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

LIMITED REVIEW REPORT
THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 30 NOVEMBER 2020

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

The consolidated interim financial statements
For the three months period ended 30 November 2020

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Limited review report of the consolidated interim financial statements

To 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 consolidated interim financial statements of Cairo for Investment and Real Estate Development "S.A.E." and its subsidiaries (the "Group") which comprise the consolidated interim statement of financial position as at 30 November 2020 and the consolidated interim statements of income, other comprehensive income, changes in equity, and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes.Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our limited review.

Limited review scope

We conducted our limited review in accordance with Egyptian Standard on Limited Review Engagements (2410), "Limited Review of Interim Financial Statements performed by the Auditor of the Entity". A limited review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying 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 consolidated interim financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, the consolidated financial position as at 30 November 2020, and its financial performance and cash flows for the three-month period then ended in accordance with Egyptian Accounting Standards.

Tamer Abdel Tawab
Member of Egyptian Society of Accountants & Auditors
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14 January 2021

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

Consolidated interim statement of financial position - At 30 November 2020

(All amounts are shown in Egyptian Pounds)

	Note	30 November 2020	31 August 2020
Non-current assets			
Fixed assets	6	1,924,137,720	1,858,191,495
Work in progress	7	24,161,600	24,159,924
Investments in associates	8	80,513,658	80,768,658
Goodwill	29	28,975,049	28,975,049
Debtors and other debit balances - non-current portion	11	87,456,673	68,733,131
Total non-current assets		**2,145,244,700**	**2,060,828,257**
Current assets			
Inventory	10	6,026,065	7,253,985
Debtors and other debit balances	11	235,754,127	153,263,250
Cash on hand and at banks	12	589,693,830	208,626,454
Total current assets		**831,474,022**	**369,143,689**
Total assets		**2,976,718,722**	**2,429,971,946**
Equity			
Equity attributable to the shareholders of the Parent Company			
Paid-up share capital	13	233,116,130	233,116,130
Reserves	14	229,381,387	229,271,204
Retained earnings		566,047,515	539,466,157
Total equity attributable to the shareholders of the Parent Company		**1,028,545,032**	**1,001,853,491**
Non-controlling interests	28	105,209,074	101,052,062
Total equity		**1,133,754,106**	**1,102,905,553**
Non-current liabilities			
Non-current portion of borrowings and credit facilities	15	714,427,939	507,480,859
Deferred tax liabilities	19	33,565,924	34,262,888
Creditors and other credit balances - non-current portion	16	79,977,933	94,805,855
Total non-current liabilities		**827,971,796**	**636,549,602**
Current liabilities			
Provisions	20	68,742,325	68,766,125
Creditors and other credit balances	16	294,220,742	225,579,375
Advance revenues	17	433,002,818	234,661,208
Current income tax liabilities	18	**116,581,834**	**84,156,700**
Current portion of borrowings and credit facilities	15	102,445,101	77,353,383
Total current liabilities		**1,014,992,820**	**690,516,791**
Total liabilities		**1,842,964,616**	**1,327,066,393**
Total liabilities and equity		**2,976,718,722**	**2,429,971,946**

- The accompanying notes on pages 7 to 56 form an integral part of these consolidated financial statements
- Independent auditor's report – attached

Mr. Mohamed El Khouly
Chief Financial Officer

14 January 2021

Dr. Hassan Hassan El Kalla
Board Chairman

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

Consolidated interim statement of profit or loss
For the three-month period ended 30 November 2020

(All amounts are shown in Egyptian Pounds)	Note	30 November 2020	30 November 2019
Activity revenues	21	370,005,114	313,124,981
Activity costs	22	(141,854,492)	(139,628,334)
		228,150,622	**173,496,647**
General and administrative expenses	23	(49,263,249)	(38,515,212)
Other revenues	25	2,517,059	1,318,578
Net financing (costs) revenues	26	(25,146,951)	118,174
Profit before taxes		**156,257,481**	**136,418,187**
Current income tax	18	(38,355,898)	(31,046,893)
Deferred tax	18	696,964	493,459
Profit for the period		**118,598,547**	**105,864,753**
Profit of:			
Shareholders of the Parent Company		112,168,011	100,257,669
Non-controlling interests	28	6,430,536	5,607,084
		118,598,547	**105,864,753**
Earning per share from profit related to the shareholders of the Parent Company			
Basic earning	30	0.16	0.15

- The accompanying notes on pages 7 to 56 form an integral part of these consolidated financial statements

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

Consolidated interim statement of other comprehensive income
For the three-month period ended 30 November 2020

(All amounts are shown in Egyptian Pounds)	Note	30 November 2020	30 November 2019
Profit for the period		118,598,547	105,864,753
Other comprehensive income items		183,638	-
Total comprehensive income for the period		**118,782,185**	**105,864,753**
Total comprehensive income of:			
Shareholders of the Parent Company		112,278,194	100,257,669
Non-controlling interests	28	6,503,991	5,607,084
		118,782,185	**105,864,753**

- The accompanying notes on pages 7 to 56 form an integral part of these consolidated financial statements

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

Consolidated interim statement of changes in equity
For the three-month period ended 30 November 2020

(All amounts are shown in Egyptian Pounds)

	Note	Paid-up share capital	Reserves	Retained earnings	Total equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
Balance at 1 September 2019		**233,116,130**	**222,538,045**	**378,014,151**	**833,668,326**	**56,370,363**	**890,038,689**
Transferred to reserves	14	-	6,521,576	(6,521,576)	-	-	-
Non-controlling interests in acquired entities	28	-	-	(4,888,465)	**(4,888,465)**	37,962,739	**33,074,274**
Dividends		-	-	(83,061,207)	**(83,061,207)**	-	**(83,061,207)**
Total comprehensive income for the period		-	-	100,257,669	**100,257,669**	5,607,084	**105,864,753**
Balance at 30 November 2019		**233,116,130**	**229,059,621**	**383,800,572**	**845,976,323**	**99,940,186**	**945,916,509**
		233,116,130	**229,271,204**	**539,466,157**	**1,001,853,491**	**101,052,062**	**1,102,905,553**
Dividends		-	-	(85,586,653)	**(85,586,653)**	(2,346,979)	**(87,933,632)**
Currency differences resulting from foreign currency translation		-	110,183	-	**110,183**	73,455	**183,638**
Total comprehensive income for the period		-	-	112,168,011	**112,168,011**	6,430,536	**118,598,547**
Balance at 30 November 2020		**233,116,130**	**229,381,387**	**566,047,515**	**1,028,545,032**	**105,209,074**	**1,133,754,106**

- The accompanying notes on pages 7 to 56 form an integral part of these consolidated financial statements

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

Consolidated interim statement of cash flows
For the three-month period ended 30 November 2020

(All amounts are shown in Egyptian Pounds)

	Note	30 November 2020	30 November 2019
Cash flow from operating activities			
Profit before tax		156,257,481	136,418,187
Adjustments:			
Fixed assets depreciation	6	24,435,071	17,923,664
Interest revenues	26	31,994,309	(6,605,550)
Interest expenses	26	(8,165,993)	6,254,351
Provisions for doubtful loans	11	150,000	150,000
Impairment of investments in associates		255,000	-
Profits on sale of fixed assets	25	-	(537)
Operating profit before change in current assets and liabilities		**206,051,168**	**154,140,115**
Change in current assets and liabilities			
Changes in inventories		1,227,920	(3,634,925)
Change in debtors and other debt balances		(101,365,630)	(21,629,343)
Change in creditors and other credit balances		52,068,599	7,140,122
Change in advance revenues		198,341,610	86,573,916
Investments held to maturity date		-	1,000,000
Utilised provisions	20	(23.800)	(1,050,719)
Income tax paid	18	(5,930,764)	(16,972,285)
Net cash flows generated from operating activities		**350,369,103**	**205,566,881**
Cash flows from investing activities			
Payments to purchase of fixed assets	6	(43,070,665)	(17,317,146)
Payments for purchase non-controlling interests		-	(4,888,465)
Proceed from interests payable		7,040,693	6,605,550
Proceed from sale of fixed assets		-	5,899
Payments for projects in progress	6	(47,310,631)	(76,118,145)
Payments for works in progress		(1.676)	(78,786,892)
Payments under investment in subsidiaries		-	(9,704,625)
Net cash flows used in investing activities		**(83,342,279)**	**(180,203,824)**
Cash flows from financing activities			
Proceeds from borrowings and bank facilities		255,171,190	92,422,945
Payments from borrowings and bank facilities		(23,132,392)	-
Finance costs paid		(31,994,309)	(6,254,351)
Dividends paid		(86,003,623)	(50,322,106)
Net cash flows generated from financing activities		**114,040,866**	**35,846,488**
Net change in cash and cash equivalents during the period		**381,067,690**	**61,209,545**
Cash and cash equivalents at the beginning of the period		208,619,052	163,019,272
Currency differences resulting from foreign currency translation		(314)	-
Cash and cash equivalents at the end of the period	12	**589,686,428**	**224,228,817**

- The accompanying notes on pages 7 to 56 form an integral part of these consolidated financial statements

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 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 consolidated financial statements have been approved by the Company's Board of Directors on 14 January 2021.

2. Accounting policies

Significant accounting policies used in the preparation of the consolidated financial statements are summarised below:

A) Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards (EASs) and related laws and regulations. The same accounting policies and principles used with the financial statements have been followed in comparison with the latest annual financial statements, unless otherwise stated. The consolidated financial statements have been prepared under the historical cost convention except for financial investments available for sale measured at fair value.

The Group presents its assets and liabilities in the consolidated statement of financial position based on current/ non-current classification. An asset is classified as current when it is:

* Expected to be realised or intended to be sold or used in normal operating course.
* Held primarily for trading.
* Expected to be realised within 12 months after the end of the reporting period; or
* Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Basis of preparation of the consolidated financial statements (continued)

All other assets are classified as non-current.

The liability is classified as current when:

* It is expected to be settled in the normal operating course.
* Held primarily for trading.
* Required to be settled within 12 months after the financial reporting date, or
* The entity does not have an unconditional right to defer the settlement of the liability for at least twelve months after the end of the consolidated reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current.

