20,000,000
Dividends paid		(127,156,052)	(112,753,965)
Net cash flows generated from financing activities		522,878,399	123,032,471
Net change in cash and cash equivalents during the period		803,426,985	190,929,473
Cash and cash equivalents at the beginning of the period		178,404,068	236,425,186
Currency differences resulting from foreign operations translation		(392,458)	(119,374)
Cash and cash equivalents at the end of the period	13	981,438,595	427,235,285

- The accompanying notes on pages 7 to 32 form an integral part of the interim condensed consolidated statement financial statements.

CAIRO FOR INVESTMENT AND REAL ESTATE DEVELOPMENT "S.A.E." AND ITS SUBSIDIARIES

Notes to the condensed consolidated financial statements
For the three-month period ended 30 November 2022



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

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 the year 1992 at Real Estate Publicity Office in Nasr City. The Parent Company is registered under the commercial register number 273431-dated 22 August 1992.

The Parent Company's headquarters 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 violation to the decision of the Minister of Economy and Foreign Trade No. 204 for the year 1991. The Parent Company may have interests or participate in any mean 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 or acquire or annex the above mentioned entities to it 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 shareholders of the Parent Company is Social Impact Capital "Ltd." owning 51,22%.

The interim condensed consolidated statement financial statements have been approved by the Company's Board of Directors on 25 January 2023.

2. Accounting policies

Significant accounting policies used in the preparation of the interim condensed consolidated statement financial statements are summarized below:

2.1 Basis of preparation of the condensed consolidated financial statements

This interim condensed consolidated statement financial information has been prepared for the three-month period ended 30 November 2022 in accordance with Egyptian Accounting Standard No. (30) "Interim Financial Statements".

This interim condensed consolidated statement financial information does not include all the disclosures that would normally be required in preparing full annual financial statements. Therefore, this interim condensed consolidated statement financial information should be read in conjunction with the Group's annual financial statements at 31 August 2022.

The preparation of the separate interim financial statements in conformity with EASs requires the use of certain significant accounting estimates. It also requires the Group's management to exercise its judgement in the process of applying the Group's accounting policies.

CAIRO FOR INVESTMENT AND REAL ESTATE DEVELOPMENT "S.A.E." AND ITS SUBSIDIARIES

Notes to the condensed consolidated financial statements For the three-month period ended 30 November 2022

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

2. Accounting policies (continued)

2.1 Basis of preparation of the condensed interim financial statements (continued)

Functional and presentation currency

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

Use of estimates and judgements

The preparation of interim condensed consolidated statement of financial information requires management to use judgements and make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. The actual results may differ from these estimates.

The significant judgements used by management in applying the Group's accounting policies and the main sources of uncertain estimates are the same as those disclosed in the financial statements and for the financial year ended 31 August 2022.

Impairment of 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 judgements 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.

Sensitivity:

Reasonable changes in the inputs / assumptions would not result in significant change in the impairment of the expected credit loss recognized in the financial statements.

2.2 Financial assets

(A) Classification



The Group classifies its financial assets in the following categories:

- Those that are subsequently measured at fair value (either through the statement of other comprehensive income or through the statement of profit or loss), and
- Those that are measured at amortised cost. The Group's financial assets at amortised cost consist of debtors and other debtors and other treasury bills.

The classification is based on the entity's business model for managing financial assets and the contractual terms of the cash flows.

CAIRO FOR INVESTMENT AND REAL ESTATE DEVELOPMENT "S.A.E." AND ITS SUBSIDIARIES

Notes to the condensed consolidated financial statements For the three-month period ended 30 November 2022

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

2. Accounting policies (continued)

2.2 Financial assets (continued)

(A) Classification (continued)



For assets measured at fair value, profits or losses will be recorded in the statement of profit or loss or condensed interim statement of other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition of the share investment account at fair value through condensed interim statement of other comprehensive income.

The Group reclassifies debt investments only when its business model for managing those assets changes.

(B) Recognition and de-recognition

Regular services of financial assets are recognized on the transaction date, the date on which the Group commits to provide such services. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership.

(C) Measurement

Upon initial recognition, the Group measures the financial asset at its fair value in addition to transaction costs that directly lead to the purchase of the financial asset, in the case of financial assets not carried at fair value through the statement of profit or loss. Transaction costs of financial assets carried at fair value through profit or loss are charged to the statement of profit or loss as expense.

(D) Debt instruments

Subsequent measurement of debt instruments depends on the Group's asset management business model and the asset's cash flow characteristics. There are three measurement categories in which the debt instruments are classified by the Group.

