This Information Memorandum is dated 6 April 2021

Information Memorandum

AL FALEH EDUCATIONAL HOLDING

a Qatari Public Shareholding Company

Listing of 240,000,000 ordinary fully paid-up shares in Al Faleh Educational Holding Q.P.S.C. on the Venture Market of Qatar Exchange

QFMA DISCLAIMER

The QFMA shall bear no liability for the validity, comprehensiveness and sufficiency of the details and information mentioned in this "Information Memorandum", and QFMA explicitly declares that it bears no liability for any loss which could be incurred by any person taking decisions according to the whole or some of the aforesaid details or information.

The QFMA also bears no responsibility towards any party in relation to the Company's valuation analysis including the estimated values or assumptions that the Valuator had based his estimate on as well as any results in light of those estimates and assumptions. The QFMA will not provide any ratifications in relation to the technical aspects of the analysis or the economic, commercial and investment feasibility study for the estimates and assumptions which were determined by the analysis results and the value of the Company, whereas the QFMA's role is limited to ensuring the implementation of the External Auditors and Financial Valuators Rules issued by the QFMA Board of Directors.

The QEVM is a market for small and growing companies in Qatar. The potential Investor shall be aware of the risks that may result from investment in such companies and shall take his investment decision after consulting an independent legal or financial expert.

This is an English translation of the Arabic Information Memorandum. However, this translation is unofficial and has not been approved by the QFMA and is considered only a draft that is provided as guidance for non-Arabic speakers.

Listing Advisor
Deloitte & Touche – Qatar Branch

Independent Valuation Advisor
Ernst & Young

International Legal Advisor
Eversheds Sutherland (International) L.L.P.

Company Auditor
KPMG

"We, the directors and the senior executive management of the Company, whose names and signatures appear below shall be jointly and severally responsible for the information and statements set out in this Information Memorandum. We hereby declare that we have endeavoured to ensure that the information and statements set out in this Information Memorandum are true and do not omit any information that may impair the significant, fullness and adequacy of the information."

Board of Directors

Name	Position	Date of Appointment	Signature
H.E. Dr. Sheikha Aisha Bint Faleh Al Thani	Chairperson	March 2021	
Sheikh Mohammad Bin Nawaf Al Thani	Vice Chairperson	March 2021	
Sheikh Khalid Bin Nawaf Al Thani	Director	March 2021	
Hussein Siddiqi	Director	March 2021	
Professor Jenny Harrow	Director	March 2021	
Professor Paul Palmer	Director	March 2021	

Senior Management

Sheikha Anwar Bint Nawaf Al Thani	Chief Executive Officer	September 2018	
Graeme Garrett	Director of Academic Affairs (Primary and Secondary Education)	January 2019	
Brian Adrian Buckley	Director of Academic Affairs (Higher Education)	September 2017	
Farouk Jamil Soueid	Director of Financial Affairs	January 2002	
Hishaam Hendricks	Director of Operations	September 2005	
Michael Peter Harris	Director of Strategic Communications	September 2017	
Jad Hardan	Director of Information Technology	November 2016	
Javed Ahmed Shaikh	Director of Human Resources	September 2018	

IMPORTANT INFORMATION

IMPORTANT: You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached document (the "**Information Memorandum**"). In accessing the Information Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

This document has been prepared solely in connection with the proposed listing of 240,000,000 shares (the "**Shares**") issued by Al Faleh Educational Holding Q.P.S.C ("**Al Faleh**" or the "**Company**") and the proposed admission of the Shares to trading on the Venture Market of the Qatar Exchange ("**QEVM**"). The Company confirms that the information in this document is neither inaccurate nor misleading and is consistent with the information required to be in the Information Memorandum pursuant to the applicable rules of the Qatar Financial Markets Authority ("**QFMA**"). Copies of the Information Memorandum will, following publication, be available at the registered office of the Company in Doha, Qatar.

This Information Memorandum does not constitute an offer or solicitation to buy, subscribe or sell the securities described herein, and no securities are being offered or sold pursuant to this Information Memorandum.

Additional points to be noted

All summaries of documents or provisions of documents provided in this Information Memorandum should not be relied upon as being comprehensive statements in respect of such documents. All equity investments carry market risks to varying degrees. The value of any security can fall as well as rise depending on market conditions. Potential investors, (the "**Investors**") should read the risk analysis set out on pages 18-23 of this Information Memorandum.

This is an unofficial English translation of the Arabic Information Memorandum. No reliance should be placed on the English translation as it has not been approved by the QFMA and is considered only a draft that is provided as guidance for non-Arabic speakers

Statement of Investment Risk

Prior to investing in the Shares, prospective Investors should carefully consider the risk factors relating to the Company's business and the education sector in Qatar, together with all other information contained in this Information Memorandum. The Company's senior management believes that the risks mentioned in this Information Memorandum are the material risks facing the Company and its business. However, these risks and uncertainties are not the only issues that the Company faces; additional risks and uncertainties not presently known to it or that it currently believes not to be material may also have a material adverse effect on the Company's financial condition or business success. If any combination of these risks actually occurs, the Company's business, financial condition, cash flows and results of operations could be adversely affected and may result in bankruptcy or liquidation. If this occurs, the market price of the Shares may decline and Investors could lose part of or all of their investment. Additionally, this Information Memorandum contains forward-looking statements that are also subject to risks and uncertainties. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by the Company as described below. It should also be noted that the risks below are to an extent interrelated. The occurrence of one risk may trigger other risks to materialise. For example, if there is a material downturn in the Qatari economy, the Company could incur substantial operational losses and could, in turn, experience an increased need for liquidity and as a result become over-leveraged. Each of these is a separate risk described below but demonstrates the interconnection between these and other risks to which the Company is exposed. In order to obtain more information on the risks, Investors in the Shares must take into consideration, please refer to the risk analysis set out in this Information Memorandum on pages 18-23.

Unless the context otherwise requires, capitalised terms used in this Information Memorandum have the same meaning given on pages 185-188 of this Information Memorandum. This Information Memorandum relating to the Company is prepared in accordance with the QFMA Listing Rules and the Companies Law. The Arabic Information Memorandum has been approved for printing and circulation by the QFMA. This Information Memorandum relates solely to the Listing. At an EGA held in Doha, Qatar on 6 February 2021, the Shareholders unanimously approved the conversion of the Company from a limited liability company into a public shareholding company and to list and admit all of the Shares of the Company being 240,000,000 shares for trading on the QEVM. Following the Listing, at least ten percent (10%) of the total number of Shares shall be offered or sold to public within one year.

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1. IMPORTANT INFORMATION

The aim of this Information Memorandum is to present material information in relation to the Listing, which may assist potential Investors once the Shares are listed to make an appropriate decision as to whether or not to invest in the Shares of the Company. Investors should not consider this Information Memorandum a recommendation by the Company or the Listing Advisor to buy the Shares on the QEVM. Each Investor is responsible for obtaining his or her own independent professional advice by a legal or financial expert on the investment in the Shares and for conducting an independent valuation of the information and assumptions contained herein using appropriate analysis or projections. No person has been authorised to make any statements or provide information in relation to the Company or the Shares other than the persons whose names are so indicated in this Information Memorandum. Where any other person makes any statement or provides information it should not be taken as authorised by the Company. The Advisors are acting for the Company in connection with the matters described in this Information Memorandum and are not acting for any other person. The listing advisor does not bear any legal or professional responsibility, of any kind, for the accuracy and completeness of the financial statements included in the Information Memorandum, where these financial statements have been audited and audited by another auditor.

The Company was initially incorporated as a limited liability company, Al Faleh Educational Holding WLL. on 1 March 2015 and was converted to a Qatari public shareholding company by virtue of decision number 18 of 2021 issued on 11 March 2021 of the Minister of Commerce and Industry ("**MOCI**") with the Memorandum of Association and Articles of Association ("**Articles**") authenticated on 1/3/2021 under authentication numbers 2518/2021 and 2519/2021. The Company is registered and incorporated in Qatar with commercial registration number 71150. The shareholders have adopted during the CGA on 15 March 2021 that the approximate value of the Company's assets and liability is QAR 240,000,000, confirmed the conversion of the Company into a Qatari public shareholding company and listing all its shares on the QEVM. As at the date of this Information Memorandum and immediately prior to the Listing, the issued and paid-up share capital of the Company is QAR 240,000,000 divided into 240,000,000 ordinary shares. Each Share has a nominal value of QAR 1. The authorised share capital of the Company is QAR 240,000,000. The legal and commercial name of the Company is Al Faleh Educational Holding Q.P.S.C. and its registered office is located at P.O. Box 6002, Doha, State of Qatar. Prior to the Listing, there has been no public market for the Shares. The Company has submitted an application to the QFMA and the QE to list the Shares on the QEVM. Trading in the Shares on the QEVM is expected to commence during April 2021. This Listing is subject to the Company's Articles and the applicable laws of Qatar.