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 in the process of 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.

B) New issued and amendments made to EASs, but not yet effected

On 28 March 2019, the Minister of Investment issued Resolution No. 69 of 2019, amending some provisions of the Egyptian Accounting Standards, 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 7 April 2019. On 20 September 2020, a decision was issued to postpone the application of the new accounting standards for financial periods beginning on or after 1 January 2021. The significant amendments are summarised in the issuance of three new standards to be applied for the financial periods beginning on or after the 1st of January 2021. These are:

1. **Accounting standard (47) "Financial instruments"**
   This standard is effective for the financial periods beginning on or after the 1st of January 2021, and early application is permitted, provided that the amended EASs Nos. (1), (25), (26) and (40) are amended at the same time.

   The standard includes new classification and measurement method categories of financial assets that reflect the business model in order to manage the assets and the characteristics of its cash flows.

   EAS (47) replaces the "incurred loss" model in EAS (26) with the "expected future loss" model.

   As the Company's financial period beginning on 1 September 2020 until31 August 2021, the Company will apply the standard from 1 September 2021. The Company has not evaluated the effect of the application of the standard on the financial statements.

New issued and amendments made to EASs, but not yet effected (continued)

2. **EAS (48) "Revenue from contracts with customers"**
This standard is effective for the financial periods beginning on or after the 1st of January 2021, and early application is permitted, provided that the amended EASs Nos. (1), (25), (26) and (40) are amended at the same time.

This standard establishes a comprehensive concept framework by determining the amount and timing of revenue recognition. This standard replaces EAS (11) "Revenue" and EAS (8) "Construction contracts".

As the Company's financial period beginning on 1 September 2020 until 31 August 2021, the Company will apply the standard from 1 September 2021. The Company has not evaluated the effect of the application of the standard on the financial statements.

3. **EAS (49) "Leases"**
This standard is effective for financial periods beginning on or after 1 January 2021. Early adoption is permitted and is applied in accordance with EAS (48) "Revenue from Contracts with Customers" at the same time.

EAS (49) provides tenants with a single model of accounting for leases. The tenant recognizes the asset related to the right of use, which represents its right to use the relevant asset, as well as the lease liability, which represents his liability to pay the lease payments. There are optional exemptions for short-term leases and leases of low-value assets.

EAS (49) replaces EAS (20) "Accounting standards and regulations related to the finance lease".

As the Company's financial period beginning on 1 September 2020 until 31 August 2021, the Company will apply the standard from 1 September 2021. The Company has not evaluated the effect of the application of the standard on the financial statements.

In reference to note (16) related to the loan agreement of the International Company for Finance Lease (Incolease), Cairo For Investment & Real Estate Development "S.A.E" has assessed whether the provisions of the agreement are subject to EAS (49) "Leases" " but it concluded that it did not fall within the scope of the standard.

C) Basis of consolidation

1) Subsidiaries

- Subsidiaries are all entities over which the Group has control. The Group controls an entity when the group is exposed to, or has rights 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.

Basis of consolidation (continued)

The consolidated financial statements includes the following subsidiaries:

	Country of Incorporation	Percentage of ownership
Cairo Educational Services	Egypt	69.4%
Upper Egypt Educational Services	Egypt	99%
Egyptian Educational Systems	Egypt	100%
Global Educational Technologies	Egypt	79.5%
Cairo Egypt for Educational Premises	Egypt	99.9%
Futures and Nations Company*	Egypt	50%
Emco for Systems and Computers	Egypt	82.5%
Egyptian Schools Company	Egypt	61%
Educational Systems International	Egypt	80%
Badr University	Egypt	100%
Star Light Company	UAE	60%

Management of the Parent Company has assessed the degree of the Group's influence over the Futures and Nations Company and concluded that the Company has the control over operating and financing policies of the Company. Also, the Parent Company is entitled to variable returns through its contribution to the Company and has the ability to influence those returns through its power over the Company. Consequently, the investment has been accounted for as an investments in subsidiaries and consolidated within the consolidated financial statements.

1.1) Acquisition method

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

The consideration transferred in a business combination is measured based on the fair value accounted for as the fair value of the assets transferred and the liabilities incurred by the Group to the former shareholders of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured at their fair values 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 acquiree's identifiable net assets at the date of acquisition.

Acquisition-related costs are expensed as incurred.

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

Assets, liabilities, equity, income, expenses and cash flows related to transactions between the Group's entities are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Basis of consolidation (continued)

1.2) Changes in ownership interests held within controlling interests

When the ratio of equity held within controlling interests changes, the Group changes the amounts recorded for controlling and non-controlling shares to reflect such changes in the relevant shares in the subsidiary. The Group recognises directly within the equity of the Parent Company any difference between the amount of changing the non-controlling shares and the fair value of the consideration paid or received.

1.3) 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.

1.4) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the identifiable net assets acquired, 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 entity at which the goodwill is monitored for internal management purposes.

1.5) 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 subsidiary, and does not exceed one year from the date of acquisition. In case the Group obtains new information during the measurement period relative to the acquisition, amendment is made retrospectively for the amounts recognised at the date of acquisition.

Basis of consolidation (continued)

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.

2.1) Equity method

Under the equity method, the investment in associates is initially recognised at cost, and the cost is modified after the date of acquisition to the changes 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, and the consolidated statement of other comprehensive income includes the Group's share in the associate's other comprehensive income. The carrying amount of the investment is adjusted by the Group's total share in the changes in equity after the date of acquisition.

2.2) 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.

2.3) Losses of associates

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

2.4) 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.

2.5) 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 assumed 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. Impairment of the goodwill is not tested in associates separately. Impairment 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 are 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.

D) Foreign currency translation

(1) 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.

(2) Transactions and balances

Foreign currency transactions during the period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-evaluation of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profits or losses at the date of the consolidated financial position.

E) Fixed assets

The Group applies the cost model at measurement of fixed assets, and the fixed assets are recognised on their costs net of the accumulated depreciation and accumulated impairment losses. The cost of fixed asset includes any costs directly associated with bringing the asset to a working condition for its use intended by the management of the Group.

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 value of a fixed asset the cost incurred to replace part of that asset at the date such costs are borne, 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 are de-recognised. 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. Below are the estimated useful lives of each type of the assets' groups:

Buildings, premises and facilities	5%
Devices, furniture, and fittings	20%
Computers	20%
Vehicles	20%
Tools and equipment	20%

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

The carrying amount of the fixed asset is reduced to the 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.

Gains or losses on the disposal of an item of property, plant and equipment 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 property, plant and equipment is included in the consolidated statement of profit or loss within "other revenues".

F) Projects in progress

Projects in progress are stated 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 finalised and are ready for their intended use.

G) Works in progress

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

H) Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are tested annually for impairment at the date of the consolidated financial statements.

Non-financial assets that have definite useful lives, and they are subject to depreciation or amortisation are tested for impairment whenever events or changes in circumstances indicate that the asset incurred impairment losses.

The asset is tested 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 assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows from other inflows of assets or groups of assets (cash-generating units).

The Group recognises impairment loss in the consolidated statement of profits or losses whenever the carrying amount of an asset exceeds its recoverable amount.

At the end of each financial period, where there is an indication that the carrying amount of any asset, other than goodwill which is recognised in prior years, is impaired, the Group then evaluates the recoverable amount of that asset.

Impairment losses recognised in prior years are reserved when there is an indication that such losses no longer exist or have decreased. Impairment losses, which should not exceed the carrying amount that would have been determined (net of depreciation) are also reversed. Such reversal is recognised in consolidated statement of profits or losses.

I) Financial assets

1) Classification

The Group classifies its financial assets as loans and receivables, held-to-maturity financial assets and assets available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets listed in such Group are presented as current asset if expected to be recovered within 12 months from the date of the end of the financial period. The Group's loans and receivables include 'debtors and other receivables' and 'cash and cash equivalents' and 'balances due from related parties' and 'accrued revenues' in the consolidated statement of financial position.

Held to maturity financial assets:
Held to maturity financial assets are non-derivative financial assets with fixed or determinable amounts and fixed maturities that the Group has positive intention and ability to hold till maturity.
Held to maturity investments are classified within non-current assets, unless investment matures in less than 12 months of the end of the consolidated financial position date. If so, they are classified within current assets.

Available-for-sale financial assets:
Available-for-sale financial assets are non-derivative assets that are designated as available for sale assets for acquisition and not classified as loans and receivables or held to maturity financial assets or financial assets at fair value through profit and loss. Available-for-sale financial assets are classified within non-current assets except the investments which matures or Group's management intends to dispose thereof within less than 12 months from the financial position date, then they are classified within current assets.

2) **Initial recognition and measurement**
A financial asset is recognised when the Group becomes a party to the contractual provisions of the financial asset.

Financial assets are initially measured at fair value plus costs directly associated with the execution of the transaction.

3) **Subsequent measurement**
Loans and receivables and held to maturity financial assets are subsequently measured at amortised cost using the effective interest rate. Available-for-sale financial assets are measured at fair value through equity. Interests calculated are recognised in the consolidated statement of profits or losses within net finance costs.

4) **Derecognition**
- Financial assets are derecognised 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.
- The financial asset is derecognised at its carrying amount at the date of de-recognition, and profits (losses) of de-recognition are recognised in the consolidated statement of profit or loss within the other revenues.
- The profit/ (loss) of derecognition of financial assets represents the difference between the carrying value at the date of derecognition and the proceeds resulting from the derecognition of the financial asset.

J) Impairment of financial assets

Financial assets carried at amortised cost

The Group assesses impairment at the end of each reporting period whenever there is objective evidence that a specific financial asset or a group of financial assets may be impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, violation of contract terms such as default or delinquency in interest or principal payments, or the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows since the initial recognition, or, changes in economic of domestic conditions that correlate with defaults of the Group's assets.

For borrowings and loans category. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is immediately reduced and the amount of the loss is recognised in the consolidated statement of profits or losses. Loans expected to be uncollectible are written off by deduction from the relevant provision, and any subsequent proceeds are recognised as revenue in the statement of profits or losses. If a loan or held to maturity investment has a variable exchange rate, the discount rate for measuring any impairment losses are the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profits or losses.