- Amortised cost: Assets held for collection of the contractual cash flows are measured at amortised cost as these cash flows solely represent principal and interest payments. The interest income from these financial assets is included in the financing income using the effective interest rate method. Any gain or loss resulting from de-recognition is recognised directly in the statement of profit or loss and is presented in other profits (losses), in addition to foreign exchange profits and losses. Impairment losses are presented as a separate line item in the condensed interim statement of profit or loss.

CAIRO FOR INVESTMENT AND REAL ESTATE DEVELOPMENT "S.A.E." AND ITS SUBSIDIARIES

Notes to the condensed consolidated financial statements For the three-month period ended 30 November 2022

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

2. Accounting policies (continued)

2.2 Financial assets (continued)

(D) Debt instruments (continued)



- Fair value through condensed interim statement of other comprehensive income: Assets held for collection of the contractual cash flows and to sell financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through the condensed interim statement of other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses recognised in the condensed interim statement of profit or loss. When the financial asset is de-recognised, the retained earnings or accumulated losses previously recognized in the condensed interim statement of other comprehensive income from the condensed interim equity are reclassified to the condensed interim statement of profit or loss and recognized in other profit (loss). The interest income from these financial assets is included in the financing income using the effective interest rate method. Foreign exchange profits and losses are presented in other profits (losses) and impairment expenses are presented as a separate line item in the condensed interim statement of profit or loss.
- Fair value through the condensed interim statement of profit or loss: Assets that do not meet the criteria for amortised cost or fair value through the condensed interim statement of other comprehensive income are measured at fair value through condensed interim statement of profit or loss. The profit or loss on a debt investment that is subsequently measured at fair value through condensed interim statement of profit or loss is recognised in the condensed interim statement of profit or loss and is presented net within other profits (losses) in the period in which it arises.

(E) Impairment

A financial asset becomes (credit-impaired) when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Impaired financial assets include the following observable evidence:

- The borrower faces significant financial difficulties.
- Violation of the Contract such as default for more than 365 days from the maturity date.
- Restructuring of a loan or prepayment by the Group on terms that the Group would not otherwise take into account.
- The borrower may go bankrupt or enter into other financial restructuring.
- The disappearance of active financial securities market due to financial difficulties.

The Group determines default when it is exposed to one or more of the following indicators:

- International rating agencies have rated the borrower in the rating category at risk of default.
- The borrower defaults on payment of instalments for more than 365 days.
- The borrower meets the below-listed non-payment conditions:
- The borrower fails to comply with financial covenants.
- The borrower may be exposed to bankruptcy.
- Loans are acquired or originated at a significant discount that reflects the credit losses incurred.

The definition of default mentioned above is applied to all types of financial assets of the Group.

CAIRO FOR INVESTMENT AND REAL ESTATE DEVELOPMENT "S.A.E." AND ITS SUBSIDIARIES

Notes to the condensed consolidated financial statements For the three-month period ended 30 November 2022

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

2. Accounting policies (continued)

2.3 Basis of consolidation

(A) Subsidiaries



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 involvement with the entity and has the ability to affect those returns through its power over the entity. The subsidiary is fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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.

The condensed interim consolidated financial statements includes the following subsidiaries:

	Country of incorporation	Ownership percentage	
		30 November 2022	31 August 2022
Cairo 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	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	95%	80%
Badr University	Egypt	100%	100%
Badr University Assiut	Egypt	100%	-
Star Light Company	UAE	80%	80%
Edu Hive	Egypt	42%	-
Cosmic Company for educational services*	Egypt	39%	-
Cosmic Company for investment education**	Egypt	65%	-
BCIS	Egypt	80%	80%
Al-Ahly Sierra	Egypt	51%	51%

* In the financial year ended 30 November 2022, the company made an investment in Cosmic Company for educational services, with its shareholding of 39% in the company.

** In the financial year ended 30 November 2022, the company invested in Cosmic Company for investment education with an amount of 812,500 Egyptian pounds, with its shareholding in the company being 65%.

CAIRO FOR INVESTMENT AND REAL ESTATE DEVELOPMENT "S.A.E." AND ITS SUBSIDIARIES

Notes to the condensed consolidated financial statements For the three-month period ended 30 November 2022

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

2.4 Foreign currency translation

(A) Functional and presentation currency

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

(B) Transactions and balances

Transactions made in foreign currency during the period are initially recognised in the functional currency of the Group's companies 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 equities held at fair value through profit or loss are recognised as profit or loss as part of fair value gain or loss. For financial assets available for sale that are not items of a monetary nature (for example, equity instruments), the gain or loss is recognized in other comprehensive income.