This Information Memorandum has been prepared in accordance with the requirements of the QFMA and shall be valid for a period of six months from the date of the Information Memorandum. The Listing has been approved by the QFMA, and only the Arabic version of this Information Memorandum in connection therewith has been approved by the QFMA. This is an unofficial English translation of the official Arabic Information Memorandum published in the Arabic language. No reliance should be placed on the English translation, which may not entirely reflect the official Arabic language of the Arabic Information Memorandum.

1.1. Eligible Investors

Following the Listing, trading in the Shares shall be open to both Qatari and non-Qatari investors in accordance with the QE Rulebook, QFMA Listing Rules, Articles of Association and subject to the restrictions stated in the Foreign Investment Law in respect of foreign shareholders' ownership in listed companies whereby foreign ownership should not exceed 49% of the share capital unless an exemption to exceed such percentage is obtained from the Government.

1.2. Forward-looking Statements

This Information Memorandum contains certain forward-looking statements. These forward-looking statements can generally be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "goal", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe the Company's strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual outcomes to differ materially from those contemplated by the relevant forward-looking statement.

These forward-looking statements are based on assumptions that the Board has made in light of its experience in the sector in which it operates, as well as its experience of historical trends, current positions, expected future developments and other factors which the Board believes are appropriate under the circumstances. As prospective Investors read and consider this Information Memorandum, they should understand that these statements are not guarantees of future performance or results. They involve risks, uncertainties and assumptions. Although the Board believes that these forward-looking statements are based on reasonable assumptions, prospective Investors should be aware that many factors could affect the Company's actual financial position or financial performance and cause actual results to differ materially from those in the forward-looking statements. These factors include, among other things, those discussed under *Section 5: Risk Factors* of this Information Memorandum.

Important factors that could cause actual results to differ materially from the Company's expectations include, amongst others:

- Company's future results of operations and financial condition;
- Company's future business developments;
- Company's acquisition and expansion strategy;
- Regulatory changes in the education sector;
- General economic and business conditions, domestically and internationally;
- External competition; and
- Future market opportunities.

Due to these factors, the Board cautions that prospective Investors should not place undue reliance on any forward-looking statements. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could be materially different from those that have been estimated. Further, any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise from time-to-time, and it is impossible to predict these events or how they may affect the Company and its business. Except as required by the rules and regulations of the QFMA or the rules of the QE, the Board has no duty to, and does not intend to, update or revise the forward-looking statements in this Information Memorandum after the date of the Information Memorandum. The Company advises prospective Investors and Shareholders to track any information or announcements made by it after listing through the QE's website at www.qe.com.qa.

1.3. Presentation of Financial, Industry and Market Data

Financial data

The Company's financial year runs from 1 September to 31 August of the subsequent calendar year which is different from the calendar year to align it with the academic year of schools and universities in Qatar. Copies of the audited consolidated financial statements for the year ended 31 August 2019 ("FY18/19") and 31 August 2020 ("FY19/20") of the Company ("Audited Financial Statements") and unaudited proforma compiled consolidated financial information for the year ended 31 August 2016, 31 August 2017 and 31 August 2018 ("Proforma Financial Information") are included in *Section 17: Auditor's Report and Financial*

Statements of this Information Memorandum.

The Audited Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and the audit was conducted in accordance with International Standards of Auditing (“ISA”).

ISA 700: Forming an opinion and reporting on financial statements

- The auditor shall form an opinion on whether the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.
- In order to form that opinion, the auditor shall conclude as to whether the auditor has obtained reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error.
- The auditor shall evaluate whether the financial statements are prepared, in all material respects, in accordance with the requirements of the applicable financial reporting framework. This evaluation shall include consideration of the qualitative aspects of the entity’s accounting practices, including indicators of possible bias in management’s judgments.
- The auditor shall evaluate whether the financial statements adequately refer to or describe the applicable financial reporting framework.

ISA 800, Special considerations: Audits of financial statements prepared in accordance with special purpose frameworks

- This ISA deals with special considerations in the application of those ISAs to an audit of financial statements prepared in accordance with a special purpose framework.
- This ISA is written in the context of a complete set of financial statements prepared in accordance with a special purpose framework.
- This ISA does not override the requirements of the other ISAs; nor does it purport to deal with all special considerations that may be relevant in the circumstances of the engagement.

The Proforma Financial Information has been prepared in accordance with International Standard on Assurance Engagements (“ISAE”).

ISAE 3420: Assurance engagements to report on the compilation of proforma financial information included in a prospectus

This ISAE deals with reasonable assurance attestation engagements undertaken by a practitioner to report on the responsible party’s compilation of proforma financial information included in a prospectus.

The ISAE applies where:

- Such reporting is required by securities law or the regulation of the securities exchange ("relevant law or regulation") in the jurisdiction in which the prospectus is to be issued; or
- This reporting is generally accepted practice in such jurisdiction.

Currency of presentation

The pegged exchange rate is US$ 1.00 = QAR 3.64. The peg to the US Dollar has been maintained by the QCB at the same rate since 1980. However, there can be no assurance that the US Dollar peg will be maintained going forward, or that the peg will be retained at its current rate. Any de-pegging of the Qatari Riyal from the US Dollar, or its re-pegging at a different rate, could result in a significant fluctuation and revaluation of the Qatari Riyal relative to the US Dollar and, by extension, to other GCC currencies pegged to the US Dollar. The currency used in presenting the financial information in this Information Memorandum is the Qatari Riyal.

Rounding

Certain numerical figures included in this Information Memorandum have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

Industry and market data

Unless stated otherwise, industry and market data used throughout this Information Memorandum has been obtained from third-party industry publications and/or websites. Although it is believed that industry data used in this Information Memorandum is reasonable and reliable, it has not been independently verified and therefore, its accuracy and completeness is not guaranteed and its reliability cannot be assured.

2. ARRANGEMENTS FOR ADMISSION AND TRADING

Prior to the Listing, the Company has submitted an application to the QFMA and the QE to list the Shares on the QEVM. Trading in the Shares will be affected on an electronic basis as per the electronic trading system adopted by QE.

After the Listing, and following commencement of trading in the Shares on the QEVM, all institutions and individuals will be allowed to purchase shares in accordance with the applicable laws and the rules of the QE. The Shares may be freely traded and transferred in accordance with QE Rulebook in compliance with the applicable laws of Qatar and the rules and regulations of the QFMA. The latter includes, amongst other things, limitations on foreign ownership in an aggregate amount of no more than 49% of the share capital of the Company at any time unless an exemption to exceed such percentage is obtained from the Government. The Company will also register with QCSD upon Listing.

Trading in Shares accepted on the QE shall be subject to an annual three-day cycle (T+3) in accordance with the QCSD rules and the procedures of delivery versus payment (DVP) in accordance with the procedures adopted by the relevant market where such Shares are listed.

3. EXECUTIVE SUMMARY

3.1. Business Overview

The Company was founded by H.E. Dr. Sheikha Aisha bint Faleh Al Thani (the "**Founder**") on 1 March 2015 under the commercial registration number 71150. Primary business activities include providing educational services from early years to higher education. These services are provided through a network of three schools and one college including:

- Doha Academy L.L.C. ("**DA Al Waab**");
- Doha Academy Salwa Branch ("**DA Salwa**");
- Doha International Kindergarten L.L.C. ("**DIKG**"); and
- AFG College with University of Aberdeen L.L.C. ("**AFG College**").

The strategic objective of the Company is to contribute towards the development of Qatar and overarching goal of building a knowledge-based economy as outlined in Qatar national Vision ("**QNV**") 2030. To achieve this objective, The Company not only provides high quality education of international standard but also instills local and cultural values to enable students to become effective future leaders.

The history of the Company as an educational service provider dates more than 20 years with the opening of the first school, DA Al Waab, in 2000. The school provide kindergarten ("**KG**") to reception ("**Foundation**"), years 1-6 ("**Primary**") and years 7-13 ("**Secondary**") education. Since inception, DA Al Waab witnessed significant growth in student enrolment with initial capacity expanding from 300 to over 2000 students by 2020.

During this growth period, the Founder launched DIKG in 2007 providing Foundation level education. A year later, and leveraging the success of DA Al Waab, another branch, DA Salwa, was opened in 2008 offering Primary and Secondary education. DA Al Waab and DA Salwa (together "Doha Academy Schools") attract a diverse student base by offering British curriculum and selected courses in Arabic medium with Islamic ethos embedded across the curriculum. Both schools are accredited by Qatar National Schools Accreditation and Community of International Schools ("QNSA").

2017 marked yet another significant milestone in the Company's history when it entered into an exclusive partnership agreement with the prestigious University of Aberdeen to open the first UK university in Qatar. Founded in 1495 in Scotland, the University of Aberdeen is the fifth oldest university in the United Kingdom ("UK") and ranks amongst the top universities in the world. AFG College offers undergraduate ("UG") and postgraduate ("PG") programmes. AFG College has successfully grown its number of students from 134 to 585 within just four years of operation by delivering high quality education and expanding programme offering.