Available-for-sale financial assets

The Group assesses impairment at the end of each reporting period whenever there is objective evidence that a specific financial asset or a group of financial assets may be impaired.

For debt instruments, if any such objective evidence of the asset impairment exists, the consolidated loss – which is the difference between the acquisition cost (net of the amortisation or settlement of the principal amount) and the fair value, less any impairment loss on that financial asset previously recognised in the statement of profit or loss – which was directly recognised in other comprehensive income items is removed and recognised in the statement of profit and loss. If, in any subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the Group reverses the impairment loss through the statement of profit or loss.

Impairment of financial assets (continued)

For equity instruments, a significant or prolonged decline in the fair value of the investment below its acquisition cost is also evidence that the investment is impaired. When the Group recognises decrease of fair value directly within other comprehensive income items and there is objective evidence of the impairment of the asset, the cumulative loss – measured as the difference between the acquisition cost and the fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses recognised in the profit or loss on equity investment are not reversed through the statement of profit or loss.

K) Inventories

Inventories 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 sale expenses. Allowance is made for slow moving inventories based on management's assessment of inventory movements.

L) Cash and cash equivalents

For the purposes of presenting the statement of cash flows, cash and cash equivalents comprise cash on hand and bank balances with maturities less than three months from the deposit date.

M) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been 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 money is significant, the amount recognised as a provision should be the current amount of expected expenses required to settle the liability.

N) Trade payables

Trade payables are recognised initially at fair value of the goods and services received from third parties and subsequently measured at amortized cost using the effective interest rate method.

O) Issued and paid-up capital

Ordinary shares are classified within equity.

P) Borrowings

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 profits or losses 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.

Q) Current and deferred income tax

Current income tax

- The Group's current tax are calculated in accordance with the applicable Egyptian laws and regulations.
- The Group is subject to corporate income tax. The Group uses tax advisers to estimate the income tax provision. In case of differences between the final tax outcomes with the initially recorded amounts, the resulting impact on income tax and deferred tax are recognised in the year in which they occur.

Deferred income tax

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

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.

R) Revenue recognition

The fair value of the consideration received or receivable including cash, receivables and notes receivables arising from rendering the educational services is measured through the ordinary course of the Company, stated net of discounts.

The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group; and when specific criteria have been met for each of the Group's activities as described below.

The value of the revenue is not considered to be reliably measured except when the expected obligations are settled. The Group bases its estimates on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

Revenue is recognized using accrual basis.

Tuition revenues

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

Bus revenues

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

Admission revenues

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

Revenue recognition (continued)

Contracting revenues
Revenue is realized by using the method (cost + profit margin) according to the contract concluded with the contracting companies. Actual costs consist of direct costs from subcontractors.

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.

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

S) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases are charged to the consolidated statement of income on a straight-line basis over the period of the lease.

T) Employee benefits

The Group pays contributions to the Public Authority for Social Insurance Plans on a mandatory basis in accordance with the rules stated in Social Insurance Law. The Company has no further liabilities once its obligations are paid. The regular contributions are recognised as periodic cost for the year in which they are due and as such are included in the staff costs.

Employees' profit share
According to the Companies Law, the Company 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' General Assembly. No liability is recognised for profit sharing relating to undistributed profits.

U) Fair value of financial instruments

Fair value is the price that would be obtained for the sale of 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 presumption 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, 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 might use when pricing the asset or liability by assuming that market participants act for their economic benefit.

Fair value of financial instruments (continued)

Fair value measurement for a non-financial asset takes into consideration the market participant's ability to generate economic benefits through the best and ultimate use of the asset, or by selling them 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 values of all assets and liabilities are 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 material 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.

V) Segment 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 central management committee. Group activities are divided into schools activities and higher education activities.

W) Dividends

Dividends are recognised in the Group's consolidated financial statements in the period in which the dividends are approved by the shareholders' of the Parent Company's General Assembly meeting.

X) Comparative figures

Comparative figures are reclassified, as they are consistent with the current presentation.

3. Financial risks management

(1) Financial risks factors

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

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

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

(A) Market Risks

i) Foreign exchange risks

Foreign exchange risk is the risk of fluctuations in the fair value of future cash flows of a financial instrument due to changes in foreign currency exchange rates.

The Group is exposed to foreign exchange risk on foreign currency positions, mainly the US Dollar. Management concluded that the nature of its activities are not significantly exposing the Group to foreign currencies risks. At the end of the period/ year, the net foreign currency assets (liabilities) denominated in EGP are as follows:

Currency	30 November 2020	31 August 2020
USD - asset (liability)	8,972,564	9,312,643
GBP - asset (liability)	871	312,946
Euro - asset (liability)	63,716	64,365
AED - asset (liability)	495	1,234

Note (27) is illustrating the amounts that have been recognised in the consolidated statement of profit or loss relating to changes in foreign currency exchange rates.

At end of the period, if the US dollar had increased or decreased by 10%, the effect on the consolidated financial statement after deducting related taxes would have been as follows:

Currency	30 November 2020	31 August 2020
USD	897,256	931,264
GBP	87	31,295
Euro	6,372	6,437
AED	50	123

Financial risks management (continued)

ii) Interest rate risks

Interest rate risk is the risk that the fair value and future cash flows of financial instruments will fluctuate because of 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 and credit facilities). The Group maintains an appropriate mix of fixed rate and variable rate borrowings to manage the interest rate risk.

Note (16) is illustrating the borrowings 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, on the consolidated statement of profits or losses.

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 period:

	Increase (decrease)	Effect of consolidated profit or loss EGP
30 November 2020	300 points	21,432,838
31 August 2020	300 points	15,224,426

(B) Credit risks

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

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, management takes all legal arrangements and documents when executing the transaction, which minimise credit risk specifically for trade receivables. The Group collects most of its revenue in advance before providing the educational and other related services. All necessary provisions are formed to deal with each of customer delinquency issues.

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

Below are the balances that are exposed to the credit risks:

	30 November 2020	31 August 2020
Balances and deposits at banks	463,057,851	207,350,472
Investment funds	122,733,723	-
Due from related parties	36,686,411	16,726,489
Accrued revenues	64,018,025	28,243,104

Financial risks management (continued)

(C) Liquidity risks

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. Group's exposure to liquidity risk results primarily from the lack of offset between assets of maturities of assets and liabilities.

Prudent liquidity risk management is achieved through maintaining sufficient cash, and the availability of funding through an adequate amount of committed credit facilities and funding from related parties.

The management prepares monthly forecasts for cash flows which are discussed at central management meetings of the Parent Company, and takes the necessary actions to negotiate with suppliers, follow-up customer collections and manage the inventory balances in order to ensure the availability of necessary cash to meet the obligations of the Group.

The following table shows the ageing of the Group's obligations and based on future non discounted cash flows:

	30 November 2020		
	Less than 3 months	3 months to 1 year	1 year to 5 years
Borrowings and credit facilities	26,852,444	82,673,852	704,233,047
Accrued expenses	33,793,381	82,814,505	94,956,361
Dividends payable	77,139,757	-	-
Suppliers and contractors	97,943,118	28,426,890	94,956,361
Due to governmental agencies	10,342,804	37,980,686	-
Due to related parties	652,272	-	-

	31 August 2020		
	Less than 3 months	3 months to 1 year	1 year to 5 years
Borrowings and credit facilities	5,269,170	78,432,388	537,963,273
Accrued expenses	61,332,004	-	-
Dividends payable	21,915,686	-	-
Suppliers and contractors	3,882,996	31,895,008	115,241,357
Due to governmental agencies	10,532,728	1,128,482	34,420,189
Due to related parties	324,291	-	-

Financial risks management (continued)

(2) Capital risks 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 Company also aims to maintain an optimal capital structure to reduce the cost of capital.

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

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

The following shows the proportion of net debt to total capital in 30 November 2020 and 31 August 2020:

	30 November 2020	31 August 2020
Borrowings	816,873,040	584,834,242
Total debts	**816,873,040**	**584,834,242**
Less: Cash on hand and at banks	(589,693,830)	(208,626,454)
(Surplus) total debts deficit	**227,179,210**	**376,207,788**
Equity	1,133,754,106	1,102,905,553
Total share capital	**1,360,933,316**	**1,479,113,341**
Net debt ratio to total capital	16.69%	25.43%

(3) Fair value estimation

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

4. Critical accounting estimates and judgements

(1) Critical accounting estimates and assumptions

Estimates and assumptions are evaluated and are 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 adopted 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 the obligation; and the amount has been reliably estimated. The group reviews the provision at the date of each financial position, and adjusts it to reflect the best current estimate by using the appropriate expertise.

(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

The valuation of impairment value in due revenues is made by monitoring the ageing of debts and the ratios adopted based on management's best estimate through their experience.

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

(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 personal 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 consolidated financial statements.