2.5 Borrowing

Borrowings are initially recorded at fair value less the cost of obtaining the loan. Borrowings are subsequently measured at amortised cost using the effective interest rate method, and are recorded in the consolidated statement of profit or loss as the difference between the amounts received (less the cost of obtaining the loan) and the value that will be repaid over the borrowing period.

Borrowings and advances are classified as current liabilities unless the Group has an unconditional right to defer the settlement of such liabilities for a period of not less than 12 months after the date of the consolidated financial statements.

2.6 Borrowing cost

When obtaining general borrowings or for the purpose of acquiring a qualifying asset to bear the cost of borrowing, 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.

CAIRO FOR INVESTMENT AND REAL ESTATE DEVELOPMENT "S.A.E." AND ITS SUBSIDIARIES

Notes to the condensed consolidated financial statements For the three-month period ended 30 November 2022

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

2. Accounting policies (continued)

2.6 Borrowing cost (continued)

When funds are borrowed for the purpose of acquiring a qualifying asset to bear the cost of borrowing, 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.

2.7 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.

3. Financial risk management

3.1 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 condensed 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 gearing ratio. The net debt represents the total loans and credit facilities less cash on hand and balances at banks. The total capital represents the Group's total equity as shown in the condensed consolidated statement of financial position and net loans.

The following shows the gearing ratio at 30 November 2022 and 31 August 2022:

	30 November 2022	31 August 2022
Loans	1,502,540,427	1,541,674,437
Ijarah Sukuk	600,000,000	600,000,000
Future financial rights securitization bonds	800,000,000	-
Total debts	2.902.540.427	2.141.674.437
Less: Cash on hand and balances at banks	(981,438,595)	(178,404,068)
Net surplus of debts	1.921.101.832	1.963.270.369
Equity	1,549,967,083	1,564,484,701
Total capital	3.471.068.915	3.527.755.070
Gearing ratio	55.35%	55.65%

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3. Financial risk management (continued)

3.1 Capital risk management (continued)

3.2 Estimation of fair value

The fair value of the current financial assets and liabilities approximate their carrying amount, after considering any impairment. The Group has obtained three long-term loans from Egyptian and foreign banks, and the management believes that the fair value of the loan approximates its carrying amount, as it has a variable interest linked to the corridor announced by the Central Bank of Egypt.

4. Critical accounting estimates and judgements

4.1 Critical accounting estimates and assumptions

Estimates and assumptions are evaluated based on historical experience and 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 liability as a result of past events, and it is more likely than not that an outflow of resources will be required to settle the liability; and the amount has been 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.

(B) Impairment of goodwill

The Group's management evaluates goodwill annually 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 profits or losses and cannot be subsequently reversed.

(C) Impairment of due revenues

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

Accrued revenues balances that remain outstanding for more than one year are fully impaired.



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4. Critical accounting estimates and judgements (continued)

4.1 Critical accounting estimates and assumptions (continued)

(D) 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: (A) The expected use of assets. (B) Expected material amortization, which depends on operating factors and maintenance programme; and (C) technical or commercial obsolescence arising from changes in market conditions.

If the estimated useful lives differ by 10% from the management's estimates, the impact on depreciation for the financial period ended 30 November 2022 will not be significant on the financial statements (31 August 2022: will not be significant on the financial statements).

4.2 Critical judgement in applying the Group's accounting policies

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



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5. Segment 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 period ended 30 November 2022 and the financial year ended 31 August 2022 are as follows.

Below are the assets and liabilities of each segment:

	School segment		Higher Education segment		Consolidation entries		Total	
	30 November 2022	31 August 2022	30 November 2022	31 August 2022	30 November 2022	31 August 2022	30 November 2022	31 August 2022
<u>Financial position:</u>								
Non-current assets	6,129,993,629	5,909,944,738	2,428,646,308	1,257,194,413	(2,298,607,656)	(1,188,911,923)	6,260,032,281	5,978,227,228
Current assets	2,350,203,149	1,223,462,976	1,067,421,461	638,661,969	(1,692,633,001)	(1,209,583,557)	1,724,991,609	652,541,388
Total assets	8,480,196,778	7,133,407,714	3,496,067,769	1,895,856,382	(3,991,240,657)	(2,398,495,480)	7,985,023,890	6,630,768,616
Current liabilities	3,342,099,656	2,598,267,378	761,262,924	420,908,955	(1,692,661,845)	(1,209,612,401)	2,410,700,735	1,809,563,932
Non-current liabilities	3,927,066,276	3,158,730,678	70,137,123	71,072,541	27,152,673	26,916,764	4,024,356,072	3,256,719,983
Total liabilities	7,269,165,932	5,756,998,056	831,400,047	491,981,496	(1,665,509,172)	(1,182,695,637)	6,435,056,807	5,066,283,915



