

**Al Faleh Educational Holding Q.P.S.C.
Condensed consolidated interim financial statements
28 February 2021**

Al Faleh Educational Holding Q.P.S.C.

**Condensed consolidated interim financial statements
As at and for the six months ended 28 February 2021**

| Contents | Page(s) |
|---|----------------|
| Independent auditor's report on review of condensed consolidated interim financial statements | 1 |
| Condensed consolidated interim financial statements | |
| Condensed consolidated statement of financial position | 2 |
| Condensed consolidated statement of profit or loss and other comprehensive income | 3 |
| Condensed consolidated statement of changes in equity | 4 |
| Condensed consolidated statement of cash flows | 5 |
| Notes to the condensed consolidated interim financial statements | 6 - 12 |



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Independent auditor's report on review of condensed consolidated interim financial statements

To
The Shareholders of Al Faleh Educational Holding Q.P.S.C.
Doha
State of Qatar

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Al Faleh Educational Holding Q.P.S.C. (the "Company") as at 28 February 2021, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial statements ("the condensed consolidated interim financial statements"). Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at and for the six months ended 28 February 2021 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

28 April 2021
Doha
State of Qatar

Yacoub Hobeika
KPMG
Audit Registration No.289
Licensed by QFMA: External
Auditor's license No. 120153

Al Faleh Educational Holding Q.P.S.C.

Condensed consolidated statement of financial position
As at 28 February 2021

In Qatari Riyals

| | Note | 28 February 2021 (Reviewed) | 31 August 2020 (Audited) |
|-------------------------------------|--------|--------------------------------|-----------------------------|
| Assets | | | |
| Right-of-use assets | 6 | 25,340,653 | 68,756,300 |
| Property and equipment | 7 | 80,476,946 | 84,047,870 |
| Intangible assets and goodwill | 8 | 231,766,153 | 235,611,413 |
| Non-current assets | | 337,583,752 | 388,415,583 |
| Inventories | | 1,007,213 | 807,674 |
| Trade and other receivables | 9 | 8,584,289 | 3,661,368 |
| Cash and bank balances | 11 | 9,963,788 | 5,821,026 |
| Current assets | | 19,555,290 | 10,290,068 |
| Total assets | | 357,139,042 | 398,705,651 |
| Equity | | | |
| Share capital | | 240,000,000 | 10,000,000 |
| Capital contribution | | 817,013 | 270,018,246 |
| Legal reserve | | 2,279,689 | 2,279,689 |
| Retained earnings | | 2,869,279 | 18,072,542 |
| Total equity | | 245,965,981 | 300,370,477 |
| Liabilities | | | |
| Loans and borrowings | 12 | 24,710,887 | 27,699,548 |
| Lease liabilities | 13 | 18,395,066 | 9,676,404 |
| Employees' end of service benefits | 14 | 2,448,150 | 2,741,531 |
| Non-current liabilities | | 45,554,103 | 40,117,483 |
| Due to a related party | 10 (a) | - | 3,545,127 |
| Bank overdraft | 11 | 3,366,017 | 3,611,419 |
| Loans and borrowings | 12 | 11,412,643 | 8,858,603 |
| Lease liabilities | 13 | 7,783,583 | 4,379,129 |
| Trade and other payables | 15 | 43,056,715 | 37,823,413 |
| Current liabilities | | 65,618,958 | 58,217,691 |
| Total liabilities | | 111,173,061 | 98,335,174 |
| Total equity and liabilities | | 357,139,042 | 398,705,651 |

The Chief Executive Officer and the Chief Financial Officer attest the accuracy and completeness of the condensed consolidated interim financial statements as at and for the six months ended 28 February 2021.


Sheikha Anwar Nawaf Nasser Ahmed Al Thani
 Chief Executive Officer


Muhammad Usman Saeed
 Chief Financial Officer

These condensed consolidated interim financial statements were approved by the Board of Directors and signed on its behalf by the following on 28 April 2021:


Sheikha Aisha Bint Faleh Al-Thani
 Chairperson



The notes from 1 to 18 form an integral part of these condensed consolidated interim financial statements.