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 include the activity of schools and higher education. The financial performance of these segments during the three-month period ended 30 November 2020 and 31 August 2020 are as follows.
Below is the assets and liabilities of each segment:

	School segment		Higher Education segment		Consolidation entries		Total	
	30 November 2020	31 August 2020	30 November 2020	31 August 2020	30 November 2020	31 August 2020	30 November 2020	31 August 2020
Financial position:								
Non-current assets	2,073,304,470	1,998,654,780	768,641,537	781,389,983	(675,854,555)	(520,028,573)	2,145,244,700	1,996,238,940
Current assets	905,027,850	506,303,590	672,469,790	421,631,280	(766,870,370)	(494,201,864)	831,474,022	433,733,006
Total assets	**2,978,332,320**	**2,504,958,370**	**1,441,111,327**	**1,203,021,263**	**(1,442,724,925)**	**(1,278,007,687)**	**2,976,718,722**	**2,429,971,946**
Current liabilities	1,352,222,565	1,022,571,712	388,990,085	256,981,750	(726,219,830)	(494,230,816)	1,014,992,820	785,322,646
Non-current liabilities	717,285,783	510,469,741	2,842,093	3,363,579	107,843,920	-	827,971,796	541,743,747
Total liabilities	**2,069,508,348**	**1,533,041,453**	**391,832,178**	**260,345,329**	**(618,375,910)**	**(494,230,816)**	**1,842,964,616**	**1,327,066,393**

Segment reporting (continued)

	School segment		Higher Education segment		Others		Total	
	The three-months period ended 30 November		The three-months period ended 30 November		The three-months period ended 30 November		The three-months period ended 30 November	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues								
Tuition revenues	144,916,115	128,882,593	182,114,936	133,403,418	-	-	327,031,051	262,286,011
Bus revenues	3,908,034	9,509,432	1,364,983	3,148,074	-	-	5,273,017	12,657,506
Admission revenue	3,470,250	2,909,200	18,002,463	9,273,074	-	-	21,472,713	12,182,274
Activities revenues	-	3,143,237	-	-	-	-	-	3,143,237
Contracting revenues	-	-	-	-	-	13,353,040	-	13,353,040
Other activities revenues	8,776,562	5,930,124	7,451,771	3,572,789	-	-	16,228,333	9,502,913
Total revenues	**161,070,961**	**150,374,586**	**208,934,153**	**149,397,355**	**-**	**13,353,040**	**370,005,114**	**313,124,981**
Costs								
Tuition cost								
Employees costs	(49,215,772)	(43,417,601)	(23,810,547)	(20,715,438)	-	-	(73,026,319)	(64,133,039)
Teaching tools, aids and books expenses	(5,969,804)	(6,454,558)	(853.025)	(1,392,494)	-	-	(6,822,829)	(7,847,052)
Maintenance, electricity and utilities expenses	(9,302,518)	(6,462,342)	(3,751,958)	(3,705,519)	-	-	(13,054,476)	(10,167,861)
Rents	(4,379,970)	(4,264,775)	(439.715)	(585.883)	-	-	(4,819,685)	(4,850,658)
Professional and consulting fees and charges	(1,435,148)	(65.900)	(2,296,884)	(2,890,762)	-	-	(3,732,032)	(2,956,662)
Activities expenses	-	(564.371)	-	-	-	-		(564.371)
Contracting expenses	-	-	-	-	-	(11,038,665)		(11,038,665)
Other expenses	(7,243,363)	(10,455,703)	(380.401)	(76.468)	-	-	(7,623,764)	(10,532,171)
Bus costs	(7,091,368)	(9,068,042)	(1,840,640)	(1,141,995)	-	-	(8,932,008)	(10,210,037)
Total costs	**(84,637,943)**	**(80,753,292)**	**(33,373,170)**	**(30,508,559)**	**-**	**(11,038,665)**	**(118,011,113)**	**(122,300,516)**
	76,433,018	**69,621,294**	**175,560,983**	**118,888,796**	**-**	**2,314,375**	**251,994,001**	**190,824,465**
Administrative expenses and provisions	(21,360,290)	(20,446,754)	(27,311,267)	(17,472,612)	-	-	(48,671,557)	(37,919,366)
Depreciation	(9,069,380)	(17,923,664)	(15,365,691)	-	-	-	(24,435,071)	(17,923,664)
	46,003,348	**31,250,876**	**132,884,025**	**101,416,184**	**-**	**2,314,375**	**178,887,373**	**134,981,435**
Other revenues	1,522,535	791,728	994,524	526,850	-	-	2,517,059	1,318,578
Interests payable	3,066,131	3,315,192	3,974,562	3,290,358	-	-	7,040,693	6,605,550
Losses from foreign currency differences	(82.791)	-	(110.544)	(233.025)	-	-	(193.335)	(233.025)
Interest expenses	(31,994,309)	(6,254,351)	-	-	-	-	(31,994,309)	(6,254,351)
Profit before taxes	**18,514,914**	**29,103,445**	**137,742,567**	**105,000,367**	**-**	**2,314,375**	**156,257,481**	**136,418,187**
Current income tax	(6,695,063)	(9,073,054)	(31,660,835)	(21,973,839)	-	-	(38,355,898)	(31,046,893)
Deferred income tax	175,478	113,523	521,486	379,936	-	-	696,964	493,459
Profits for the period	**11,995,329**	**20,143,914**	**106,603,218**	**83,406,464**	**-**	**2,314,375**	**118,598,547**	**105,864,753**

For the purposes of preparing the Group's segment reporting, management reclassified fixed assets' depreciation to be in a separate line proceeding the total education costs. Also, the management reclassified formed provisions to be part of the general and administrative expenses.

With reference to the obligation and adoption of the regulatory reasons for the senior management of the Group, all the financing burdens costs, as well as revenues and external engineering costs are charged directly to Cairo for Investment Company and by extension the school segment on an independent basis, which affects the results of the business of this segment on an independent basis.

6. Fixed assets

	Lands	Buildings, premises and facilities	Devices, furniture and fittings	Computers	Vehicles	Equipment and tools	Projects in progress	Total
Cost at 1 September 2020	765,991,278	976,482,227	186,094,612	66,937,552	40,613,761	29,990,670	165,896,780	2,232,006,880
Additions for the period	26,623,047	7,483,264	5,264,905	2,440,703	1,148,490	110.256	47,310,631	90,381,296
Transferred from projects in progress	-	52,029,674	1,290,570	141,109	-	-	(53,461,353)	-
Cost at 30 November 2020	792,614,325	1,035,995,165	192,650,087	69,519,364	41,762,251	30,100,926	159,746,058	2,322,388,176
Accumulated depreciation at 1 September 2020	-	188,819,558	98,318,679	33,958,001	30,804,844	21,914,303	-	373,815,385
Depreciation for the period	-	12,635,150	7,224,093	2,749,586	1,060,044	766,198	-	24,435,071
Accumulated depreciation at 30 November 2020	-	201,454,708	105,542,772	36,707,587	31,864,888	22,680,501	-	398,250,456
Net carrying amount at 30 November 2020	792,614,325	834,540,457	87,107,315	32,811,777	9,897,363	7,420,425	159,746,058	1,924,137,720

Above lands is under the registration process with the competent authorities.

	Lands	Buildings, premises and facilities	Devices, furniture and fittings	Computers	Vehicles	Equipment and tools	Projects in progress	Total
Cost at 1 September 2019	200,588,475	598,228,534	132,445,335	32,531,459	38,501,968	16,635,038	214,568,829	1,233,499,638
Additions for the year	451,052,803	19,757,894	20,382,215	14,912,866	2,111,793	1,353,820	274,903,088	784,474,479
Transferred from projects in progress	-	294,870,737	28,613,937	-	-	-	(323,484,674)	-
Impairment of projects in progress	-	-	-	-	-	-	(90.463)	(90.463)
Cost of assets generated from acquiring subsidiaries	114,350,000	63,625,062	4,653,125	19,506,827	-	12,001,812	-	214,136,826
Disposals for the year	-	-	-	(13.600)	-	-	-	(13.600)
Cost at 31 August 2020	765,991,278	976,482,227	186,094,612	66,937,552	40,613,761	29,990,670	165,896,780	2,232,006,880
Accumulated depreciation at 1 September 2019	-	144,307,207	70,282,411	20,726,527	26,935,257	9,377,299	-	271,628,701
Depreciation for the year	-	36,247,543	26,031,214	8,842,398	3,869,587	3,413,908	-	78,404,650
Accumulated depreciation of assets generated from acquiring subsidiaries	-	8,264,808	2,005,054	4,397,311	-	9,123,096	-	23,790,269
Accumulated depreciation of disposals	-	-	-	(8.235)	-	-	-	(8.235)
Accumulated depreciation at 31 August 2020	-	188,819,558	98,318,679	33,958,001	30,804,844	21,914,303	-	373,815,385
Net carrying amount at 31 August 2020	765,991,278	787,662,669	87,775,933	32,979,551	9,808,917	8,076,367	165,896,780	1,858,191,495

Above lands, amounting to EGP 451,052,80 is under the registration process with the competent authorities.

Projects under construction related to Badr University represent 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 constructions and buildings works related to schools owned by the Company.

An amount of EGP 2,424,792 pounds was added to the lands represented in the capitalization of the interest of a plot of land in Al-Mansoura City, with the purpose of building a school in the city, which was purchased through instalments.

7. Works in progress

	30 November 2020	31 August 2020
Cairo Heights project - Residential buildings	21,583,590	21,581,914
Commercial mall land*	2,578,010	2,578,010
	24,161,600	**24,159,924**

* The land on which the project of commercial mall is constructed is under the registration process with the competent authorities.

8. Investments in associates

	Shareholding %			
	2020	2019	30 November 2020	31 August 2020
New Soft Company	23%	23%	303,835	303,835
Perdive for Programming Company	48.5%	48.5%	255,000	255,000
Egyptians Health Care*	25%	25%	80,513,658	80,513,658
			81,072,493	**81,072,493**
Less:				
Impairment losses in associates			(558.835)	(303.835)
			80,513,658	**80,768,658**

Below are the summarised financial information of associates:

	Country of Company's head office	Total assets	Total equity	Total revenues	Profit (loss) for the year
Egyptians Health Care	Egypt	343,877,817	219,773,368	-	(6,614,355)

All financial investments in associates are not listed in the stock exchange.

9. Unconsolidated subsidiaries

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

	30 November 2020	31 August 2020
International Health Care Company	1,126,285	1,126,285
Alex Company For Educational Services	325,000	325,000
	1,451,285	**1,451,285**
Less: Impairment in value	(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 ceased operations and there are no liabilities to be incurred by the Group.

10. Inventories

	30 November 2020	31 August 2020
Computer and electrical equipment inventory	6,026,065	7,253,985

There is no impairment of inventories during the year.