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5. Segment reporting (continued)

	School segment		Higher Education segment		Others		Total	
	The three-month period ended		The three-month period ended		The three-month period ended		The three-month period ended	
	30 November	2021	30 November	2021	30 November	2021	30 November	2021
	2022		2022		2022		2022	
Revenues								
Tuition revenues	198,374,833	169,240,579	291,272,599	216,976,606	-	-	489,647,432	386,217,185
Bus revenues	6,351,000	4,890,346	1,789,168	1,130,686	-	-	8,140,168	6,021,032
Admission revenue	3,797,450	4,722,925	13,320,517	9,560,322	-	-	17,117,967	14,283,247
Contracting revenues	-	-	-	-	96,652,520	-	96,652,520	23,494,699
Other activities revenues	11,122,145	17,269,789	10,096,542	6,224,910	-	-	21,218,687	430,016,163
Total revenues	219,645,428	196,123,639	316,478,826	233,892,524	96,652,520	-	632,776,774	-
Costs								
Tuition cost								
Employees costs	(83,010,611)	(67,202,539)	(51,283,994)	(36,146,181)	-	-	(134,294,605)	(103,348,720)
Teaching tools, aids and books expenses	(9,344,126)	(7,708,735)	(818,272)	(300,537)	-	-	(10,162,398)	(8,009,272)
Maintenance, electricity and utilities expenses	(9,437,131)	(13,532,441)	(6,139,175)	(5,507,400)	-	-	(15,576,306)	(19,039,841)
Leases	(46,070)	(1,257,193)	(427,407)	(642,603)	-	-	(473,477)	(1,899,796)
Amortization of right-of-use assets	(3,427,915)	(3,427,915)	(284,485)	(284,485)	-	-	(3,712,400)	(3,712,400)
Professional and other consultation fees and charges	(2,450,690)	(3,497,534)	(3,306,686)	(5,801,569)	-	-	(5,757,376)	(9,299,103)
Contracting expenses	-	-	-	-	(89,179,222)	-	(89,179,222)	(18,320,836)
Other expenses	(11,549,979)	(18,249,277)	(358,817)	(71,559)	-	-	(11,908,796)	(7,906,091)
Bus costs	(10,317,563)	(6,539,551)	(2,791,057)	(1,366,540)	-	-	(13,108,620)	(7,906,091)
Leases liabilities interest expenses	(307,208)	(616,603)	(284,485)	(342,617)	-	-	(591,693)	(959,220)
Total costs	(129,891,293)	(122,031,788)	(65,694,378)	(50,463,491)	(89,179,222)	-	(284,764,893)	(172,495,279)
	89,754,135	74,091,851	250,784,448	183,429,033	7,473,298	-	348,011,881	257,520,884
Administrative expenses and provisions	(22,351,708)	(17,458,347)	(41,178,578)	(28,626,171)	-	-	(63,530,286)	(46,084,518)
Depreciation	(14,805,504)	(12,298,831)	(28,387,372)	(20,011,027)	-	-	(43,192,876)	(32,309,858)
Operating profit	52,596,923	44,334,673	181,218,498	134,791,835	7,473,298	-	241,288,719	179,126,508
Other revenues	(1,599,056)	452,356	12,973,523	1,831,433	-	-	11,374,467	2,283,789
Interests payable	5,583,245	1,341,423	3,425,560	1,638,400	-	-	9,008,805	2,979,823
Losses from currency differences	(2,436,144)	(30,967)	-	(39,670)	-	-	(2,436,144)	(70,637)
Interest expenses	(92,536,094)	(41,452,213)	-	-	-	-	(92,536,094)	(41,452,213)
Profit before tax	(38,391,126)	4,645,272	197,617,581	138,221,998	7,473,298	-	166,699,753	142,867,270
Current income taxes	(8,187,552)	(7,866,750)	(45,401,739)	(34,791,134)	-	-	(53,589,291)	(42,657,884)
Deferred income tax	282,190	(510,613)	(1,236,760)	672,662	-	-	(954,570)	162,049
Profits (losses) for the period	(46,296,488)	(3,732,091)	150,979,082	104,103,526	7,473,298	-	112,155,892	100,371,435