Al Faleh Educational Holding Q.P.S.C.

Condensed consolidated statement of profit or loss and other comprehensive income
For the six months ended 28 February 2021

In Qatari Riyals

| | Note | 1 September 2020 to 28 February 2021 (Reviewed) | 1 September 2019 to 29 February 2020 (Reviewed) |
|--|------|---|---|
| Fees | 16 | 62,313,793 | 62,152,310 |
| Other income | | 129,626 | 126,727 |
| Book expense | | (1,598,995) | (2,614,618) |
| General and administrative expenses | 17 | (36,928,012) | (39,932,123) |
| Amortisation on right-of-use assets | | (5,276,647) | (4,056,910) |
| Depreciation on property and equipment | | (4,796,154) | (5,114,353) |
| Amortisation of intangible assets | | (3,845,260) | (3,845,260) |
| Operating profit | | 9,998,351 | 6,715,773 |
| Finance costs | | (1,912,755) | (1,247,755) |
| Profit | | 8,085,596 | 5,468,018 |
| Other comprehensive income | | - | - |
| Total comprehensive income | | 8,085,596 | 5,468,018 |



The notes from 1 to 18 form an integral part of these condensed consolidated interim financial statements.

Al Faleh Educational Holding Q.P.S.C.

**Condensed consolidated statement of changes in equity
As at and for the six months ended 28 February 2021**

In Qatari Riyals

| | Capital | Capital contribution | Legal reserve | Retained earnings | Total |
|---|--------------------|----------------------|------------------|-------------------|--------------------|
| Balance at 1 September 2019 | 10,000,000 | 254,759,206 | 1,572,489 | 14,072,400 | 280,404,095 |
| <i>Total comprehensive income:</i> | | | | | |
| Profit | - | - | - | 5,468,018 | 5,468,018 |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income | - | - | - | 5,468,018 | 5,468,018 |
| <i>Transaction with owners of the Company</i> | | | | | |
| Dividend distribution | | | | (2,364,660) | (2,364,660) |
| Balance at 29 February 2020 (Reviewed) | 10,000,000 | 254,759,206 | 1,572,489 | 17,175,758 | 283,507,453 |
| Balance at 1 September 2020 | 10,000,000 | 270,018,246 | 2,279,689 | 18,072,542 | 300,370,477 |
| <i>Total comprehensive income:</i> | | | | | |
| Profit | - | - | - | 8,085,596 | 8,085,596 |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income | - | - | - | 8,085,596 | 8,085,596 |
| <i>Transaction with owners of the Company</i> | | | | | |
| Transfer from capital contribution to share capital (1) | 230,000,000 | (230,000,000) | - | - | - |
| Dividend distribution (2) | - | - | - | (23,288,859) | (23,288,859) |
| Total transaction with owners of the Company | 230,000,000 | (230,000,000) | - | (23,288,859) | (23,288,859) |
| <i>Other movement</i> | | | | | |
| Capital contribution refunded (3) | - | (39,201,233) | - | - | (39,201,233) |
| Balance at 28 February 2021 (Reviewed) | 240,000,000 | 817,013 | 2,279,689 | 2,869,279 | 245,965,981 |

- 1) As per the shareholder's resolution dated 3 February 2021, the shareholders decided to increase its share capital to QR 240,000,000 by transferring QR 230,000,000 from capital contribution to share capital.
- 2) As per the shareholder's resolution dated 1 January 2021 and 1 March 2021, dividend amounting to QR 23,288,859 was distributed during the period.
- 3) Capital contribution amounting to QR 12,201,233 recognised upon the initial adoption of IFRS 16 in relation to a lease asset taken from the controlling shareholders at less than market value was reversed during the period as per the shareholder's resolution dated 1 January 2021, upon the derecognition of the same. Furthermore, as per the same resolution capital contribution amounting to QR 27,000,000 was released against the receivable from the controlling shareholder.

The notes from 1 to 18 form an integral part of these condensed consolidated interim financial statements.