A brief summary profile of Doha Academy Schools, DIKG and AFG College is as shown below:

Business Unit	Established	Location	Capacity	Curriculum	Year Groups / Programmes
DA Al Waab	Sep 2000	Al Waab	2325	National Curriculum of England & Wales (British Curriculum)	KG – Year 13
DIKG	Sep 2007	Abu Hamour	200	National Curriculum of England & Wales (British Curriculum)	KG - Reception
DA Salwa	Sep 2008	Al Mamoura	415	National Curriculum of England & Wales (British Curriculum)	Year 1 – 9
AFG College	Sep 2017	New Salata	850	University of Aberdeen affiliated Programmes	UG and PG programmes

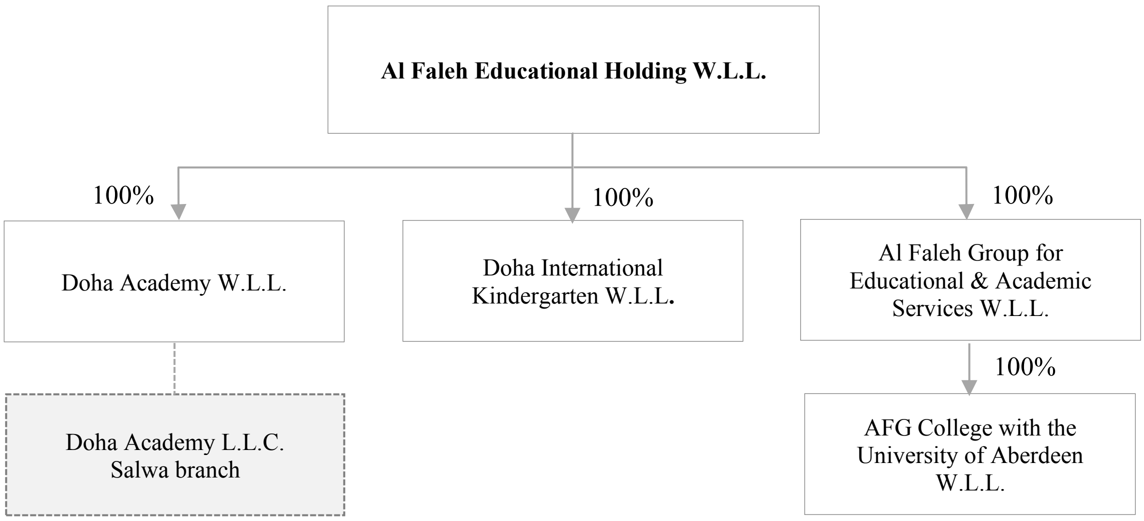
Source: Management Information

3.2. Corporate Structure

The Company is incorporated as a holding company and which fully owns the following three entities ("Subsidiaries"):

1. Doha Academy W.L.L.
2. DIKG; and
3. Al Faleh Group for Educational & Academic Services W.L.L. ("**AFG-EAS**")

These Subsidiaries were acquired in 2018 as part of a restructuring initiative to integrate business activities across different stages of the educational life cycle under one company. Doha Academy W.L.L. includes the Al Waab campus and DA Salwa branch while AFG-EAS is a holding entity for AFG College as shown below:



Source: Management Information

3.3. Competitive Strengths

The Company has developed several key differentiating factors:

- Strong value proposition supported by a diverse and unique programme offering;
- Highly qualified faculty and experienced management team;
- Commitment towards maintaining high standard of quality;
- Strong track record and brand recognition;
- Well-positioned in a growing private education market; and
- Robust business model, strong financial performance and growth potential.

3.4. Growth Plans and Strategy

Management plans to continue expand capacity by opening new campuses and opportunistically pursuing acquisitions. Growth strategy is summarized below:

Increase student enrolment and retention

- Management carefully monitors student retention rates and plans to continue to leverage best practices for managing student relationship and enhance responsiveness to prospective student enquiries.

- Management also tracks market developments and focuses on increasing enrolment through carefully planned marketing and recruitment strategies.

Expand capacity and enter new markets

- As part of the next phase of growth initiatives for higher education, Management has planned a new purpose-built campus for AFG College with expected capacity of 4,500 – 5,000 students. The new campus is expected to be operational in September 2022, with a roll-out of at least two schools, business and engineering.
- Extension of facilities at the DA Salwa campus with addition of 10 newly built classrooms is expected be operational in FY20/21and increase existing capacity from 415 to 600 students.
- The Company intends to grow its domestic network and set up educational institutions in new locations in Qatar. Further, Management plans to expand internationally by leveraging its strategic partnership with the University of Aberdeen.

Build academic partnerships and develop new products

- Management plans to launch more K12 schools through strategic partnerships and diversify from the existing British curriculum.
- AFG College plans to launch six new higher education programmes in 2020/21 and add a wide range of new programmes including law, human resource management, education, business management and international relations and business management information
- Future plans for AFG College include introduction of new courses covering science, technology, engineering and mathematics ("STEM") disciplines.

Seek opportunities for suitable acquisitions

- Management continuously assesses potential acquisition opportunities in the regional and international markets for further business growth.

3.5. Financial Overview

The main source of revenue for the Company is tuition fees which averaged 90.1%[1] of total fees during the last two financial years ended 31 August 2019 and 2020. Other sources of revenue include income from sale of textbooks, registration fees, examinations, bus transportation and entrance exam fees. Total fees increased from QAR 78.3 million during the financial year ended 31 August 2018 ("FY17/18") based on Proforma Financial Information to QAR 109.4 million in FY18/19, representing an increase of 39.7% YOY. During FY19/20, total fees further increased by 8.5% to reach QAR 118.7 million. The increase in total fees during the last three financial years was mainly driven by higher student enrolment, especially at AFG College, and an increase in the level of tuition fees.

EBITDA margin increased from 22.6% in FY17/18 based on Proforma Financial Information to 29.6% in FY18/19 and 32.9% in FY19/20. The increase was driven by o higher increase in total fees in proportion to general and administrative and book expenses. Net profit increased significantly from QAR 0.6 million in FY17/18 based on Proforma Financial Information to QAR 12.7 million in FY18/19. AFG College was a key contributor as it turned profitable in FY18/19 after incurring losses in the first year of operations. During FY19/20 however, net profit declined to QAR 7.1 million as an increase in EBITDA margin was more than offset by higher depreciation expenses and finance costs primarily due to adoption of IFRS 16.

[1] Calculated as the average of the contribution of tuition fees to total fees in FY18/19 and FY19/20

Total assets mainly comprise intangible assets and goodwill related to acquisition of the Subsidiaries and stood at QAR 363.4 million in FY17/18 and QAR 360.0 million in FY18/19. and. As of FY19/20, total assets increased to QAR 398.7 million following adoption of IFRS16 and recognition of right-of-use-assets ("ROUA") assets. Total liabilities decreased from QAR 350.3 million in FY17/18 to QAR 79.6 million in FY18/19 mainly due to settlement of amounts due to related parties. The recognition of lease liabilities which were previously recognized as operating leases before adoption of IFRS 16 adoption led to an increase in total liabilities to QAR 98.3 million as of FY19/20.

Total equity increased from QAR 13.0 million in FY17/18 to QAR 280.4 million in FY18/19 driven by additional capital contribution for funding the acquisition of the Subsidiaries. In FY19/20, A further increase in capital contribution to account for ROUA and continued growth in retained earnings led to increase in total equity to QAR 300.4 million as of 31 August 2020.

For further details, please refer to *Section 17: Auditor's Report and Financial Statements* and *Section 18: Management Discussion & Analysis* of the Information Memorandum.

Summary Financials

	Amount (QAR million)				**Amount** (QAR million)	
Year ended 31 August	**2018**	**2018**	**2019**	**2020**	**Q1 2019/20**	**Q1 2020/21**
	Audited	Unaudited Proforma	Audited	Audited	Unaudited and Unreviewed	Unaudited and Unreviewed
Fees	5.8	78.3	109.4	118.7	34.6	33.1
EBITDA[2]	4.3	17.7	32.3	39.1	11.4	13.8
Operating profit	2.3	3.1	14.6	9.9	4.3	6.2
Net profit	1.9	0.6	12.7	7.1	3.6	5.2
Total assets	363.4	NA	360.0	398.7	388.3	361.5
Total liabilities	350.3	NA	79.6	98.3	95.1	111.1
Total equity	13.0	NA	280.4	300.4	293.2	250.3
Net debt[3]	29.7	NA	34.1	34.3	34.7	32.8

Source: Audited Financial Statements and Proforma Financial Information

Selected Financial Ratios

Year ended 31 August	**2018** Unaudited Proforma	**2019** Audited	**2020** Audited	**Q1 2019/20** Unaudited and Unreviewed	**Q1 2020/21** Unaudited and Unreviewed
EBTIDA margin[4]	22.6%	29.6%	32.9%	32.8%	41.7%
Net profit margin[5]	0.8%	11.6%	6.0%	10.5%	15.6%
Return on assets[6]	0.2%	3.5%	1.9%	0.9%	1.4%
Return on equity[7]	4.9%	8.6%	2.4%	1.2%	2.1%
Net debt/ total equity	228.0%	12.2%	11.4%	11.8%	13.1%