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5. Segment reporting (continued)

For the purposes of preparing the Group's segment reporting, the management reclassified fixed assets' depreciation to be in a separate line proceeding the total education costs. Also, the management 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 financial burdens costs, as well as revenues and external engineering costs are charged directly 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 & 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 period	386,701,852	806,347,064	65,375,797	3,974,456	20,040,001	30,615,581	209,477,779	1,522,532,530
Transferred to Badr University								
Assiut investments	(264,225,197)						(843,416,381)	(1,107,641,578)
Cost at 30 November 2022	1,902,588,752	2,239,960,799	354,384,339	95,302,191	100,138,353	80,143,836	1,824,328,167	6,596,846,437
Accumulated depreciation at								
1 September 2022	-	307,188,663	167,217,590	59,364,368	47,427,471	30,651,844	-	611,849,936
Depreciation for the period	-	21,113,237	11,911,753	3,656,343	2,917,074	3,594,469	-	43,192,876
Accumulated depreciation at								
30 November 2022	-	328,301,900	179,129,343	63,020,711	50,344,545	34,246,313	-	655,042,812
Net carrying amount at								
30 November 2022	1,902,588,752	1,911,658,899	175,254,996	32,281,480	49,793,808	45,897,523	1,824,328,167	5,941,803,625

As explained in Note (15), the fixed assets item as at 30 November 2022 includes assets that have been secured by bonds issued and include the land and buildings of Future French /German International Languages School in Rehab city, the land and buildings of Futures language school - Rehab city and the land and buildings of Futures Girls Elementary School (1) and (2) and the land and buildings of Othman Ibin Affan School - Rehab city. The net carrying amount of these assets as at 30 November 2022 amounted to EGP 41,736,548.

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 Group'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 Group.



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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

	30 November 2022	31 August 2022
Cairo Heights project - Residential buildings	21,581,906	21,581,906
Medical City	110,927,196	142,735,520
Al-Ahly Sierra	225,000	-
	132,734,102	164,317,426
Less: Current portion		
Medical City	110,927,196	-
Al-Ahly Sierra	225,000	-
	111,152,196	-
	21,581,906	164,317,426

Related contracting revenues were also recognised during the period with an amount of EGP 96,652,52 (31 August 2022: 57,893,163) and contracting costs amounting to EGP 89,179,222 (31 August 2022: 53,279,754).

8. Investments in associates



	Shareholding percentage			
	30 November 2022	31 August 2022	30 November 2022	31 August 2022
New Soft Company	23%	23%	156,165	156,165
Perdive for Programming Company	48,5%	48,5%	255,000	255,000
Innovvette for Education	51%	51%	10,700,000	5,600,000
Sierra Talent Company for Sports Services and Talent Development (1)	33%	33%	2,500,000	2,500,000
Cairo Facility Management Company (2)	30%	30%	94,000	94,000
Universal Company for Educational Investment	-	80%	-	812,500
Canadian School			372,572	-
Egyptians Health Care Company*	25%	25%	239,229,108	187,572,030
			253,306,845	196,989,695
Less:				
Impairment losses in associates			(411,165)	(411,165)
			252,895,680	196,578,530

(1) In the financial year ended 31 August 2022, the Group established Sierra Talent for Sports Services and Talent Development at 33% participating with Educational Systems International Company at 34% and Badr University at 33%.

(2) In the financial year ended 31 August 2022, the Group established Cairo Facility Management Company at 30% participating with Educational Systems International Company at 34%.

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9. Unconsolidated subsidiaries

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

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

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

10. Inventory



	30 November 2022	31 August 2022
Computer and electrical equipment inventory	13,853,329	16,349,926

There is no indications of impairment in the value of the inventory during the period/ year.