Al Faleh Education Holding Q.P.S.C.

Condensed consolidated statement of cash flows
For the six months ended 28 February 2021

In Qatari Riyals

| | 1 September 2020 to 28 February 2021 (Reviewed) | 1 September 2019 to 29 February 2020 (Reviewed) |
|--|---|---|
| Cash flows from operating activities | | |
| Profit | 8,085,596 | 5,468,018 |
| <i>Adjustments for:</i> | | |
| Amortisation on right-of-use assets | 5,276,647 | 4,056,910 |
| Depreciation on property and equipment | 4,796,154 | 5,114,353 |
| Amortisation of intangible assets | 3,845,260 | 3,845,260 |
| Employees' end of service benefits (reversal) / provision | (175,291) | 769,849 |
| Finance costs | 1,912,755 | 1,247,755 |
| | <u>23,741,121</u> | <u>20,502,145</u> |
| <i>Changes in:</i> | | |
| - inventories | (199,539) | - |
| - trade and other receivables | (4,922,921) | (360,004) |
| - due from related parties | - | (20,643,382) |
| - trade and other payables | 5,233,302 | 10,485,613 |
| Cash generated from operating activities | 23,851,963 | 9,984,372 |
| Employees' end of service benefits paid | (118,090) | (139,179) |
| Finance costs paid | (1,338,331) | (1,247,755) |
| Net cash from operating activities | <u>22,395,542</u> | <u>8,597,438</u> |
| Cash flows from investing activity | | |
| Acquisition of property and equipment | (1,225,230) | (1,287,376) |
| Net cash used in an investing activity | <u>(1,225,230)</u> | <u>(1,287,376)</u> |
| Cash flows from financing activities | | |
| Dividend distribution | (10,849,986) | - |
| Repayment of lease liabilities | (4,926,510) | (2,094,430) |
| Repayment loans and borrowings | (1,005,652) | (3,534,687) |
| Net cash used in financing activities | <u>(16,782,148)</u> | <u>(5,629,117)</u> |
| Net change in cash and cash equivalents during the period | 4,388,164 | 1,680,945 |
| Cash and cash equivalents at the beginning of the period | 1,556,607 | (762,303) |
| Cash and cash equivalents at the end of the period | <u><u>5,944,771</u></u> | <u><u>918,642</u></u> |



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The notes from 1 to 18 form an integral part of these condensed consolidated interim financial statements.

Al Faleh Educational Holding Q.P.S.C.

Notes to the condensed consolidated interim financial statements As at and for the six months ended 28 February 2021

1. Reporting entity

Al Faleh Educational Holding Q.P.S.C. (the "Company") was initially registered in the state of Qatar as a company with limited liability under the Commercial Registration No. 71150.

As per the shareholder's resolution dated 3 February 2021, the shareholders decided to increase the share capital of the Company to QR 240,000,000 by transfer from capital contribution to share capital. Subsequently, on 6th February 2021, the Company was converted from a limited liability company to a Qatari Public Shareholding Company. Subsequent to the six months period ended 28 February 2021, on 13 April 2021, the Company was listed on Qatar Exchange Venture Market upon receipt of approval from Qatar Financial Market Authority.

As per the shareholders resolution on 1 February 2021, new shareholders were introduced in the Company. The share capital is distributed among the shareholders as follows in the current and comparative reporting date:

| Name | 2021 | 2020 |
|--|-------------|-------------|
| | Percentage | Percentage |
| Sheikha Aisha Bint Faleh Nasser Bin Ahmed Al-Thani | 86% | 76% |
| Sheikh Jassim Bin Nawaf Nasser Bin Khalid Al-Thani | 1.5% | 4% |
| Sheikh Faleh Bin Nawaf Nasser Bin Khalid Al-Thani | 1.5% | 4% |
| Sheikh Nasser Bin Nawaf Nasser Bin Khalid Al-Thani | 0.75% | 4% |
| Sheikha Maryam Bint Nawaf Nasser Bin Khalid Al-Thani | 2% | 2% |
| Sheikha Anwar Bint Nawaf Nasser Bin Ahmad Al-Thani | 2% | 2% |
| Sheikh Khalid Nawaf Bin Nasser Bin Khalid Al-Thani | 2% | 4% |
| Sheikh Mohamad Nawaf Bin Nasser Khalid Al-Thani | 0.75% | 4% |
| Others | 3.5% | - |
| | 100% | 100% |