Source: Audited Financial Statements and Proforma Financial Information

2 EBITDA represents earnings before interest, tax, depreciation and amortization and is calculated by deducting book expenses and general and administrative expenses from total fees

3 Total loans and borrowing plus bank overdraft less cash and bank balances

4 EBITDA divided by total fees

5 Net profit divided by total fees

6 Net profit divided by total assets in FY17/18 and average total assets in FY18/9 and FY19/20

7 Net profit divided by total equity in in FY17/18 and average total equity in FY18/9 and FY19/20

Key Operational indicators

Academic year	Doha Academy Schools and DIKG 2017-18	Doha Academy Schools and DIKG 2018-19	Doha Academy Schools and DIKG 2019-20	AFG College 2017-18	AFG College 2018-19	AFG College 2019-20
Average number of students	2,496	2,568	2,288	134	411	585
Total capacity	2,940	2,940	2,940	750	850	850
Capacity utilization	85%	87%	78%	18%	48%	69%
Average fee per student	26,963	28,972	29,545	80,597	85,888	88,205

Source: Management accounts

3.6. Risk Factors

The business of the Company has several inherent risks:

- Risks pertaining to the operating environment of the Company such as macroeconomic, geopolitical, competitive, pandemic risks etc.;
- Risks from a change in or new laws and regulations impacting ability to obtain/ maintain licenses, permits, accreditations and approvals from relevant authorities;
- Risks specific to the Company's operations including ability to recruit and retain qualified and experienced personnel, risks related to the Company's information technology systems, risks related to partnership with the University of Aberdeen, etc.;
- Specific risks relating to the Shares of the Company; and
- Other unidentified or unanticipated risks.

For more details, please see *Section 5: Risk Factors*.

4. VALUATION METHODOLOGY

4.1. Introduction

There are many factors that must be considered when valuing a business enterprise. These factors include the pattern of historical performance and earnings, the company's competitive market position, the quality and depth of management, marketability and others. The following factors are used as valuation guidelines:

- Nature and history of the business;
- General economic climate and industry conditions;
- Earnings, cash generation and dividend-paying capacities;
- Sales of the shares and the size of the block to be valued; and
- Market value of the shares of the companies engaged in the same or a similar line of business.

4.2. General Valuation Methodologies

In this valuation analysis, two generally accepted valuation approaches were considered to value the Company:

- Income Approach; and
- Market Approach.

While each of these approaches may be initially considered in the valuation, the nature and characteristics of the subject business and the objective of the valuation analysis indicates which approach, or approaches, are most applicable. Each of these approaches is briefly discussed below.

4.2.1 Income Approach

The income approach serves to calculate value by considering the future maintainable income (benefits) generated by the business over a period of time. This approach is based on the fundamental valuation premise that the value of a business is equal to the present worth of the future benefits of ownership. The term "income" does not necessarily refer to income in the accounting sense but to future benefits accruing to the owner.

The two most commonly used methods under the income approach are:

1) ***Discounted Cash Flow Method***

This technique focuses on the expected cash flow of the business. In applying this approach, the free cash flows are calculated for a finite number of years. Free cash flows are defined, for the purpose of this approach, as the net amounts of cash generated from the operations of the business less the amounts needed for investing in fixed assets or working capital to ensure that the future profitability or operations of the business are not impaired. The free cash flows and the terminal value (the value of the business at the end of the estimation period) are then discounted back to the present value at a discount rate that reflects the risk (degree of uncertainty) that those benefits may not be realized, to arrive at an indication of value of the enterprise. Debt is reduced and redundant assets are then added to the net present value to arrive at the final valuation figure.

Similar to the concept of free cash flows, an equity stake may also be valued on the basis of cash flows accruing to the investor. In the case of minority investors, dividends represent the cash benefits accruing to them. Accordingly, substituting dividends in place of the free cash flows described above would result in an indication of equity value on a minority basis.

2) ***Capitalised Earnings Method***

The capitalized earnings method is frequently used to value a business whenever current operations approximate those expected to be realized in the future, assuming a normal growth rate. In this method, current (or anticipated next year) operations are divided by a capitalization rate to arrive at an estimate of value. This method therefore requires the determination of a normalized level of earnings or cash flow and a suitable capitalisation rate.

4.2.2 Market Approach

The market approach is an amalgamation of the Guideline Public Company method ("GPCM") and the Guideline Transaction methods ("GTM"). The GPCM focuses on comparing the subject entity to selected similar (or "guideline") publicly traded companies. Under this method, valuation multiples are:

- Derived from the operating data of selected guideline companies;
- Valuated and adjusted based on the strengths and weaknesses of the subject business relative to the selected guideline businesses; and
- Applied to the operating data of the subject business to arrive at an indication of the value.
- In the GTM, consideration is given to prices paid in recent transactions that have occurred in the subject entity industry or in related industries.

4.3. Valuation Approach

The DCF method under the income approach has been considered to be the most appropriate method to estimate the equity value of the Schools and the University based on the assumptions provided by Management.

The DCF method is considered to be an appropriate method due to following factors:

- The educational institutes owned by Al Faleh are a going concern generating positive operating cash flows and witnessed business growth over the past three years;
- Expected future business and earnings growth; and
- The performance of the Schools and the University, especially DIKG and AFG are far from achieving maturity and hence the expected growth in these institutions can only be captured using the income approach.

The consolidated value for Al Faleh is derived based on a SOTP approach and is a summation of the standalone value attributed to each of the three schools and the University.

4.4. Discount Rate Derivation

The discount rate was estimated based on the assumption that the financial projections are supported by the historical performance and took into consideration the size and track record of the Company.

It is necessary to arrive at an appropriate rate of return at which to discount the estimated cash flows back to a present value. This discount rate takes into account the time value of money and the risk associated with the uncertainty of the future cash flows.

The weighted average cost of capital ("WACC") is the overall cost of capital of an enterprise, calculated by adding the cost of each source of capital used, multiplied by its proportional share of the total capital used.

4.5. Cost of Equity

To estimate the opportunity cost of equity, the foreign capital asset pricing model ("CAPM") was used. CAPM postulates that the opportunity cost of equity is equal to the return on risk-free securities plus an individual risk premium. The risk premium is the company's systematic risk (beta) multiplied by the market price of risk (market risk premium).

4.6. Sources of Information and Key Considerations

The major sources of information and key considerations for the valuation analysis are as follows:

- Reports and publications issued by governmental and non-governmental institutions such as the Ministry of Development Planning and Statistics ("MDPS"), Business Monitor International ("BMI"), Oxford Economics and other secondary sources of information;
  - Latest available education statistics published by the Ministry of Education and Higher Education ("MOEHE") and MDPS
  - The Company's consolidated audited financial statements for the financial year ended 31 August 2018, 31 August 2019 and 31 August 2020
  - Management's financial forecasts for periods ending 31 August 2021, 31 August 2022 and 31 August 2023 for the Schools and University; and
  - A copy of the contract signed between Al Faleh and University of Aberdeen.

4.7. Important Note

It is assumed that Investors will perform their own analysis and should take into account that the daily trading price of the Shares following the Listing may be greater or lesser than the guiding trading price and may or may not reflect the value of the Company. There is no guarantee that trading will open, continue or persist at this price. Neither the QFMA nor the QEVM accepts any liability or responsibility for any reliance by any third party on the guiding trading price to make an investment decision in the Company. Prior to making any investment decision, this Information Memorandum has to be read and understood in its entirety.

5. RISK FACTORS

Prior to investing in the Shares, prospective Investors should carefully consider the risk factors relating to the Company's business and the education sector in Qatar, together with all other information contained in this Information Memorandum. The Company's Board of Directors believes that the following risks are the principal risks inherent to the Company and its business.

However, these risks and uncertainties are not the only issues that the Company faces; additional risks and uncertainties not presently known to the Company or that it currently believes not to be material may also have an adverse effect on the Company's financial condition or business success. If any combination of these risks occur, the Company's business, financial condition, cash flows and results of operations could be adversely affected and consequently the value of the Shares. Additionally, this Information Memorandum contains forward-looking statements that are also subject to risks and uncertainties. The Company's actual results could differ from those anticipated in these forward-looking statements.

The risks listed below are to an extent interrelated. The occurrence of one risk may trigger other risks to materialise. For example, if there is a substantial downturn in the Qatari economy, the Company could incur significant operational losses and could, in turn, experience an increased need for liquidity and as a result become over-leveraged.