11. Debtors and other debit balances

	30 November 2020	31 August 2020
Prepayments for suppliers	28,990,118	28,301,280
Payments under purchase of lands account	87,456,673	68,733,131
Prepaid expenses	37,396,709	16,886,374
Accrued revenues	64,018,025	28,243,104
Assets against specific-purpose liabilities	35,000,000	35,000,000
Withholding taxes	4,100,179	3,737,436
Payments under investment in associates and subsidiaries account	14,141,846	14,141,846
Due from related parties (Note 27)	36,686,411	16,726,489
Other debit balances	23,305,764	17,961,646
	331,095,725	**229,731,306**
Less: Impairment in debtors and other debit balances	(7,884,925)	(7,734,925)
	323,210,800	**221,996,381**
Less: Non-current portion		
Payments under purchase of lands account	87,456,673	68,733,131
	235,754,127	**153,263,250**

Debtors and other debit balances (continued)

Movement of impairment of debtors and other debit balances during the period/ year is represented below:

	30 November 2020	31 August 2020
Balance at the beginning of the period/ year	7,734,925	7,135,728
Formed during the period/ year	150,000	5,696,052
Utilised during the period/ year	-	(156.479)
Provisions no longer required during the period/ year	-	(4,940,376)
Balance at the end of the period/ year	**7,884,925**	**7,734,925**

- As at 30 November 2020, accrued revenue balances, due from related parties that are not impaired amounted of EGP 92.819.511 (31 August 2020: EGP 37,234,669).
- As at 30 November 2020, debtors and other debit balances of EGP 7,884,925 (31 August 2020: EGP 7,734,925).
- 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 tax liabilities due prior to the date of the acquisition. Whereas the management believes that the flow of benefits from this asset is expected according to the contract, this amount has been recorded in the item debtors and other receivables. A similar amount was recorded under provisions (Note 20) 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 land in Al Alamein city, New Sohaj city, Qina and Badr city.

12. Cash on hand and at banks

	30 November 2020	31 August 2020
Current accounts at banks	458,754,852	181,947,439
Term deposits	4,302,999	4,302,999
Investment fund - cash*	122,733,723	21,100,034
Cash on hand	3,902,256	1,275,982
	589,693,830	**208,626,454**

Current accounts on 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 8.25% (31 August 2020: 8.25%) per annum. Also, interest rates of current accounts reached 8% per annum. (31 August 2020: 9.75% per annum).

* The amount of the Company's investment in an investment fund is EGP 120 million.

Cash on hand and at banks (continued)

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

	30 November 2020	31 August 2020	30 November 2019
Cash on hand and at banks	589,693,830	208,626,454	224,236,219
Restricted cash at banks	(7,402)	(7,402)	(7,402)
	589,686,428	**208,619,052**	**224,228,817**

13. Share 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, the value of share is EGP 0.40, all of which are fully paid cash shares.

The shareholder structure as at 30 November 2020 is as follows:

	Shareholding %	Par value
Social Impact Capital "L.L.C"	51.22%	119,395,130
Others	48.78%	113,721,000
		233,116,130

The shareholder structure as at 31 August 2019 is as follows:

	Shareholding %	Par value
Social Impact Capital "L.L.C"	51.22%	119,395,130
Others	48.78%	113,721,000
		233,116,130

14. Reserves

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

	30 November 2020		
	Balance at 1 September	**Formed during the period**	**Balance at 30 November**
Legal reserve	116,558,065	-	**116,558,065**
Statutory reserve	19,834,444	-	**19,834,444**
Special reserve	92,667,112	-	**92,667,112**
Reserve resulting from foreign currency translation	211,583	110,183	**321,766**
Total	**229,271,204**	**110,183**	**229,381,387**

	31 August 2019		
	Balance at 1 September	**Formed during the year**	**Balance at 31 August**
Legal reserve	116,558,065	-	**116,558,065**
Statutory reserve	13,312,868	6,521,576	**19,834,444**
Special reserve	92,667,112	-	**92,667,112**
Reserve resulting from foreign currency translation	-	211,583	**211,583**
Total	**222,538,045**	**6,733,159**	**229,271,204**

Legal and statutory 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. The deduction is discontinued once the legal reserve reaches 50% of the issued and paid up capital.

Also, an amount of 5% is deducted from the profit to form the statutory reserve each year until the reserve reaches is equivalent to 25% of the Parent Company's issued capital. Once the balance reaches below that limit, deduction should resume again. On 30 May 2020, Article (56) of the Company's Articles of Association was amended to discontinue the deduction of the statutory reserve from profits.

15. Borrowings and credit facilities

Statement	Current portion		Non-current portion	
	30 November 2020	31 August 2020	30 November 2020	31 August 2020
Qatar National Bank ALAHLI Bank loan (1)	22,222,222	22,222,222	66,666,667	66,666,667
Qatar National Bank ALAHLI Bank loan (2)	21,666,667	22,933,935	108,333,314	108,012,126
Qatar National Bank ALAHLI-credit facility	1,332,910	20,091,430	-	-
Ahli United Bank loan	-	-	99,933,689	74,484,185
International Company for Finance Lease loan	11,826,314	11,793,074	31,961,332	34,913,506
European Bank loan	45,281,438	-	407,532,937	223,404,375
Upper Egypt Finance lease loan	115,550	312,722	-	-
	102,445,101	**77,353,383**	**714,427,939**	**507,480,859**

Credit facilities from Qatar National Bank ALAHLI have an interest rate of1.5% above the corridor price stated by the Central Bank.

Qatar National Bank loan (1)
On 30 May 2019, the Company signed a contract for a medium term loan of EGP 100 for the purpose of constructing new faculties in Badr University that is 100% owned by the Company. The contract ends on 31 August 2024, and this loan will be paid semi-annually on 9 equalled-amount instalments . However, the Company is still paying the related interests, during the current year, that will be calculated at an interest rate of 1.5% above the lending rate announced by the Central Bank of Egypt.

The balance of this loan as at 30 November 2020 amounted to EGP 88,888,889 (31 August 2020: EGP 88,888,889).

Qatar National Bank loan (2)
On 8 November 2019, the Company signed a contract for a medium term loan of EGP 130 million for the purpose of using it in partially finance for the remaining projects of the Company's expansion plan, which is to establish new seven faculties in Badr University and a school in the new city of Al Mansoura. The contract ends on 31 August 2026, and this loan will be paid equal semi-annually on 12 instalments in February and August, in addition to the applicable interest. The first instalment must due on the last day of February 2021, 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 instalments that must due on 31 August 2026.

The balance of this loan as at 30 November 2020 amounted to EGP 129,999,981 (31 August 2020: EGP 130,946,061).

Borrowings and credit facilities (continued)

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 loans related obligations for respective year are fulfilled.
- Assets are not to be sold, pledged or given 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. and the debt service rate (earnings before interest, tax and depreciation/ total financial liabilities) above 1: 1.
- Not to obtain loans or credit facilities without obtaining a written approval from the bank.

Ahli United Bank loan

On 14 January 2020, the Company signed a contract for a medium term loan of EGP 100 for the purpose of future expansions in establishing schools and new faculties in Badr University that is 100% owned by the Company. The contract ends on 31 August 2024, and this loan will be paid equal semi-annually on 9 instalments, to be repaid starting from February 2022. However, the Company is still paying the related interests, during the year, that will be calculated at an interest rate of 1.25% above the lending rate announced by the Central Bank of Egypt with a grace period of one year without any administrative expenses.

The balance of this loan as at 30 November 2020 amounted to EGP 99,933,68 (31 August 2020: EGP 74,484,18).

Main 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 that 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 provided to the bank throughout the duration of the finance as follows:

  (1) The debt service rate (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 X 1.15.
  (2) The financial leverage (total bank borrowings divided by net shareholders' equity) should not exceed X 1.5.

Borrowings and credit facilities (continued)

International Company for Finance Lease loan (Incolease)
On 23 February 2010, the Parent Company signed a preliminary contract with Incolease to obtain a finance lease of EGP 31.9 million for sale and leaseback of a plot of land owned by the Company at an interest rate equal to the lending rate announced by the Central Bank of Egypt. Payable over 84 monthly instalments starting 3 May 2010. Since this transaction does not qualify in its substance to be sale and leaseback transaction as it represent a collateralised loan by the asset "the plot of land " and since this transaction is outside the scope of EAS 20 " Accounting rules and standards relating to finance lease " the transaction was not considered as a sale and leaseback, instead, it was regarded as a loan agreement subject to the above mentioned conditions.

On 13 October 2019, an adjustment contract was signed with Incolease Company for Finance Lease and in accordance with the previous contract on May 2016 to obtain a loan of EGP 84,797,280. The loan amount includes interest amounted to EGP 5,917, and that the loan instalments are repaid over 60 months and expire on 20 September 2024, and interest payment of 14% from the date of signing the contract. It changes with an increase or decrease according to the borrowing price announced by the Central Bank of Egypt, within an equivalent to 2.5% above the official lending rate from the Central Bank. The Company obtained the second tranche of the loan under the same terms mentioned above. The total balance of the loan as of 30 November 2020 was EGP 43,787,646 including interest (31 August 2020: EGP 46,706,580).

European Bank loan
On 30 September 2019, the Company signed a contract for a medium term loan of EGP 452 million. The first instalments was injected on 19 September 2019, and the second instalment will be injected within three months from 31 August 2020 for the purpose of purchasing a new land in Assiut to establish faculties related to Badr University - Assiut and the establishment of the stage 1 of the University 100% owned by the Company. The contract ends on 30 September 2027, and this loan will be paid semi-annually on 12 equalled-amount instalments . However, the Company is still paying the related interests, during the current year, that will be calculated at an interest rate of 2% above the lending rate announced by the Central Bank of Egypt with a grace period of two years.

The balance of this loan as at 30 November 2020 amounted to EGP 452,814,375 (31 August 2020: EGP 223,404,375).

Main conditions and guarantees

- The ratio of debt service coverage that the cash available of 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 to be ratio of 1.2:1.
- The net financial debts should not exceed 3 times the profits before interest, tax and depreciation.
- The ratio of 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, tax and depreciation should not be less than 50%.

Borrowings and credit facilities (continued)

Upper Egypt Finance lease loan

During the eight-months ended 31 August 2016, Upper Egypt Leasing Company financed the purchase of some of the property, plant and equipment of Cairo for Investment and Real Estate Development Company under the two financing contracts dated 12 August 2015 and 18 August 2015. Both contracts commenced on 1 January 2016.

Since the financing was made in cash, this transaction is not considered as a finance lease and outside the scope of EAS 20, "Accounting Standards and Regulation related to the finance lease", this transaction is treated as a loan granted to the parent company and is recognized in accordance with EAS 26 "Financial Instruments - Recognition and measurement".