The Company had the following subsidiaries, as at the current and the comparative reporting dates:

| Name of subsidiary | Principal activities | Holding % | |
|---|--|-----------|------|
| | | 2021 | 2020 |
| Doha International Kindergarten W.L.L. | Kindergarten | 100% | 100% |
| Doha Academy W.L.L. | Kindergarten, primary, preparatory and secondary education | 100% | 100% |
| Al Faleh Group for Educational and Academic Services W.L.L. | Educational activities including university education | 100% | 100% |
| AFG College with the University of Aberdeen W.L.L. | University education | 100% | 100% |

The accompanying condensed consolidated interim financial statements (interim financial statements) of the Company as at 28 February 2021 comprises the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The Group is primarily engaged in running kindergarten, primary, preparatory, secondary schools for education and providing university education.

2. Basis of accounting

These interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 August 2020 ('last annual financial statements'). They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.

3. Use of estimates and judgements

In preparing these interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 August 2020.

4. Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's financial statements as at and for the year ended 31 August 2020.

New and amended standards that became effective during the period

A number of new standards are effective from 1 September 2020, but they do not have a material effect on the Group's condensed interim financial statements.

- Amendments to References to Conceptual Framework in IFRS standards.
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8).
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7).

5. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 August 2020.

6. Right-of-use assets

The right-of-use assets relate to land, school and university premises and staff accommodation, which are expiring from 2 to 25 years from the reporting date. Their cost represents the corresponding amounts of the relevant lease liabilities (Note 13).

| | Right-of-use assets |
|---|--------------------------------|
| Cost | |
| Adjustment on initial adoption of IFRS 16 at 1 September 2019 | 66,989,490 |
| Additions | 1,167,553 |
| Modification | 11,990,000 |
| At 31 August 2020 / 1 September 2020 (audited) | <u>80,147,043</u> |
| Derecognition | (15,517,668) |
| Modification | (25,724,865) |
| At 28 February 2021 (reviewed) | <u>38,904,510</u> |
| Accumulated amortisation | |
| Amortisation | <u>11,390,743</u> |
| At 31 August 2020 / 1 September 2020 (audited) | 11,390,743 |
| Amortisation | 5,276,647 |
| Derecognition | (3,103,533) |
| At 28 February 2021 (reviewed) | <u>13,563,857</u> |
| Carrying amounts | |
| At 28 February 2021 (reviewed) | <u><u>25,340,653</u></u> |
| At 31 August 2020 (audited) | <u><u>68,756,300</u></u> |

Al Faleh Educational Holding Q.P.S.C.

Notes to the condensed consolidated interim financial statements
As at and for the six months ended 28 February 2021