5.1. Risks pertaining to the market in which the Company operates

Risk	Description	Mitigation
Political concerns in the broader MENA region	• All of the Company's assets and student base is situated in Qatar. As is widely reported, the MENA region as a whole has long been, and is currently, subject to a number of geopolitical and security risks. In particular, with effect from the first half of 2011, a number of countries and territories in the MENA region have experienced significant civil unrest - in some cases leading to violent disorder - prompting foreign political and military intervention and/or culminating in a change of government. • On 5 June 2017, a diplomatic rift with Saudi Arabia, the UAE, Bahrain and Egypt resulting in the closure of airspace, land, and marine borders with Qatar impacted economic and financial conditions in the country. However, on 5 January 2021, all of the countries involved signed the Al-Ula Declaration in Saudi Arabia in an agreement to restore full diplomatic relations with each other. Although the specific content and details of the Al-Ula Declaration have not been, and are not expected to be, published, it is understood that measures previously adopted by Bahrain, Egypt, Saudi Arabia and the UAE against Qatar will be revoked. It is uncertain how long it will take for trade, transport and diplomatic ties to fully return to their pre-blockade status.	Qatar's international and inter-governmental relationships with both the US and Europe remain strong. Qatar has consistently invested in both its people and employment infrastructure and has created a strong sense of civic duty amongst its citizens. Qatar has largely been resilient to the economic blockade imposed by selected regional countries. The embargo developed a culture of entrepreneurial spirit within the country and allowed Qatar to forge new international partnerships which has created new economic opportunities and international partnerships.
Economic dependence on oil and gas revenues	• According to data published by MDPS, the non-hydrocarbon sector contributed over 60% of total nominal GDP during the last 5 years (2015-19). • Al Faleh operates within the Qatari market which depends on natural gas revenues to facilitate the development of other sectors of the economy and the	Qatar has implemented a diversification strategy to reduce the State's dependence on the oil and gas sector. This shows promise for the future in terms of further expansionary

	national infrastructure. Any adverse movement in the price of oil and gas, or any restrictions which limit the ability of Qatar to export its oil and gas products freely, would reduce revenues flowing to the State and may impede its ability to implement its development strategies.	policies allowing the economy to reduce its dependence on revenues from the oil and gas sector.
Competition	• Greater demand for quality education coupled with an overall increase in income levels in Qatar implies an increase in the number of kindergarten, schools and universities. If the number of education providers in Qatar increases, the Company may face increased competition from other private operators which may adversely affect revenues and profitability.	Al Faleh is well-established and the Board of Directors is committed to providing quality education at competitive fees in Qatar. Barriers to entry (such as licensing and other requirements) remain high with the MOEHE focusing on enhancing the quality of existing providers and reaffirming the need for quality partnerships, particularly within higher education.

5.2. Regulatory risks

Risk	Description	Mitigation
General	• In order to carry out and expand its business, the Company and its Subsidiaries need to maintain or obtain a variety of licenses, permits, accreditations, approvals and consents from various regulatory, legal, administrative and other authorities and agencies. • The processes for obtaining these licenses, permits, accreditations, approvals and consents are often lengthy, complex, unpredictable and costly. • The Company's ability to achieve its strategic objectives could be impaired if it is unable to maintain or obtain required licenses, permits, accreditations, filing requirements, approvals and consents having an adverse impact on its financial position and/or market value of Shares. • The activities of the Company are regulated by Qatari laws and regulations particularly those of the MOEHE, and following the Listing, the rules and regulations of the QFMA and the QE, notably the QFMA Corporate Governance Code and the QE Rulebook. Failure to comply with such laws or regulations may result in penalties or fines and may have a material adverse effect on business activities.	The Board of Directors has confirmed that the Company is in compliance with all applicable laws, rules and regulations regarding its operations.
Qatar's Commercial Law and proposed bankruptcy filing provisions	• Investors should be aware that the Commercial Law addresses commercial affairs, competition, commercial obligations and contracts. The Commercial Law also provides comprehensive provisions addressing bankruptcy matters, permitting creditors to file claims against the majority of corporate entities, except for certain professional companies and companies that are at least majority owned by the State. • To the knowledge of the Company, this new insolvency regime remains untested to date, and it is uncertain how it would be implemented by the courts	The Board of Directors believes that the Company is currently in a strong financial position.

	of Qatar. There can also be no assurance that a Qatari court would compel a bankruptcy administrator to perform any of the Company's obligations during an administration period. • The Commercial Law also enables Qatari courts to defer adjudication of a company's bankruptcy if the court decides that it is possible to improve that company's financial position during a period specified by the court or if judged to be in the interest of the national economy. In the event of an insolvency situation to be determined under Qatari law, shareholders and other equity holders of a company generally rank last behind creditors of the company concerned.	
Properties leased by the Company	• The land being utilised for DA Al Waab has been leased for 25 years, starting from 2009. The land owner, the Urban Planning and Development Authority, has been notified of the restructuring carried out in relation to the Company. The Company has asked that the lease be amended so that the tenant is listed as DA Al Waab with its new commercial registration number. Until the lease is amended or the written consent of the landlord is obtained, DA Al Waab will be operating from premises leased under the old details of Doha Academy (prior to restructuring) with Sheikha Aisha Faleh Nasser Al Thani, as a lease representative of Doha Academy. • Further, the Company uses certain properties where it only has rights as a lessee as it does not own the property. Any adverse impact on the title rights, breach of the terms, non-renewal of the lease agreements or renewal on significantly different terms may impede effective operations and thus adversely affect profitability.	The Board of Directors is working with the Urban Planning and Development Authority to amend the lease agreement for the DA Al Waab property.
Implementation of Value Added Tax in Qatar	The planned implementation of VAT will have an impact on the Company's operations however it is envisaged that the private education sector could by either exempt of zero rated as witnessed in other GCC countries.	As of the date of this IM, VAT has not been implemented in Qatar.

5.3. Risks specific to the operations of the Company

Risk	Description	Mitigation
Ability to recruit and retain qualified and experienced personnel	• The ability of the Company to provide high quality education depends upon its ability to attract and retain quality teaching professionals.	The Company regularly benchmarks its wages with the market to ensure competitiveness. Further Al Faleh is committed to its staff's continual development and promotes an attractive work environment through appropriate HR policies.
Risks associated with the Company's information technology systems	• The Company is dependent on information technology systems for the management of its day-to-day business. For example, enrolment, timetables, general accounting, and internal announcements are all computerised. As operations grow in size and scope, the Company must continuously upgrade its	The Company continuously upgrades its computer systems and related infrastructure. Regular backup schedules are in place within the Company's drive storage device to ensure

	systems and infrastructure, while maintaining the reliability and integrity of systems and infrastructure in a cost-effective manner. • The Company currently uses firewall-enabled and cloud-based servers with regular maintenance contracts. Although the Company has cloud-based systems and contingency plans, various factors beyond the Company's control may cause system interruptions, delays, security breaches, corruption or loss of critical data. This could prevent the Company from operating some or all business for a significant period of time, which could have an adverse effect on reputation, business, results of operations and prospects. Remediation may be costly and, although the Company maintains standard insurance coverage, all insurance coverage may be subject to standard policy exclusions and subject to a specified ceiling and the Company may not have adequate insurance to cover such costs, in part or in whole.	that backups occur at regular intervals and over a time span.
Risks related to the partnership between the Company and the University of Aberdeen	• The Company's exclusive cooperation with the University of Aberdeen is governed by the agreement with The University Court of The University of Aberdeen ("University Court"), hereafter referred to as "Cooperation Agreement", which will expire on 17 November 2040. The University Court is the central governing body of the University. Its principal role is to oversee the management of the revenue, property and other resources of the University. It approves the mission and strategic vision of the University and has a number of corporate and legal responsibilities. The Company and AFG College are dependent on the Cooperation Agreement for the provision of higher education services in Qatar. • There can be no assurance that the Cooperation Agreement will be renewed upon expiry, or if renewed, such renewal will be on similar terms, or that they will not be terminated. If the Cooperation Agreement is not renewed or are terminated, the Company may lose the right to provided higher education in cooperation and under the supervision of the University of Aberdeen. If the higher education services of the Company are lost, the business operations, revenue, profits, profitability, financial position, and prospects of the Company could be materially and adversely affected.	The Board of Directors is currently working to enter into a long-term partnership with the University of Aberdeen and adhere to the terms of the Cooperation Agreement to avoid any termination of that agreement and continue the Cooperation Agreement to the maximum extent possible.
The Company has adapted to the enforced closure of its schools and university by delivering remote teaching to students through the	• A widespread global pandemic of severe acute respiratory syndrome coronavirus 2 (commonly known as SARS-CoV-2) and the infectious disease COVID-19, caused by the virus, is taking place. The World Health Organisation declared a pandemic on 11 March 2020 and since then, the pandemic has caused various emergency measures to be applied by various countries around the world (including in Qatar) and brought along substantial volatility in financial markets globally.	The Company has adapted to the enforced closure of its schools and university by delivering remote teaching to students through the technology available to it. The Company will continue to follow the directions of the MOEHE in this regard and adopt all necessary measures.