The amounts financed for both contracts amounted to EGP 3,156,160 including interest and payable over 60 instalments. The total due balance of this loan as at 30 November 2020 amounted to EGP 115.550 (31 August 2020: EGP 312.722).

16. Creditors and other credit balances

	30 November 2020	31 August 2020
Due to suppliers and contractors	195,510,071	151,019,361
Dividends payable	23,845,695	21,915,686
Accrued expenses	77,139,757	61,332,004
Due to government agencies	48,323,490	46,081,399
Due to related parties (Note 27)	652,272	324,291
Other credit balances	28,727,390	39,712,489
	374,198,675	**320,385,230**
Less: Non-current portion		
Due to suppliers and contractors - non-current portion*	(79,977,933)	(94,805,855)
	294,220,742	**225,579,375**

* 4 new lands have been purchased as part of the expansion of the Company's activities and the establishment of new schools. A land was purchased in the New Mansoura city amounting EGP 25 million, 50% of its value was paid, and the rest will be paid in two annual instalments ending on 30 June 2022. A land was purchased in Sheikh Zayed City amounting EGP 158 million , 30% of its value was paid and the rest will be paid in 5 annual instalments ending on 27 February 2025. A land was purchased in the New Alamein city amounting EGP 31 million, 20% of its value was paid, and the rest will be paid in 8 semi- annual instalments ending on 2 June 2024.

17. 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 2020	31 August 2020
Advance revenues	433,002,818	234,661,208

18. Income tax

Income tax charged to the consolidated statement of profit or loss for the period is as follows:

	30 November 2020	30 November 2019
Current income tax	38,355,898	31,046,893
Deferred tax (note 20)	(696,964)	(493,459)
Total	**37,658,934**	**30,553,434**

The tax on 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:

	30 November 2020	30 November 2019
Accounting profit before tax	156,257,481	136,418,187
Income tax based on current prevailing tax rates	35,157,935	30,694,092
Add (less):		
Non deductible expenses	362,711	1,302,838
Non-taxable revenues	-	(1,214,270)
Deferred tax assets not recognized on tax losses	2,138,288	(229.226)
Total	**37,658,934**	**30,553,434**

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

	30 November 2020	31 August 2020	30 November 2019
Balance at the beginning of the period/ year	84,156,700	66,104,436	66,104,436
Payments made during the period/ year	(5,930,764)	(64,790,066)	(16,972,285)
Tax differences for previous years	-	(330.777)	-
Cost of assets generated from acquiring subsidiaries	-	354,925	354,925
Withholding taxes	-	(12.761)	-
Charged to the consolidated statement of profit or loss during the period/ year	38,355,898	82,830,943	31,046,893
Balance at the end of the period/ year	**116,581,834**	**84,156,700**	**80,533,969**

19. Deferred tax liabilities

Deferred tax liabilities comprises temporary differences attributable to fixed assets:

	Balance at 1 September 2020 Asset (liability)	Movement for the period Revenue (expense)	Balance at 30 November 2020 Asset (liability)
Fixed assets	(34,262,888)	696,964	(33,565,924)
	(34,262,888)	696,964	(33,565,924)

	Balance at 1 September 2019 Asset (liability)	Movement for the year Revenue (expense)	Acquisition of subsidiaries	Balance at 31 August 2020 Asset (liability)
Fixed assets	(3,934,028)	(757.736)	(29,571,124)	(34,262,888)
	(3,934,028)	(757.736)	(29,571,124)	(34,262,888)

	Balance at 1 September 2019 Asset (liability)	Movement for the period Revenue (expense)	Acquisition of associates	Balance at 30 November 2019 Asset (liability)
Fixed assets	(3,934,028)	493,459	(29,571,124)	(33,011,693)
	(3,934,028)	493,459	(29,571,124)	(33,011,693)

20. Provision

	30 November 2020	31 August 2020
Provision for tax	67,687,942	67,687,942
Provision for lawsuits	1,054,383	1,078,183
	68,742,325	68,766,125

The movement of provisions during the period/ year is as follows:

	30 November 2020			
	Balance at the beginning of the period	Formed during the period	Utilised during the period	Balance at the end of the period
Provision for tax	67,687,942	-	-	67,687,942
Provision for lawsuits	1,078,183	-	(23.800)	1,054,383
	68,766,125	-	(23.800)	68,742,325

Provision (continued)

	31 August 2020				
	Balance at beginning of the year	formed during the year	Acquired provisions*	Utilised during the year	Balance at the end of the year
Provision for tax	32,057,121	2,700,682	37,447,502	(4,517,363)	**67,687,942**
Provision for lawsuits	1,147,933	-	-	(69.750)	**1,078,183**
	33,205,054	**2,700,682**	**37,447,502**	**(4,587,113)**	**68,766,125**

* The amount of the provisions acquired represents the formed provisions in the associates acquired during the year in addition to the consideration for potential tax adjustments resulting from the acquisition of Starlight, including its subsidiary. This amount was recorded under debtors and other debit balances, and a similar amount was recorded under provisions (Note 12) to prove potential tax obligations that were estimated by the independent financial advisor upon acquisition.

Provision for tax
Tax provisions have been formed in the current period and prior years against actual tax claims in addition to tax provisions against uninspected prior years.

The tax provision on tax claims actually received and expected taxes for previous years that have not yet been inspected amounted to EGP 63,477,007 (31 August 2020: EGP 63,477,007) based on management estimates and the independent external tax advisor of the Group.

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 6,768,792 increase or decrease (31 August 2020: EGP 6,768,792).

Provision for lawsuits
Provision for lawsuits amounted EGP 1,054,383 at 30 November 2020 (31 August 2020: EGP 1,078,183) 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 105.438 increase or decrease (31 August 2020: EGP 107.818).

21. Operating revenues

	30 November 2020	30 November 2019
Tuition revenues	327,031,051	262,286,011
Bus revenues	5,273,017	12,657,506
Admission revenues	21,472,713	12,182,274
Activities revenues	1,051,131	3,143,237
Contracting revenues	-	13,353,040
Other activities revenues	16,228,333	9,502,913
	370,005,114	**313,124,981**

22. Activity cost

	30 November 2020	30 November 2019
Employees' wages, salaries and benefits	73,026,319	64,133,039
Depreciation expenses	23,843,379	17,327,818
Transportation expenses	8,167,705	10,210,037
Maintenance, electricity, utilities and communications expenses	13,054,476	10,167,861
Teaching tools, aids and books expenses	6,822,829	7,847,052
Rents	4,819,685	4,850,658
Professional and consulting fees, charges	3,732,032	2,956,662
Activities expenses	764,303	564,371
Contracting expenses	-	11,038,665
Other expenses	7,623,764	10,532,171
	141,854,492	**139,628,334**

23. General and administrative expenses

	30 November 2020	30 November 2019
Employees' wages, salaries and benefits	28,115,488	20,651,346
Professional and consulting fees, charges	9,177,812	10,975,753
Maintenance, electricity, utilities and communications expense	4,840,687	2,384,404
Operating and financing leases	321,694	312,422
Depreciation expenses	591,692	595,846
Board members attendance allowances and audit committee	338,524	454,107
Takaful contribution	427,890	291,232
Impairment losses on debtors and other debit balances	150,000	150,000
Expenses for impairment of investments in associates	255,000	-
Other expenses	5,044,462	2,700,102
	49,263,249	**38,515,212**

24. Expenses by nature

	30 November 2020	30 November 2019
Employees' wages, salaries and benefits	101,141,807	84,784,385
Depreciation expenses	24,435,071	17,923,664
Professional and consulting fees, charges	12,909,844	13,932,415
Maintenance, electricity, utilities and communications expenses	17,895,163	12,552,265
Transportation expenses	8,167,705	10,210,037
Teaching tools, aids and books expenses	6,822,829	7,847,052
Rents	5,141,379	5,163,080
Board members attendance allowances and audit committee	338,524	454,107
Activities expenses	764,303	564,371
Contracting expenses	-	11,038,665
Takaful contribution	427,890	291,232
Impairment losses on debtors and other debit balances	150,000	150,000
Expense for impairment of investments in associates	255,000	-
Other expenses	12,668,226	13,232,273
	191,117,741	**178,143,546**

25. Other Revenues

	30 November 2020	30 November 2019
Leasing revenues	849,585	884,555
Dues no longer required	-	330,777
Profits on sale of fixed assets	-	537
Change in fair value of investment funds	1,633,690	-
Variable revenues	33,784	102,709
	2,517,059	**1,318,578**

26. Net financing (costs) revenues

	30 November 2020	30 November 2019
Interest revenues	7,040,693	6,605,550
Losses from foreign currency differences	(193.335)	(233.025)
Interest expenses	(31,994,309)	(6,254,351)
	(25,146,951)	**118,174**

27. 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:

Due from related parties:

The company	Nature of relation	30 November 2020	31 August 2020
Egyptians Health Care	Associate	4,559,683	4,559,683
Mafrix Company	Associate	2,865,642	2,720,991
Egyptian Company for Numbering	Others	140,382	140,382
Egyptian for Office Operation and Supply	Associate	15,823	15,823
Karim Moustafa Tawfiq	A shareholder of Canadian Columbia International School	28,564,431	9,289,610
Others		540,450	-
		36,686,411	**16,726,489**

Balances due to related parties:

The company	Nature of relation	30 November 2020	31 August 2020
Future for Educational Activities	Others	449,562	121,411
HK&S Company	Associate	202,710	-
Others		-	202,880
		652,272	**324,291**

Related parties transactions during the period/ year:

	Movement	
	30 November 2020	31 August 2020
Egyptians Health Care		
Contributions of share capital	-	23,347,333
Transferred to investments in subsidiaries and associates	-	(23,347,333)
Cash transfers	-	4,559,683
Purchases	-	-
Mafrix Company		
Bank transfers	144,651	(7,615,161)
HK&S Company		
Purchases	(202.710)	(540.322)
Future for Educational Activities		
Proceeds of tuition revenues	1,035,691	2,086,777
Tuition expenses	(694.695)	(2,172,525)
Against the management	(12.845)	(43.407)
Karim Moustafa Tawfiq		
Withdrawals under dividends account	19,274,821	9,289,610
Others	743,330	202,880

Related parties transactions (continued)

Key management compensation:
The charges of the key management of the Company during the year and charged to the revenues and expenses statement on 30 November 2020 amounted to EGP 2,440,181 (30 November 2019: EGP 2,242,668).