11. Debtors and other debit balances

	30 November 2022	31 August 2022
Accrued revenues	209,531,646	108,313,241
Paid under investment in associates account	40,321,411	77,252,973
Advances to suppliers	85,624,067	68,722,998
Due from related parties (Note 24)	66,639,906	62,054,241
Assets against specific-purpose liabilities	35,000,000	35,000,000
Prepaid expenses	51,066,450	10,310,500
Withholding tax	7,636,652	6,630,830
Advances to employees	2,637,666	-
Deposits with others	14,742,803	-
Deferred interests	91,663,046	86,223,456
Other debit balances	38,177,146	27,397,457
	643,040,793	481,905,696
Less: ECL of debtors and other debit balances	(24,268,302)	(24,118,302)
	618,772,491	457,787,394

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11. Debtors and other debit balances (continued)

Provision of ECL of debtors and other debit balances during the period/ year is represented below:

	30 November 2022	31 August 2022
Balance at the beginning of the period/ year	24,118,302	19,637,513
Formed during the period/ year	150,000	16,886,495
Write off during the period/ year	-	(4,444,433)
No longer required provisions during the period / year	-	(7,961,273)
Balance at the end of the period/ year	24,268,302	24,118,302

- At 30 November 2022, accrued revenue balances, due from related parties that are not impaired amounted to EGP 185,263,344 (31 August 2022: EGP 84,194,939).
- As at 30 November 2022, debtors and other debit balances subject to impairment amounted to EGP 24,268,302 (31 August 2022: EGP 24,118,302).
- The amount of assets against liabilities for specific purposes in exchange for potential tax settlements resulting from the acquisition of Star Light Company, including its subsidiary, as mentioned in the acquisition contract, represents that the seller party bears any payable tax liabilities prior to the acquisition date. Whereas the management believes that the flow of benefits from this asset is expected according to the contract, this amount has been recorded in debtors and other debit balances item. A similar amount was recorded within provisions to demonstrate the potential tax liabilities that were assessed by the independent financial advisor upon acquisition.
- The payment item under the land purchase account is in advance payments for the purchase of lands in Asyout city, New Sohaj city, Damietta city and Badr city.
- The item of paid under purchase of investments account represents the amounts paid under the account of the purchase of investments in subsidiaries or associates. This item includes EGP 40 million paid under the capital account of the Egyptians for Health Care Company, EGP 14,500,00 paid under the capital account of the Global Furniture Company and EGP 8,178,712 million paid under the capital account of Global Educational Technologies Company.



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12. Right-of-use assets - Leases

The right-of-use asset represents the lease related to Futures Language School for Boys and the bus lease contract for Badr University. It was measured at the carrying amount since the initial application of EAS (49) "Leases" on 1 September 2021, deducted using the borrowing rate for the lessee at the date of application, and subsequently amortized over the life of the lease using the straight-line method.

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 10,25% was used.

	<u>30 November 2022</u>	<u>31 August 2022</u>
Balance at the beginning of the period/ year	18,263,419	-
The impact of initial application of EAS (49) "Leases"	-	29,462,794
Amortization of right-of-use assets during the period / year	(3,712,400)	(11,199,375)
Balance	<u>14,551,019</u>	<u>18,263,419</u>

13. Cash on hand and balances at banks

	<u>30 November 2022</u>	<u>31 August 2022</u>
Current accounts at banks	831,324,989	162,935,316
Term deposits	61,376,576	11,376,576
Cash investment fund	75,025,101	3,773
Cash on hand	13,711,929	4,088,403
	<u>981,438,595</u>	<u>178,404,068</u>

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

The deposits are due within periods of 90 days from date of placement, and are subject to interest rates of 11% (31 August 2022: 9,75%) annually. Also, interest rates of current accounts reached 10,5% annually (31 August 2022: 8,25% annually).



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14. Loans and credit facilities

Statement	Current portion		Non-current portion	
	30 November 2022	31 August 2022	30 November 2022	31 August 2022
Qatar National Bank- credit facility	16,238,808	40,405,811	-	-
Qatar National Bank loan (1)	22,222,222	22,222,222	22,222,222	22,222,222
Qatar National Bank loan (2)	-	-	260,000,000	260,000,000
Ahli United Bank loan	248,995,490	251,035,865	589,408,141	583,536,817
European Bank loan	90,562,873	90,562,875	226,407,189	271,688,625
Incolase loan	3,628,000	-	22,855,482	-
	381,647,393	404,226,773	1,120,893,034	1,137,447,664

15. Ijarah Sukuk

	30 November 2022	31 August 2022
Ijarah Sukuk - non-current portion	540,000,000	540,000,000
Prepaid expenses - Sukuk	(7,958,070)	(8,445,299)
Total	532,041,930	531,554,701
Ijarah Sukuk - current portion	60,000,000	60,000,000
Prepaid expenses - Sukuk	(1,948,915)	(1,948,915)
Total	58,051,085	58,051,085
	590,093,015	589,605,786

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

	30 November 2022	31 August 2022
Balance at the beginning of the period/ year	10,394,214	12,343,129
Amortization of Sukuk issuance cost (Note 23)	(487,229)	(1,948,915)
Balance at the end of the period/ year	9,906,985	10,394,214