technology available to it. The Company will continue to follow the directions of the MOEHE in this regard and adopt all necessary measures.	• As the virus and the diseases it causes are relatively new, effective cure and vaccines are yet to be developed. While COVID-19 is still spreading and the final implications of the pandemic are difficult to estimate at this stage, it is clear that it will affect the lives of a large portion of the global population and cause significant effects. Most relevant to the Company is that all schools and universities in Qatar were ordered to close by the Ministry of Education from 10 March 2020 until further notice. • The ongoing COVID-19 pandemic and any possible future outbreaks of viruses may have a significant adverse effect on the Company. Firstly, a prolonged enforced closure of schools and universities in Qatar may lead to the MOEHE directing such education providers to reduce their tuition fees, although at the date of this Information Memorandum, no such directive has been issued. Secondly, even if the Company can still charge full tuition fees, many parents and prospective parents may not be in a position to pay such fees or make new registration for new students, if they lose their jobs or suffer salary and other benefits reductions as a result of the pandemic which will have a negative impact on new registration for new students. Thirdly, the spread of such diseases amongst the employees of the Company, as well any quarantines affecting the employees or the Company's facilities, may reduce the possibility of the Company's personnel to carry out their work. Prior to the pandemic, the Company forecast an increase of 18.0% YOY in the total number of students to reach 3,389 for the academic year 2020/21. However, as of 10 August 2020 and considering the potential impact of COVID-19, the Company revised down the forecast number of students to 3,082 during 2020/21 (7.4% YOY).,	Management has been closely monitoring the impact of COVID-19 on business operations and has put in place contingency measures. These include increasing options for logistics movements, online education for students, cost cutting measures like reduction of staff costs etc. The Company will keep its contingency measures under review as the situation evolves. As far as the Company's business activity is concerned, the outbreak did not have any significant impact during FY19/20.

5.4. Specific Risks relating to the Shares

Risk	Description	Mitigation
First company to be listed on the Venture Market and related illiquidity	• The Company will be the first member admitted to listing on the Venture Market. There is a risk that public and investor awareness of the Venture Market is low, and that the investors may be cautious in their approach towards an untested junior market. • Generally, shares listed on a junior growth exchange such as the Venture Market are also viewed as a riskier investment given the higher risks associated with investments in smaller companies, the usual absence of a long-term trading history and the fact that the admission requirements are less onerous than those for a main market listing. • A public market for the Shares does not currently exist and there can be no assurance that an active, liquid trading market will develop or be sustained following the Listing.	Despite being the first admission to the Venture Market and no current liquid market, the Company's 18-year track record of business growth and increased profitability will support the listing. The historical and expected continued growth is a testament to the Company's attractive market position and ability to grow organically and through collaboration with world class partners.

	• If an active, liquid trading market for the Shares does not develop or, if developed, is not sustained, the liquidity and market price of the Shares could be adversely affected.	
The Shares may not be a suitable investment for all Investors	• Each potential Investor must determine the suitability of an investment in light of his own circumstances. In particular, each potential Investor should: - Have sufficient knowledge and experience to make a meaningful evaluation of the Shares, the merits and risks of investing in the Shares and the information contained in this Information Memorandum or any applicable supplement; - Have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of their own particular financial situation, an investment in the Shares and the impact the Shares will have on their overall investment portfolio; - Have sufficient financial resources and liquidity to bear all of the risks of an investment in the Shares; and - Be able to evaluate (either individually or with the help of a financial advisor) possible scenarios for economic and other factors that may affect their investment and ability to bear the applicable risks.	
Price volatility	• The market price of the Shares may be volatile and change significantly within a relatively short time period, which could cause the value of an Investor's investment to decline.	The valuation of the Company is based on Board approved business plans and adjusted for foreseeable risks.

5.5. Unidentified or unanticipated risks

Risks	Description	Mitigation
Other	• In the course of its business activities, the Company is exposed to a variety of risks, the most significant of which are credit risk, market risk, liquidity risk and operational risk. Investors should note that failure to adequately manage these risks could result in adverse effects on the Company's financial condition, results of operations and reputation. • The Labor Law gives priority of employment to Qatari workers as part of the national strategy for developing a competent Qatari workforce through education and training. The proportion of Qatari workers in each company is subject to the discretion of the Labour Department, which has authority for granting approvals and issuing work permits for hiring of non-Qatari workers. A change in legislation or in the application of existing legislation may impact the Company's recruitment strategy. If the Company is legally required to employ a higher proportion of Qatari nationals, the cost of training, employing and professionally developing such individuals is likely to be significantly higher than the cost currently incurred by the Company in this regard.	The Company has adopted and implements appropriate risk management policies and procedures, reporting to a Board which has extensive experience in managing such businesses. The Company will seek to comply with all legal requirements relating to Qatarization in a manner that does not compromise the education services delivered and that limits the financial impact on the Company.

6. QATAR'S ECONOMIC ENVIRONMENT

6.1 Overview

Qatar has the third largest gas reserves in the world after Iran and Russia with total oil proved reserves of 25.2 billion barrels (2.6 billion tonnes)[8]. Reserves include gas condensate, natural gas liquids (NGLs) as well as crude oil. The country underwent rapid economic growth under the leadership of the former Emir His Highness Sheikh Hamad bin Khalifa Al Thani. His particular focus on the management of the country's major oil and gas reserves led to heavy investment in LNG from the early 1990s. As a result, the sector experienced a rapid growth phase particularly, in the second half of the 2000s as Qatar pioneered LNG production technology.

According to the 2020 World LNG Report, Qatar was the world's largest LNG exporter with a global market share of 22% in 2019. Although Australia briefly surpassed Qatar as the world's largest LNG exporter in November 2018, Qatar quickly regained the top spot in 2019 (77.8 million tonnes vs 75.4 million tonnes by Australia). Qatar plans to further expand its LNG production capacity to 126 million mt/year by the end of the decade.

The development of the hydrocarbon sector has made Qatar the richest country in the world with GDP per head of USD 94,030 in purchasing power parity terms in 2019 according to Economist Intelligence Unit ("**EIU**") estimates.

6.2 Economic Diversification

Financed primarily by its healthy oil and gas reserves, Qatar pursued a wide range of initiatives to modernise its infrastructure and economy. These efforts have and are expected to continue under the current Emir His Highness Sheikh Tamim bin Hamad Al Thani, who took power in 2013.

In recent years, Qatar has used its budget surpluses to develop the physical infrastructure as well as the social, healthcare and education ecosystem of the country, which have enhanced its overall social infrastructure. The construction and real estate sectors have made substantial contributions to Qatar's economic growth. Significant investments have been made to diversify the economy in the petrochemicals, financial services, infrastructure development, tourism and education sectors. During the last 5 years (2015-19), the non-hydrocarbon sector contributed over 60% of total GDP based on current prices[9].

Large-scale infrastructure developments have attracted an influx of expatriate workers. As of January 2021, Qatar's population stood at 2.2 million with the expatriate community accounting for the majority of the total population. The population is relatively young with approximately 75% of the population between 25-64 of age[10].

6.3 Economic Growth and Outlook

Growth in the non-hydrocarbon sector remained robust particularly, the building and construction sector driven by key infrastructure projects related to 2022 FIFA World Cup™ and the QNV 2030. However, growth slowed down from 5.3% in 2016 to average 3.4% during 2017-19 as most of the infrastructure projects were completed or were near completion[11].

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[8] Source: BP Statistical Review of World Energy 2019

[9] Source: MDPS, Window on Economic Statistics of Qatar – April 2020

[10] Source: MDPS, Quarterly Bulletin – Population Statistics- Third Quarter 2020

[11] Source: MDPS, Window on Economic Statistics of Qatar – April 2020

Overall real GDP growth also slowed down during 2017-19 due to lower growth in the hydrocarbon sector. The outbreak of COVID-19 impacted economic activity in 2020. As of Q3 2020, Qatar witnessed a 4.5% decline on year-on-year basis in estimated real GDP which amounted to QAR 171.7 billion. On a quarter-on-quarter basis however, real GDP grew by 5.6% led by a strong rebound in wholesale and retail trade, hospitality, utilities, information and communication, and manufacturing sectors[12].

EIU expects Qatar's overall GDP to decline by 3.0% in 2020, primarily due to the impact of COVID-19. Public health care initiatives and the Government's efforts towards early rollout of vaccines is expected to help revive economic growth from late 2021[13]. Based on gradual fiscal adjustments and economic recovery, the fiscal deficit is expected to narrow from an estimated 7.3% of GDP in 2020 to 5.0% of GDP in 2021. Based on EIU's oil price forecast, the current account is expected to return to surplus in 2021, at 1.9% of GDP, then widen to average 4.1% of GDP in 2022-23[14]. The recent normalization of diplomatic ties with selected regional countries may also contribute to increase in economic activity in the future.

6.4 Budget and Inflation

Qatar's budget plan for 2021 projects a revenue of QAR 160.1 billion, against a total expenditure of QAR 194.7 billion. The budget is based on average oil price of USD 40/barrel, compared to USD55/barrel in the 2020 budget. In line with the QNV 2030, health care and education sectors remain focal points for development. The education sector was allocated QAR 17.4 billion representing 8.9% of total expenditure[15].