In Qatari Riyals

7. Property and equipment

| | Buildings | Machinery and equipment | Computers and equipment | Motor vehicles | Furniture and fixtures | Sign boards | Leasehold improvements | Learning resources | Capital work-in-progress | Total |
|--|-------------------|-------------------------|-------------------------|----------------|------------------------|-------------|------------------------|--------------------|--------------------------|-------------------|
| Cost | | | | | | | | | | |
| Balance at 1 September 2019 | 98,565,715 | 5,058,889 | 5,258,004 | 2,941,703 | 9,532,468 | 121,625 | 7,719,436 | 2,559,196 | 403,250 | 132,160,286 |
| Additions | - | - | 286,064 | 60,000 | 331,131 | - | 28,000 | 472,010 | 132,500 | 1,309,705 |
| Transfers | - | - | - | - | - | - | 535,750 | - | (535,750) | - |
| Balance at 31 August 2020 / 1 September 2020 (Audited) | 98,565,715 | 5,058,889 | 5,544,068 | 3,001,703 | 9,863,599 | 121,625 | 8,283,186 | 3,031,206 | - | 133,469,991 |
| Additions | - | 2,500 | 187,300 | - | 76,817 | - | 259,673 | 698,940 | - | 1,225,230 |
| Balance at 28 February 2021 (Reviewed) | 98,565,715 | 5,061,389 | 5,731,368 | 3,001,703 | 9,940,416 | 121,625 | 8,542,859 | 3,730,146 | - | 134,695,221 |
| Accumulated depreciation | | | | | | | | | | |
| Balance at 1 September 2019 | 16,665,757 | 4,146,612 | 4,086,990 | 2,605,963 | 6,626,611 | 121,624 | 4,153,227 | 963,724 | - | 39,370,508 |
| Depreciation | 5,490,500 | 559,042 | 903,718 | 139,369 | 1,090,076 | - | 1,166,198 | 702,710 | - | 10,051,613 |
| Balance at 31 August 2020 / 1 September 2020 (Audited) | 22,156,257 | 4,705,654 | 4,990,708 | 2,745,332 | 7,716,687 | 121,624 | 5,319,425 | 1,666,434 | - | 49,422,121 |
| Depreciation | 2,745,251 | 134,511 | 318,112 | 48,166 | 507,752 | - | 630,315 | 412,047 | - | 4,796,154 |
| Balance at 28 February 2021 (Reviewed) | 24,901,508 | 4,840,165 | 5,308,820 | 2,793,498 | 8,224,439 | 121,624 | 5,949,740 | 2,078,481 | - | 54,218,275 |
| Carrying amounts | | | | | | | | | | |
| At 28 February 2021 (Reviewed) | 73,664,207 | 221,224 | 422,548 | 208,205 | 1,715,977 | 1 | 2,593,119 | 1,651,665 | - | 80,476,946 |
| At 31 August 2020 (Audited) | 76,409,458 | 353,235 | 553,360 | 256,371 | 2,146,912 | 1 | 2,963,761 | 1,364,772 | - | 84,047,870 |

8. Intangible assets and goodwill

| | 28 February 2021 (Reviewed) | 31 August 2020 (Audited) |
|------------------------|--|-----------------------------|
| Goodwill | 96,520,330 | 96,520,330 |
| Trademark | 17,210,000 | 17,210,000 |
| Learners enrolment (i) | 17,623,515 | 18,586,125 |
| Franchise rights (i) | 100,412,308 | 103,294,958 |
| Balance at | <u>231,766,153</u> | <u>235,611,413</u> |

(i) Amortisation of intangible assets with finite useful life

| | Learner enrolments | Franchise rights | Total |
|--|-------------------------------|-----------------------------|---------------------------|
| Cost | | | |
| Balance at 1 September 2019 / 31 August 2020 | <u>22,597,000</u> | <u>115,306,000</u> | <u>137,903,000</u> |
| Balance at 1 September 2020 / 28 February 2021 | <u>22,597,000</u> | <u>115,306,000</u> | <u>137,903,000</u> |
| Accumulated amortisation | | | |
| Balance at 1 September 2019 | 2,085,655 | 6,245,742 | 8,331,397 |
| Amortisation | <u>1,925,220</u> | <u>5,765,300</u> | <u>7,690,520</u> |
| Balance at 31 August 2020 / 1 September 2020 (Audited) | 4,010,875 | 12,011,042 | 16,021,917 |
| Amortisation | <u>962,610</u> | <u>2,882,650</u> | <u>3,845,260</u> |
| Balance at 28 February 2021 (Reviewed) | <u>4,973,485</u> | <u>14,893,692</u> | <u>19,867,177</u> |
| Carrying amounts | | | |
| At 28 February 2021 (Reviewed) | <u>17,623,515</u> | <u>100,412,308</u> | <u>118,035,823</u> |
| At 31 August 2020 (Audited) | <u>18,586,125</u> | <u>103,294,958</u> | <u>121,881,083</u> |