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16. Future financial rights securitization bond

	<u>30 November 2022</u>	<u>31 August 2022</u>
Securitization Bonds	800,000,000	-
Prepaid expenses - Securitization bonds	(15,756,690)	-
Total	<u>784,243,310</u>	<u>-</u>

The Egyptian Financial Regulatory Authority approved on issuing the first multi-issuance program for future financial rights securitization bonds by the Financial Group for Securitization Company at an amount of EGP 2 billion for a period of 3 years in favor of Cairo Investment and Real Estate Development Group as the assigning Group for the future financial rights portfolio, provided that the first issuance of the program reaches a maximum amount of EGP 800 million for a period of seven years. The first tranche was issued at an amount of EGP 800 million during the period.

The term of the contract extends to 31 October 2029, starting from the date Cairo Investment and Real Estate Development Group obtained the transfer and ending with the expiration of the issuance period of the securitized bonds or the payment of the amount of the securitization bonds in full expedite.

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

	<u>30 November 2022</u>	<u>31 August 2022</u>
Balance at the beginning of the period/ year	-	-
The cost of issuing bonds	16,346,530	-
Amortization of bonds issuance cost	(589,840)	-
Balance at the end of the period/ year	<u>15,756,690</u>	<u>-</u>

17. Creditors and other credit balances

	<u>30 November 2022</u>	<u>31 August 2022</u>
Land purchase payables	1,750,909,498	1,799,380,055
Suppliers and contractors	133,192,472	122,530,130
Accrued expenses	229,679,611	120,651,985
Due to related parties (Note 24)	311,327,592	119,746,780
Due to government agencies	66,835,114	57,989,440
Dividends payables	24,711,300	24,518,131
Other credit balances	38,559,524	44,347,257
	<u>2,555,215,111</u>	<u>2,289,163,778</u>
(Less): Non-current portion		
Lands purchase payables - non-current portion*	<u>(1,548,620,037)</u>	<u>(1,548,620,037)</u>
	<u>1,006,595,074</u>	<u>740,543,741</u>

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18. Advance revenues

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

	30 November 2022	31 August 2022
Advance revenues	650,015,437	340,975,051

19. Lease liabilities

The liability represents the present value of the lease liabilities relating to Futures Language School for Boys and the bus lease contract for Badr University 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 10,25%.

	30 November 2022	31 August 2022
During one year	12,301,201	16,627,713
More than one year	2,154,092	2,544,143
	14,455,293	19,171,856

20. Operating revenues

	For the three months ended 30 November 2022	30 November 2021
Tuition revenues	489,647,432	386,217,185
Bus revenues	8,140,168	6,021,032
Admission revenues	17,117,967	14,283,247
Activities revenues	842,930	1,914,007
Contracting revenues	96,652,520	-
Other activities revenues	19,616,294	21,580,692
School management fees	759,463	-
	632,776,774	430,016,163



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21. Operating cost

	For the three months ended	
	30 November 2022	30 November 2021
Employees' wages, salaries and benefits	134,294,605	103,348,720
Depreciation expenses	42,599,843	31,682,376
Maintenance, electricity, utilities and communications expenses	15,576,306	19,039,841
Professional and consulting fees, charges	6,041,861	9,299,103
Teaching tools, aids and books expenses	10,162,398	8,009,272
Transportation expenses	13,108,620	7,906,091
Amortization of right-of- use assets	3,712,400	3,712,400
Leases	473,477	1,899,796
Contracting expenses	89,179,222	-
Leases liabilities interest expenses	591,693	959,220
Activities expenses	79,814	74,490
Other expenses	11,544,456	18,246,346
	327,364,695	204,177,655

22. General and administrative expenses

	For the three months ended	
	30 November 2022	30 November 2021
Employees' wages, salaries and benefits	41,085,200	29,072,175
Professional and consulting fees, charges	7,103,780	6,121,202
Maintenance, electricity, utilities and communications expenses	5,207,606	3,679,642
Impairment losses on debtors and other debit balances	150,001	1,719,988
Depreciation expenses	593,033	627,482
Takaful contribution	847,101	447,065
Leases	666,638	323,139
Board members and audit committee attendance allowances	355,000	267,300
Other expenses	8,115,001	4,454,007
	64,123,360	46,712,000