Inflation witnessed a deflationary trend in 2019 and 2020 mainly due to continued weakness in real estate prices combined with the impact of COVID-19 in 2020. As of December 2020, inflation decreased by 3.4% year-on-year[16]. Based on EIU estimated, inflation is expected to increase slightly, averaging 0.6% in 2021, led by a cautious pick-up in private consumption. Inflation is expected to increase further, averaging of 3% in 2022, driven by a spike in demand related to the World Cup and potential implementation of VAT.

6.5 Qatar Economic Indicators

	2018[a]	**2019[a]**	**2020[b]**	**2021[c]**	**2022[c]**
GDP					
Nominal GDP (US$ m)	183,335	175,838	149,401	157,251	165,324
Nominal GDP (QR m)	667,339	640,049	542,829	572,393	601,781
Real GDP growth (%)	1.2	0.8	-3.0	2.4	4.5
Expenditure on GDP (% real change)					
Private consumption	5.0[b]	3.5[b]	-4.5	3.0	5.0
Government consumption	-0.3[b]	2.5[b]	9.0	5.0	4.5
Gross fixed investment	4.0[b]	2.5[b]	-3.2	3.5	4.5
Exports of goods & services	1.5[b]	1.1[b]	-8.5	2.0	5.3
Imports of goods & services	3.0[b]	6.0[b]	-3.0	6.0	9.0
Population and income					
Population (m)	2.8	2.8	2.9	2.9	3.0
GDP per head (US$ at PPP)	93,185	94,030	89,958	91,840	95,983
Recorded unemployment (av; %)	0.3[b]	0.2[b]	0.5	0.3	0.2

12 Source: MDPS, Window on Economic Statistics of Qatar - April 2020
13 EIU Country Report Qatar - Jan 2021
14 EIU Country Report Qatar - Jan 2021
15 Ministry of Finance (Qatar) – Pubic Budget Statement 2021
16 MDPS, Consumer Price Index - Press release December 2020

	2018[a]	2019[a]	2020[b]	2021[c]	2022[c]
Fiscal indicators (% of GDP)					
Central government revenue	31.2	33.6[b]	31.7	33.0	36.9
Central government expenditure	28.9	32.6[b]	39.0	38.0	36.2
Central government balance	2.3	1.0	-7.3	-5.0	0.8
Net public debt	57.5[b]	67.1[b]	81.8	78.8	72.5
Prices and financial indicators					
Exchange rate QR:US$ (end-period)	3.64	3.64	3.64	3.64	3.64
Exchange rate QR:€ (end-period)	4.17	4.09	4.31	4.22	4.20
Consumer prices (end-period; %)	-0.7	-0.3	-0.8	2.6	2.9
Stock of money M1 (% change)	-2.8	5.0	15.0	5.5	9.5
Stock of money M2 (% change)	-6.6	2.6	1.1	7.4	9.9
Lending interest rate (av; %)	5.0	4.8	2.8	3.0	4.0

a Actual. b. Economist Intelligence Unit estimates. c. Economist Intelligence Unit forecasts.

Source: EIU Country Report Jan 2021

7. QATAR'S EDUCATIONAL ENVIRONMENT

7.1 Qatar's Vision for Education

The Government has outlined a clear vision for leveraging its vast resources to diversify the economy and reduce its dependency on the oil and gas sector. QNV 2030 and the Qatar National Development Strategy ("QNDS") both outline the state's long-term social and economic goals and identify education as a critical vehicle for meeting these targets.

QNV 2030 seeks to transform Qatar into "an advanced society capable of sustaining its development and providing a high standard of living for all of its people". QNV 2030's first pillar, 'Human Development' includes 'an educated population' as its first desired outcome and provides a framework within which sector strategies and implementation plans have been developed.

The QNV 2030 addresses major challenges facing Qatar through the following four interconnected pillars, which emphasise education as the means of achieving planned long-term goals.

1. Human development
2. Social development
3. Economic development
4. Environmental development

The QNDS, which was launched in 2011, defines priority national initiatives and investments that are geared towards achieving the goals outlined in QNV 2030. The broad strategy, updated in September 2018, identifies development goals and challenges, outlines strategic initiatives and provides a framework for achieving desired outcomes. The Education and Training Sector Strategy outlined 21 desired outcomes supported by 31 projects established during the first five-year implementation period (2011-2016). The first five of the 21 desired outcomes and their corresponding projects are shown below. The scope of the education strategy was vast as it tackled the sector holistically, covering all phases of learning, including schools, universities, vocational training, and research and development.

QNDS: Education and Training Sector Strategy – Top 5 Outcomes and Projects

	Outcome	Project
1	10-year comprehensive strategic plan	Implementation of nationally aligned strategy which promotes quality, efficiency and inclusiveness of the education and training sector.
2	Evidence of decision making	Comprehensive information database that supports decision making and information needs of ETS shareholders.
3	Strengthened Qatari national values, Arab and Islamic culture	Programs strengthening Qatari national values and Arab and Islamic culture.
4	Performance Management Plan Professionals and Institutions	Development of performance management plan for all professionals and institutions in the education and training sector.
5	Use of ICT throughout education and training	Establish a sector-wide approach to the effective use of ICT in student education, teacher and trainer education and education administration.

Source: QNDS Strategy 2018-2022

7.2 Impact of Educational Reforms

The impact of the reforms and investments in the education sector are evident. According to the World Economic Forum's Global Competitiveness Report for 2019, Qatar ranked 6th out of 141 countries for critical thinking in teaching and 8th for skillset of graduates.

Qatar also achieved strong performance results in the Programme for International Student Assessment ("**PISA**") with significant improvements in the average test score over the last decade. PISA is a standardised test conducted every three years (latest edition is 2018 edition released on 3 December 2019) designed to support policy makers by benchmarking outcomes in the education sector and is recognised and utilised globally.

According to 2018 published figures, Qatar's scores went up in all three test areas – Maths, Reading and Science. While Qatar's outcomes have been below the OECD average, the country now ranks 60 out of 72 countries in Science with an average score of 413, up from 384 in 2012. The country's average score of 414 in Maths represent a 38-point improvement on its 2012 score, while its score for Reading went up 20 points to 407. The results evidence steady improvements in the overall performance of students in the three subjects[17].

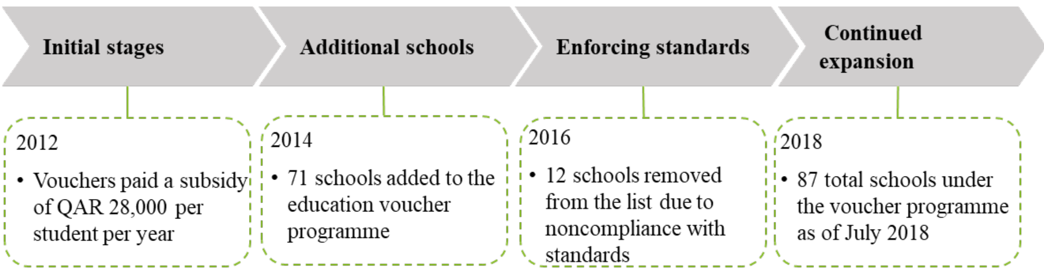
7.3 The Education System in Qatar

<table>
<tr><th>Key players</th><th>Details</th></tr>
<tr><td>Independent schools</td><td>
All independent schools fall under the purview of the MOEHE – previously the Supreme Education Council ("SEC"). Qatar's education reforms shifted the management structure of the state's public schools in a bid to give school administrations more autonomy and authority to manage their programmes while holding them accountable to the MOEHE's broader targets for education outcomes. In accordance with the 2016 education system reform, independent schools are required to comply with the following:

The state's curriculum and meet specific standards for Arabic, English, mathematics and science courses; and
Certain financial rules and regulations imposed by the MOEHE, designed to assess the management of the schools.

Voucher system:

With the growth in the number of school-age children in Qatar, Qatari parents are increasingly paying to send their children to international schools. As part of an initiative to make private schools more accessible, a voucher programme was introduced in 2008 wherein the subsidy afforded to independent schools was extended to private schools. Under the programme, the funds are transferred directly to the schools based on the number of eligible students enrolled.
According to MOEHE, a total of 107 schools are joining the Educational Voucher System for the 2020/21 Academic Year[18].