Non-controlling interests

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

	Share capital	Retained earnings	30 November 2020
Balance at 1 September 2020	**44,969,084**	**56,082,978**	**101,052,062**
Dividends	-	(2,346,979)	**(2,346,979)**
Currency differences resulting from foreign currency translation	-	73,455	**73,455**
Profit for the period	-	6,430,536	**6,430,536**
Balance at 30 November 2020	**44,969,084**	**60,239,990**	**105,209,074**

	Share capital	Retained earnings	31 August 2020
Balance at 1 September 2019	**44,969,084**	**11,401,279**	**56,370,363**
Non-controlling interests of acquired companies	-	37,962,739	**37,962,739**
Dividends	-	(5,908,139)	**(5,908,139)**
Currency differences resulting from foreign currency translation	-	141,056	**141,056**
Profit for the year	-	12,486,043	**12,486,043**
Balance at 31 August 2020	**44,969,084**	**56,082,978**	**101,052,062**

28. Goodwill

Goodwill arises on the acquisition of subsidiaries and acquisitions during the period and arises out of the excess of the consideration paid in the subsidiaries, the non-controlling interest in the acquiree and the acquisition-date fair value of net assets of subsidiaries. It represent 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 2020	31 August 2020
Egyptian Education Systems	5,133,061	5,133,061
Educational Systems International	355,800	355,800
Global Educational Technologies	238,666	238,666
Cairo Educational Services	157,018	157,018
Cairo Misr for Educational Facilities	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**

Subsidiaries are considered as cash generating units for the goodwill impairment testing purposes. During the period, the management conducted an impairment testing for the value of the goodwill based on the "value in use". Below is summary for the significant assumptions employed for the purpose of testing goodwill value by the management:
Growth rate 3%
Discount rate 15%

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 value have 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 Investment and Real Estate Development Company owns 100% of the Egyptian Education Systems Company , Cairo Investment and Real Estate Development Company will acquire all of these assets.This resulted in impairment of its goodwill of EGP - 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.

Goodwill (continued)

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	(100,000,000)
Total acquisition cost	**(100,000,000)**

Assets and liabilities acquired from Star Light Company 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 bank	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	(100,000,000)
Goodwill	**28,171,629**

29. Earnings per share

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

	30 November 2020	30 November 2019
Net profit for the period attributable to the shareholders of the Parent Company	112,168,011	105,864,753
Less:		
Board of Directors' expected remuneration	(10,051,220)	(8,362,247)
Employees' expected profit share	(10,211,679)	(8,691,603)
Net distributable dividends	**91,905,112**	**88,810,903**
Weighted average number of shares	582,790,325	582,790,325
Earnings per share	**0.16**	**0.15**

30. Tax position

(1) Cairo Education Services "S.A.E"

Fund corporates tax

- The Company was inspected from 1998 until 1999 and due tax was paid.
- The Company was inspected for the years from 2000 until 2004 on a deemed basis at a total tax of EGP 5,793,131. The Company was notified of Forms 18 and 19 Tax of Fund Corporates and they were appealed on the legal deadlines and dispute has not been settled yet in the Internal Committee.
- The Company was not inspected from 2005 to 2008. The Company submits the tax returns regularly on the legal deadlines and pays the due tax based on the tax returns submitted on the legal deadlines and years from 2005 to 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 from 2009 to 2010 and due tax was paid.
- Years from 2011 to 2020, the Company was not inspected until the financial statements date.

Withholding tax

The Company applies the withholding tax under tax regulations as per Law No. 91 of 2005.

Salaries tax

- The Company applies the withholding tax and pays it monthly in accordance with the Tax Law No. 91 of 2005.
- Quarterly tax returns are filed regularly and the Company pays the tax on legal dates.
- The Company paid the tax due until 2004.
- The Company was notified of a salaries tax claim for the period from 1 January 2005 to 30 June 2005, and the Company was notified of a form of 36 salaries for the period from 1 July 2005 to 31 December 2011 and they were challenged in legal deadlines and the dispute still pending before the internal committee.
- Years from 1 January 2012 to 30 November 2020, the Company was not inspected until the financial statements date.

Stamp tax

- The Company paid the tax due until 30 November 2003.
- The Company was notified of Form No. 3 Stamp Duty for the period from 1 February 2003 to 28 February 2006, with a total tax of EGP 74.599. The form was objected upon within the legal date and was referred to the appeals committee, and the dispute still pending until the date of preparing the financial statements.
- The Company was notified of Form No. 3 Stamp Duty for the period from 1 March 2006 until 30 June 2010. It is appealed on the legal deadline and referred to the Appeal Committee. Final assessment to the decision of the Appeal Committee is made on 23 November 2014 at a total tax of EGP 14,798. Payment was made on 29 January 2015.
- Years from 1 July 2010 to 30 November 2020, the Company was not inspected until the financial statements date.

Value added tax

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

Tax position (continued)

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

First: Fund corporates tax

1. Years from 1992 to 1993
   The Company was inspected for the corporate income tax for and final tax notice from the decision of the appeal committee by amount of EGP 149,952, and dispute between the Company and the specialized authority was referred to the court and the dispute is still ongoing and the company has paid the tax according to the appeal committee decision.

2. Years from 1994 to 1995
   The Company was inspected for the corporate income tax and assessment was made with amount of EGP 44,188 and form 18 was notified and objected and form 19 was notified and objected and has been appealed. The file was referred to the appeal committee and then referred to the specialized court, and the company has paid the tax according to the appeal committee decision tax notice.

3. Years from 1996 to 2001
   The Company was inspected for the corporate income tax for and form 18 was notified and objected and form 19 was notified by EGP 2,152,266 and has been appealed and the file was referred to the internal committee of the authority and then to the appeal committees, and defence memorandum was submitted and the appeal committee decision had been issued. The dispute between the company and the authority was referred to the court from 1998 to 2001 and the dispute is still ongoing for not applying the provisions of Article 21 of Law No. 157 of 1981 and its amendments.
   The Company paid the tax and the fine with a total amount of EGP 3,466,645 of commercial profits tax for the years 1996 until 2001.

4. Years from 2002 to 2004
   The authority has charged the company depending on estimation, and form 18 was notified and objected and form 19 was notified and has been appealed. The file was referred to the internal committee of the authority and the company submitted a request to re-examine these years and the dispute was transferred to appeal committees and defence memorandum was submitted and the appeal committee decision had been issued to return the file to the authority to prepare for the completion of the inspection of the authority.

5. Years from 2005 to 2008
   The tax returns were submitted on time and the tax was paid from the tax returns and the company was not inspected since it was not included in the inspection sample.

6. Years from 2009 to 2010
   The Company was charged with the corporate income tax. The Company was notified in the form 19 in the amount of EGP 7,513,695 and has been appealed, and the file was referred to the internal committee of the authority.

Tax position (continued)

7. Years from 2011 to 2012
   The Company was charged with the corporate income tax. The Company was notified in the form 19 in the amount of EGP 8.784.566 and has been appealed, and the file was referred to the internal committee of the authority to issue a decision to re-examination.

8. Years from 2013 to 2014
   The Company was charged with the corporate income tax. The Company was notified in the form 19 and has been appealed, and the file was referred to the internal committee of the authority to issue a decision to re-examination.

9. Years from 2015 to 2020
   The Company has not yet been inspected for these years and submits the tax returns at the specified tax dates and the tax is paid based on the tax return.

Second: Stamp tax

1. Years from 1 September 1992 till 31 October 1997
   The Company was inspected until 31 October 1997. The Company was notified of 3 stamp tax forms and an internal committee was set up and the tax payable by the company was paid.

2. Years from 1 November 1997 till 30 September 2002
   The Company was inspected and the Company was notified with a 4-stamp form and has been appealed. The file was referred to the appeal committee. The final decision was approved by the appeal committee in the amount of EGP 23,585. The tax amount was paid by scheduled check.

3. Years from 1 October 2002 till 31 October 2005
   The Company was inspected and notified to the Company in the form of 3, 4 stamps and was objected. The file was referred to the appeal committee and the final decision was approved by the appeal committee in the amount of EGP 22,946.

   Pay an amount of EGP 69,719 of differences and stamp tax inspection for the years 2002 until 2005.

Third: Salaries tax

1. Years from 1992 to 1994
   The Company was accounted for and linked to and the tax due for those years was paid.

2. Years from 1995 to 1999
   Salaries tax was linked to the amount of EGP 265,245 basis of the non-appeal link and the dispute was referred to the specialized court and the dispute is still ongoing. The tax amount was paid by scheduled check.

Tax position (continued)

3. Years from 2000 to 2001
   Salaries tax was notified and the form was objected to the legal deadline. The dispute was referred to an internal committee and then to an appeal committee. The defence memorandum was submitted and the tax owed by the Company was paid from the decision of the appeal committee.

4. Years from 1 January 2005 till 30 June 2005
   The company was inspected with a tax link on the company in the amount of EGP 496,329. The complaint was filed against the model. The file was referred to the internal committee, and then to the appeal committees. The defence memorandum was submitted and it was reserved for the decision on 20 January 2019.

5. Years from 1 July 2005 till 2010
   Salaries tax was linked by EGP 9,030,294 and the company was informed in model 38 that it was objected and the file was referred to the internal committee, and then to the appeal committees and the sessions to resolve the dispute will be attended.

6. Years from 2011 to 2020
   The Company was not notified on financial statements date.
   Pay an amount of EGP 981,000 of differences and salaries tax examination for the years 2002 until 2011.

Fourth: Sales tax

The Company submits tax returns on sales regularly and at legal times. The Company was inspected from the start of the activity until 2005, and the tax differences resulting from the inspection, as well as the additional tax, were paid, and the Company was inspected for the years 2006 to 2013. The tax and fines were paid for that period in the amount of EGP 687,341 in full. The Company was not notified on any other examinations.