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23. Finance costs - net

	For the three months ended	
	30 November 2022	30 November 2021
Interest revenues	9,008,805	2,979,823
Profits (losses) from foreign currency differences	5,895,138	(70,637)
Amortization of Sukuk issuance cost	(487,229)	(487,229)
Amortization of bonds	(589,840)	-
Interest expenses	(93,895,169)	(40,964,984)
	(80,068,295)	(38,543,027)

24. Related party transactions

During the period, 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:

Balances due from related parties:

<u>The Company</u>	30 November 2022	31 August 2022
Parent Company	31,731,231	52,180,174
Associates	34,908,675	9,874,067
	66,639,906	62,054,241

Balances due to related parties:

<u>The Company</u>	30 November 2022	31 August 2022
Associates	311,327,592	119,746,780
	311,327,592	119,746,780



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24. Related party transactions (continued)

Related party transactions during the period/ year:

	30 November 2022	31 August 2022
<u>Egyptians Health Care Company</u>		
Contributions of share capital	(51,657,078)	-
Cash transfers	(64,000,000)	(4,499,500)
Invoices of contracting works	93,757,862	-
<u>Mafrix Company</u>		
Bank transfers	(55,301)	(338,986)
<u>Social Impact Capital</u>		
Bank transfers	9,000,000	9,000,000
<u>Future for Educational Activities</u>		
Proceeds of tuition revenues	1,526,878	2,673,848
Educational expenses	(663,227)	(1,776,206)
Management consideration	-	(55,004)
Cash transfers	-	(319,014)
<u>Others</u>		
	-	355,744

Balances due to related parties include an amount of EGP 119,827,752, representing the remaining amount for the purchase of lands from a related party with an area of 28,834 square meters through the Cosmic Company for Educational Investment and the Cosmic Company for Educational Services (subsidiaries) in the Cosmic Village in the 6th of October region, at a value of EGP 121 million, under a preliminary sale contract with temporary retention of the equity of the seller until the sale conditions are fulfilled. The Company is committed to fulfilling the primary purpose of the land, which is the establishment of the schools agreed upon, provided that the opening and commencement of the study take place on the dates agreed upon in the contract. The procedures for delivering the land, transferring of possession, and transferring risks for the Company took place during the period under a record of receipt, and accordingly, it was registered among the Group's assets.

Key management compensation:

The compensation of the key management of the Group during the period amounted to EGP 3,065,622 on 30 November 2022 (for the year ended 31 August 2022: EGP 10,358,924).



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25. Non-controlling interests

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

	Share capital	Retained earnings	30 November 2022
Balance at 1 September 2022	82,286,673	53,711,723	135,998,396
Non-controlling interests of acquired companies	875,000	-	875,000
Dividends	-	(4,783,537)	(4,783,537)
Currency differences resulting from foreign operations translation	-	(78,492)	(78,492)
Profit for the period	-	4,914,231	4,914,231
Balance at 30 November 2022	83,161,673	53,763,925	136,925,598
	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 operations 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

26. 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 can not be identified individually or recognized separately. The goodwill is as follows:

	30 November 2022	31 August 2022
Egyptian Educational Systems	5,133,061	5,133,061
Educational Systems International	355,800	355,800
Global Educational Technologies Company	238,666	238,666
Cairo Educational Services Company	157,018	157,018
Cairo Egypt for Educational Premises	51,936	51,936
Star Light Company	28,171,629	28,171,629
	34,108,110	34,108,110
(Less):		
Goodwill related to companies under liquidation	(5,133,061)	(5,133,061)
	28,975,049	28,975,049

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27. Earnings per share

The following is the earnings per share for the financial periods ended 30 November 2022 and 30 November 2021:

	30 November 2022	30 November 2021
Net profit for the period attributable to the shareholders of the Parent Company	107,241,661	99,584,219
Less:		
Board of Directors' expected remuneration	(5,362,083)	(4,979,211)
Net distributable dividends	101.879.578	94.605.008
Weighted average number of shares	582,790,325	582,790,325
Earnings per share	0.175	0.162

28. Capital commitments

Capital commitments contracted for at the date of the interim condensed consolidated statement financial statements are as follows:

	30 November 2022	31 August 2022
Fixed assets	1,373,740,822	1,401,815,815

29. Significant and subsequent events

Subsequent to the financial period ended 30 November 2022, the exchange rate of the Egyptian pound against the US dollar reached an average of EGP 29,70. The overnight deposit rate, the overnight lending rate, and the discount rate are recorded at 16,25%, 17,25%, and 16,75% respectively.

The Group's management is currently studying the extent of the impact of these events on the results of the Group's business and activities in subsequent periods.