9. Trade and other receivables

| | 28 February 2021 (Reviewed) | 31 August 2020 (Audited) |
|---|--|-----------------------------|
| Trade and note receivables | 5,884,395 | 2,636,570 |
| Allowance for impairment of trade receivables | <u>(748,605)</u> | <u>(748,605)</u> |
| | 5,135,790 | 1,887,965 |
| Due from employees | 25,019 | - |
| Advances and prepayments | 2,034,572 | 689,508 |
| Refundable deposits | 375,631 | 476,531 |
| Staff advances | - | 9,423 |
| Other receivables | <u>1,013,277</u> | <u>597,941</u> |
| | <u>8,584,289</u> | <u>3,661,368</u> |

10. Related party transactions

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard No. 24, Related Party Disclosures. Related parties comprise companies under common ownership and/or common management and control, key management personnel, entities in which the shareholders have controlling interest, affiliates, and other related parties.

Al Faleh Educational Holding Q.P.S.C.

Notes to the condensed consolidated interim financial statements
As at and for the six months ended 28 February 2021

In Qatari Riyals

10. Related party transactions (continued)

a) Due to a related party

| | 28 February 2021 (Reviewed) | 31 August 2020 (Audited) |
|--|--|-----------------------------|
| Sheikha Aisha Bint Faleh Nasser Bin Ahmed Al-Thani | - | 3,545,127 |
| | <u>-</u> | <u>3,545,127</u> |

11. Cash and bank balances

| | 28 February 2021 (Reviewed) | 31 August 2020 (Audited) |
|---|--|-----------------------------|
| Cash in hand | 344,369 | 70,356 |
| Cash at bank – Guarantee deposits | 653,000 | 653,000 |
| Cash at bank – Current accounts | 8,965,674 | 5,096,925 |
| Cash at bank – Call deposits | 745 | 745 |
| Cash and bank balances in the consolidated statement of financial position | 9,963,788 | 5,821,026 |
| Less: Bank overdraft | (3,366,017) | (3,611,419) |
| Less: Cash at bank – Guarantee deposits | (653,000) | (653,000) |
| Cash and cash equivalents in the consolidated statement of cash flows | 5,944,771 | 1,556,607 |

12. Loans and borrowings

| | 28 February 2021 (Reviewed) | 31 August 2020 (Audited) |
|---------------|--|-----------------------------|
| Term loan | 20,229,375 | 20,923,384 |
| Murabaha loan | 15,867,925 | 15,505,853 |
| Vehicle loan | 26,230 | 128,914 |
| | <u>36,123,530</u> | <u>36,558,151</u> |

Movement in loans and borrowings is as under:

| | 28 February 2021 (Reviewed) | 31 August 2020 (Audited) |
|---|--|-----------------------------|
| Balance at the beginning of the period / year | 36,558,151 | 34,011,436 |
| Proceeds from loans and borrowings | - | 6,727,772 |
| Interest accrued | 935,618 | 1,563,032 |
| Interest repaid | (364,587) | (832,586) |
| Repayment of principle | (1,005,652) | (4,911,503) |
| Balance at | 36,123,530 | 36,558,151 |

Loans and borrowings presented in the condensed consolidated statement of financial position as follows:

| | 28 February 2021 (Reviewed) | 31 August 2020 (Audited) |
|---------------------|--|-----------------------------|
| Current portion | 11,412,643 | 8,858,603 |
| Non-current portion | 24,710,887 | 27,699,548 |
| | <u>36,123,530</u> | <u>36,558,151</u> |

Al Faleh Educational Holding Q.P.S.C.