(3) Egyptian Company for Education Systems "S.A.E"

First: Corporate income tax

Years from 2005 to 2020
- Tax returns were submitted on the legal deadline and the Company is exempted from taxes until 4 May 2008 in accordance with law No. 91 of 2005.
- The period from 5 May 2008 until 30 June 2016, the Company was not notified of the inspection date taking into consideration law No. 91 of 2005 on a sample basis.
- For the period from 1 July 2016 till 30 November 2020.

Second: Salaries tax

Years from 2005 to 2020
The Company pays the income tax monthly on the legal deadlines and there are no income tax notifications for such years.

Tax position (continued)

Third: Stamp tax

Years from 2005 to 2020
The Company did not receive any tax notifications related to the tax period.

Fourth: Sales tax

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

Fifth: Value added tax

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

(4)) Global Educational Technology "S.A.E"

First: Corporate income tax

1. 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 such years.

2. Years from 2005 to 4 May 2008
   - The Company submits tax returns on the legal deadlines
   - The Company is exempted from the corporate income tax in accordance with Law No. 91 of 2005.

3. Years from 2008 to 2020
   - The Company submits the tax returns on the legal deadlines and it has not been notified of the inspection during such years.

Second: Salaries tax

Years from 2003 to 2020
- The Company pays the income tax monthly on the legal deadlines and there are no income tax notifications for such years.

Third: Stamp tax

Years from 2003 to 2020
- The Company did not receive any tax notifications related to the tax period.

Fourth: Sales tax

Years from 2003 to 2020
- The Company is not subject to the provisions of law No. 11 of 1991 and its amendments.

Tax position (continued)

Fifth: Value added tax

Years from 2003 to 2020
- The Company is not subject to the provisions of law No. 67 of 2016.

(5) Future and Nations Company "S.A.E"

First: Income tax

The Company has not been notified of the inspection since the start of activity until now. The tax return is prepared and submitted on the legal deadlines according to the requirements of the Income Tax Law issued by law No. 91 of 2005.

Second: Salaries tax

The Company has not been notified of the inspection since the start of activity until now and payment is made at the beginning of each month on the legal deadlines.

Third: Stamp tax

The Company has not been notified of the inspection since the start of activity until now.

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

First: Corporate income tax
Years from 2009 to 2020
The tax returns were submitted on the legal deadlines and the Company has not been notified of the inspection during such years.

Second: Salaries tax

Years from 2009 to 2020
The Company pays the income tax monthly on the legal deadlines and there are no income tax notifications for such years. Provision was made amounting EGP 25,000 against dispute of salaries tax.

Third: Stamp tax

Years from 2009 to 2020
The Company did not receive any tax notifications related to the tax period.

Fourth: Sales tax

Years from 2009 to 2020
The Company is not subject to the provisions of law No. 11 of 1991 and its amendments.

Fifth: Value added tax

Years from 2009 to 2020
The Company is not subject to the provisions of law No. 67 of 2016.

Tax position (continued)

(7) Badr University "L.C.C"

Income tax
The income tax is calculated at the realised excess in accordance with the applicable laws and regulations in this regard and using the tax rates enacted at the date of the financial statements. The income tax payable is recognised in the statement of revenues and expenses.

The University's records were not inspected from the date of inception until 30 November 2020.

Payroll tax
The University's records were inspected from the date of inception until 31 August 2018.

The University's records were not inspected from 1 September 2018 until 30 November 2020.

Stamp tax
The University's records were not inspected from the date of inception until 30 November 2020.

Withholding tax
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 30 November 2020.

(8) Canadian Columbia International School "S.A.E"

Corporate income tax

1. Years 2008 and 2009
   The Company was inspected for the corporate profits 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 fully settled.

2. Years 2009 and 2010
   The Company was inspected for corporate profits tax for the years 2009 and 2010, amounting to 164,617 Egyptian pounds, and the payment was fully settled.

3. Years 2011 and 2012
   The Company was inspected for the corporate profits tax for the years 2012 and 2011, and an amount of EGP 2,138,519 was pegged. The dispute between the Company and the competent tax office was referred to the court, and the dispute still not solved, and part of the claim was paid in the amount of EGP 400,000 based on the decision of the appealcommittee.

4. Years 2013 and 2014
   The Company was inspected for the corporate profits tax for the years 2013 and 2014. The Company was notified of the estimated form 19 at an amount of EGP 9,178,233 and a delay fee of EGP 7,175,213, and it was appealed and no payment has been made to date.

5. Years from 2015 to 2019
   The Company has not yet been inspected to date and submits the tax returns at the specified tax dates and the tax is paid based on the tax return.

Tax position (continued)

Salaries tax

1. Years from 2008 to 2015
   The income tax was assessed at EGP 9,533,890, and the inspection and settlement were fully completed.

2. Years from 2016 to 2019
   These years have not been inspected, and no claims have been received from the Authority.

Stamp tax

Years from 2008 to 2017

The Company was inspected, the Company was notified with a stamp 3 form, and the taxes due from the Company were paid.

Real estate taxes

Years from 2013 to 2018

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

31. Commitments

A) Capital commitments

Capital commitments contracted on the date of the consolidated financial statements are as follows:

	30 November 2020	31 August 2020
Fixed assets	706,059,321	708,272,091

B) Operating lease

The Group is leasing many buses and a building for one of the schools for operational purposes. The length of these contracts are between 1 to 5 years.
Total future payments for the lease contracts are as follows:

	30 November 2020	31 August 2020
Less than one year	34,869,445	33,383,653
over 1 year and less than 5 years	200,233,650	170,426,886

32. Contingent liabilities

There are contingent liabilities on the Company in the form of letters of guarantee during the normal activities of the Group that do not result in actual liabilities.

The balance of the letters of guarantee granted by the Company during its normal activity on 30 November 2020 amounted to EGP 4,303,000 (31 August 2020: EGP 6,098,000).

33. Subsequent events

On 22 December 2020, the Extraordinary General Assembly approved the proposal of the Board of Directors in its session held on 26 November 2020 to issue Ijarah bonds compliant with the provisions of Islamic Sharia in accordance with the provisions of Capital Market Law No. 95 of 1992. In addition to its executive regulations, negotiable, non-convertible to shares, and expedited repayment in a total of 600 million pounds is offered for subscription, a private placement for financial institutions eligible for investment, entities and individuals with 100% solvency, and is listed on the Egyptian Stock Exchange. These bonds were issued for the purpose of recovering the investment costs that the Company spent on the assets subject to questioning and using them in the Company's activities for future expansion in the higher education and pre-university education segment, and in paying the Company's financial obligations, including its obligations towards the creditor banks.

On 29 December 2020, the private placement memorandum was issued and an amount of EGP 600 million was collected from the bonds issuance in addition to the issuance fees of EGP 300,000.

Based on the above, on 27 December 2020, the Company sent letters to both the International Company for Finance Lease (Incolease) and Qatar National Bank for its desire to expedite payment of both the International Company for Finance Lease (Incolease) loan of EGP 44 million and the Qatar National Bank loan (2) of EGP 130 million on 30 November 2020. The loan of Qatar National Bank was repaid on 30 December 2020 and the loan from the International Company for Finance Lease (Incolease) was repaid on 5 January 2021.

34. Subsequent events

The global Corona virus disease "COVID19" put more than a third of the world's population in a form of lock down, disrupting daily life and patterns for testing long-term pressures. We pay tribute to the front-line workers who risk their lives and the lives of their families for the public interest, and the workers who have stayed in their homes in an encouraging demonstration of global solidarity. Families have shown their resilience, ability to adapt and act with the changes that have been caused by the "COVID-19" Corona virus. The Group is proud to have played a role in their willingness to face these challenges. As the world continues to address the consequences of the Corona virus "COVID-19", we are committed to keep our shareholders aware of our response to the disease in main fields including the continuity of educational, health and safety services, transport services, construction, human resources and financial reporting.

Subsequent events (continued)

The Group has taken all measures to start the second academic year 2020/2021 since the offering on the Egyptian Stock Exchange in October 2018. Over the past year, our management team has worked tirelessly to fulfil its promises to our investors through:

1. Delivering robust results despite challenging operating conditions of the COVID-19 pandemic.
2. Providing many opportunities to further develop our educational platform that serves the middle and upper classes in the Egyptian market with the highest standards of quality and education.
3. Improving our economic performance profile.

By reviewing the academic figures for the year 2020/2021, the Group has achieved a very important milestone by reaching 41,050 students in both basic and even higher education. Moving from 36,900 male and female students in 2019/2020 to more than 41,000 students this year 2020/2021 and this represents achieving a major goal of reaching 41,000 students by the 2020/2021 academic year, which ensures that the Company continues to achieve its goal of growth year after year. We announce that we currently have 28,100 students registered in the basic education sector, with a growth rate of 6% compared to the academic year 2019/2020, and 12,950 students registered in the higher education sector at Badr University in Cairo, with a growth rate of 25,2% compared to the academic year 2019/2020. Admission to applications for four new colleges at Badr University has started strongly for the 2020/2021 academic year, since the first submission was announced.

Despite the difficult conditions that have cast a shadow over the education systems around the world, the number of students at CIRA has increased by 4,150 students in both the basic and higher education segment. CIRA continues to lay the foundation on which It reinforces the Company's position as a major provider of educational quality in Egypt. With the fast increase of student enrolment in both our primary and higher education sectors, we are adding new schools and colleges to meet the increased demand of Egypt's middle class sector for quality and affordable education.

As for Badr University, the Group has opened four new colleges in the next academic year 2020/2021 and the Group is on its way to obtain the necessary approvals to open the colleges. Construction work on the four new faculties buildings has been completed as of the second quarter of "19/20".

Regarding the British Regent School in Mansoura, the Group has completed all construction work and obtained all necessary licenses, and the school has already been opened and students are accepted, starting from 17 October 2020.

As for Badr University in Assiut (BUA), the Group started excavation and construction work on 9/9/2020 for a university for the first phase of the project. It is planned that the project includes Badr University (BUA) as well as the international campus on a plot of land of 81 acres. The project has a number of colleges and community colleges, services for students, the commercial complex and the hospital to serve as a centre for providing educational and community services in the heart of Upper Egypt.