**Notes to the condensed consolidated interim financial statements
As at and for the six months ended 28 February 2021**

In Qatari Riyals

13. Lease liabilities

The movements of finance lease liabilities were as follows:

| | 28 February 2021 (Reviewed) | 31 August 2020 (Audited) |
|--|--|-----------------------------|
| Lease liabilities | - | 870,268 |
| Lease liabilities recognised on transition to IFRS 16 at the beginning of the year | - | 17,170,450 |
| Balance at the beginning of the period / year | <u>14,055,533</u> | <u>18,040,718</u> |
| Additions | - | 1,167,553 |
| Modification | 17,262,528 | - |
| Derecognition | (212,902) | - |
| Interest expense | 859,120 | 993,630 |
| Interest paid | (859,120) | (993,630) |
| Repayment of principle | <u>(4,926,510)</u> | <u>(5,152,738)</u> |
| Balance at | <u>26,178,649</u> | <u>14,055,533</u> |

The lease liabilities are presented in the consolidated statement of financial position as follows:

| | 28 February 2021 (Reviewed) | 31 August 2020 (Audited) |
|-------------|--|-----------------------------|
| Non-current | 18,395,066 | 9,676,404 |
| Current | <u>7,783,583</u> | <u>4,379,129</u> |
| | <u>26,178,649</u> | <u>14,055,533</u> |

14. Employees' end of service benefits

| | 1 September 2019 to 28 February 2021 (Reviewed) | 1 September 2019 to 31 August 2020 (Audited) |
|---|--|--|
| Balance at the beginning of the period / year | 2,741,531 | 1,918,577 |
| (Reversals) / provision made | (175,291) | 1,386,028 |
| Payment made | <u>(118,090)</u> | <u>(563,074)</u> |
| Balance at | <u>2,448,150</u> | <u>2,741,531</u> |

15. Trade and other payables

| | 28 February 2021 (Reviewed) | 31 August 2020 (Audited) |
|-----------------------------|--|-----------------------------|
| Trade and notes payable (i) | 4,400,959 | 4,112,750 |
| Accrued expenses | 2,154,819 | 4,492,287 |
| Advances from customers | 32,966,550 | 27,290,629 |
| Staff provisions | 790,954 | 721,333 |
| Staff payables | 1,225,770 | 242,006 |
| Other payables | <u>1,517,663</u> | <u>964,408</u> |
| | <u>43,056,715</u> | <u>37,823,413</u> |

Al Faleh Educational Holding Q.P.S.C.

**Notes to the condensed consolidated interim financial statements
As at and for the six months ended 28 February 2021**

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16. Fees

| | 1 September 2020 to 28 February 2021 (Reviewed) | 1 September 2019 to 29 February 2020 (Reviewed) |
|--------------------|--|---|
| Tuition | 54,118,892 | 53,611,067 |
| Registration | 1,124,200 | 1,128,300 |
| Application | 32,400 | 125,200 |
| Entrance exam | 172,000 | 274,500 |
| International exam | 252,700 | 364,500 |
| Books | 6,303,395 | 6,198,600 |
| Transport | 309,166 | 433,333 |
| Others | 1,040 | 16,810 |
| | <u>62,313,793</u> | <u>62,152,310</u> |

17. General and administrative expenses

| | 1 September 2020 to 28 February 2021 (Reviewed) | 1 September 2019 to 29 February 2020 (Reviewed) |
|----------------------------------|--|---|
| Staff costs | 21,722,650 | 24,142,387 |
| Rent | 762,220 | 1,136,900 |
| Royalty | 8,566,479 | 7,237,530 |
| Examination | 50,540 | 72,900 |
| Communication | 272,322 | 420,845 |
| Legal and professional fees | 598,223 | 379,245 |
| Repairs and maintenance | 498,366 | 758,128 |
| Advertisements | 268,520 | 283,595 |
| Printing and stationery | 224,986 | 434,940 |
| Travelling | 18,605 | 511,260 |
| Utilities | 93,231 | 159,841 |
| Diesel | 39,722 | 95,747 |
| Cleaning and facility management | 2,022,469 | 2,166,988 |
| Insurance | 110,199 | 127,698 |
| Entertainment | 7,448 | 17,774 |
| Bank charges | 267,205 | 290,581 |
| Others | 1,404,827 | 1,695,764 |
| | <u>36,928,012</u> | <u>39,932,123</u> |

18. Comparative figures

The corresponding figures presented for period ended 2020 have been reclassified where necessary to preserve consistency with the period ended 2021 figures. However, such reclassifications did not have any effect on the net profit or the total equity for the comparative period.