Education support voucher programme


Source: MOEHE

According to QNDS, all Government schools have been transformed into independent schools. Independent schools, though financed by the Government, are managed independently in accordance with the standards, policies, and systems set by the Ministry of Education and Higher Education. It is observed that the majority of Qatari students are enrolled in the independent school system. In 2018-19, there were 66,291 Qatari nationals in independent schools compared with 38,145 Qatari students in private schools. This compares with 161,872 foreign students enrolled in private schools with 55,261 foreign students enrolled in independent schools as of 2018-19[19].
Independent schools generally cater to the local Qatari population and are mostly single gender schools. In 2018/19, there were 177 schools for male students with a total enrolment of 65,321

</td></tr>
</table>

[17] Source: PISA 2015 Results in Focus, OECD
[18] MOEHE website: https://www.edu.gov.qa/en/Pages/pvschoolsdefault.aspx
[19] Source: MDPS, 2019

	students and 175 schools for female students with a total enrolment of 68,523 students. The faculty in independent schools is generally female, with 10,172 female teachers compared with 3,931 male teachers in 2018/19. Qatar's independent schools are mainly clustered around the urban areas of Doha and Al Rayyan[20].

Public and Private schools

- According to the annual 'Education Statistics' published by the Ministry of Development, Planning and Statistics ("**MDPS**"), the number of public and private schools in Qatar increased by 45.0% over the past six years from 767 in 2012/13 to 1,112 in 2018/19. The number of students increased from 232,345 to 321,569 during the same period representing 5 year CAGR of 6.7%, while the number of teachers increased from 22,213 to 35,894. Overall, Qatari students averaged 34.3% of the total students in public and private schools during the six year period ending 2018/19[21].
- Private schools, which are privately owned and operated, form an integral part of Qatar's education system.
- Out of the 800 private schools as of 2018/19, 7% offer Arabic curriculum while the remaining 93% offer international curriculum. All private schools cater mainly to the expatriate population though the number of Qatari nationals enrolled has been gradually increasing due to the voucher system.
- The total number of students in private schools increased from 135,625 in 2012/13 to 200,017 in 2018/19. The number of Qatari students increased during the last six years from 26,096 to 38,145 and remained relatively stable in proportion to the total number of students averaging 18.9%[22].

Total number of students in private and public schools by nationality

Nationality		2012/13	2013/14	2014/15	2015/16	2016/17	2018/19
Qatari	Public	59,670	59,519	60,250	62,219	63,972	66,291
	Private	26,096	28,517	31,477	33,896	35,974	38,145
Non-Qatari	Public	37,050	38,389	41,991	45,767	49,560	55,261
	Private	109,529	117,807	134,706	146,752	154,784	161,872
Total students		**232,345**	**245,232**	**268,424**	**288,634**	**304,290**	**321,569**

Source: MDPS Education Statistics

Total number of students by school type

School type	2012/13	2013/14	2014/15	2015/16	2016/17	2018/19
Public	96,720	97,908	102,241	107,986	113,532	121,552
Private	135,625	146,324	166,183	180,648	190,758	200,017
Total students	**232,345**	**245,232**	**268,424**	**288,634**	**304,290**	**321,569**

Source: MDPS Education Statistics

University Sector: Qatar University ("QU")

- QU is the state's oldest and largest higher education facility and is at the centre of Qatar's education strategy, with current enrolment at more than 23,000 male and female students and an alumni base of over 30,000 members.
- The university's growth is in line with the national education reform strategies initiated in 2003. The changes in strategy aimed to address various weaknesses and to improve the quality of instructional and educational services as well as promote administrative efficiency.

Qatar Foundation ("QF") and higher education

- Education City ("**EC**"), promoted by QF, has brought together eight strategically selected universities to Qatar: Virginia Commonwealth University in Qatar, Weill Cornell Medicine-Qatar, Texas A&M University at Qatar, Georgetown University in Qatar, Carnegie Mellon University in Qatar, Northwestern University in Qatar, HEC Paris in Qatar and University College London Qatar.
- EC now includes its first home-grown Qatari university, Hamad Bin Khalifa University. The university works closely in partnership with the branch campuses in EC to bring a renewed focus on research and development with an array of masters and doctoral programmes delivered via interdisciplinary graduate colleges. These include the College of Science, Engineering and Technology; the College of Humanities and Social Sciences; the College of Law and Public Policy; the College of Public Health; the College of Business; and the Qatar Faculty of Islamic Studies.

[20] Source: MDPS, 2019
[21] Source: MDPS 2019
[22] Source: MDPS, 2019

	• In mid-2018. QF inaugurated Qatar National Library ("QNL"), which spans 46,000 square metres, and boasts a range of state-of-the-art public facilities and technologies, as well as learning spaces, performance venues and cafes.
AFG College with the University of Aberdeen	• AFG College, a joint initiative between Al Faleh and the University of Aberdeen, commenced offering courses in September 2017. AFG College is the first UK university to operate on a dedicated campus in Qatar, and currently provides accounting, finance and business management courses. In September 2018, a further two world-leading postgraduate degree programmes were added to its portfolio. • The University of Aberdeen is the 3rd oldest university in Scotland and the 5th oldest in the UK. It is a distinguished member of the 'Ancient University' sector with over 500 years of history. In 2018 the university was awarded Scottish University of the Year and in the same period climbed a further 14 places in the UK university league tables and retained its envious position of being in the top 1% of world universities. The university is keen to establish a wider provision of degrees, to include STEM subjects to support and underpin the strategic objectives of QNV 2030 to establish a technology led knowledge-based economy.

The breakdown of the enrolled students during the academic year 2018/19 in private colleges and universities by nationality is provided in the below exhibit:

Higher Education Universities	Qatari	Non-Qatari	Total
Education City Universities[23]	1,252	1,249	**2,501**
Hamad Bin Khalifa University	280	446	**726**
North Atlantic College	1,314	2,064	**3,378**
Stenden University in Qatar [24]	56	192	**248**
Calgary University in Qatar	63	346	**409**
Qatar College of Aeronautics	178	184	**362**
Doha Institute for Graduate Studies[25]	162	291	**453**
University Foundation College	36	55	**91**
Total	**3,341**	**4,827**	**8,168**

Source: MDPS

7.4 Investing in the Knowledge Economy

The Government has invested significantly in reforming the education sector and in developing educational initiatives, programs and projects over the past two decades.

Based on the 2021 budget, the Government allocated QAR 17.4 billion for the education sector representing 8.9% of total expenditure. Among the most important projects related to educational services are those for the expansion and development for existing schools and educational institutions[26] .

[23] 1-Academice Bridge Program 2-Virginia 3- Georgetown 4- Carneige Mellon 5-Weill Cornell 6- Texas A&M 7-North Western 8- College London Qatar 9-HEC Paris in Qatar.

[24] University of the former C.H.N.

[25] Opened in 2015/2016

[26] Ministry of Finance website

7.5 Key Trends in the Education Sector

Key trends in the education sector include the following:

Large Expatriate Workforce

- Private sector actors are playing an increasingly important role in providing education services, particularly at the primary and secondary level.
- The presence of a large expatriate workforce (excluding manual labour force) has given rise to demand for different curricula and syllabi.
- The size of the market for the private schools and other education facilities is likely to continue to grow.

Higher Education Development

- The state's first national institution of higher education, QU, is a key factor in this sector focusing on raising academic standards, introducing new disciplines and fostering a research culture.
- QF has played a significant role in helping develop a competitive tertiary education sector by establishing EC, which houses the branch campuses of a number of top-tier international universities and the newly established Hamad Bin Khalifa University.
- QF has also invested in developing cutting-edge research and development facilities that are designed to support the state's economic transition into a knowledge-based economy.

Rapid Expansion Challenges

- The rapidly expanding education sector makes it difficult to ensure minimum standards, particularly within private schools that provide different syllabi and curricula. The sector strategy also highlights the lack of alignment between the qualification of graduates and the needs within the labour market.
- The Government's long-term strategy and vision supported by strategic investments and reforms are likely to address these challenges and continue to support the development of an education system that supports innovation and entrepreneurship.

8. THE COMPANY

8.1 Brief History

The Company was established on 1 March 2015 under the commercial registration number 71150. Primary business activities include providing educational services from early years education through to higher education.

The driving force for establishing the Company was to support the State of Qatar in the creation and enhancement of a knowledge-based economy, support Qatari entrepreneurs and develop future leaders. The Founder of the Company was at the forefront of the country's educational planning and development in her capacity as a previous board member of the Supreme Education Council ("SEC"). Her insights and input into developing the strategic objectives of Qatar's educational pillar underpin the Company's overall mission and vision.

The Company provides educational services through a network of three different schools and one college which include:
- DA Al Waab
- DA Salwa
- DIKG
- AFG College

Key features of the business units of the Company as of FY19/20 are presented in the table below:

Business Unit	Established	Location	Capacity	Curriculum	Year Groups / Programmes	Student Age for Admission (years)
DA Al Waab	Sep 2000	Al Waab	2325	National Curriculum of England & Wales (British Curriculum)	KG – Year 13	3 – 18
DIKG	Sep 2007	Abu Hamour	200	National Curriculum of England & Wales (British Curriculum)	KG - Reception	3 – 5
DA Salwa	Sep 2008	Al Mamoura	415	National Curriculum of England & Wales (British Curriculum)	Year 1 – 9	5 – 14
AFG College	Sep 2017	New Salata	850	University of Aberdeen affiliated Programmes	UG and PG programmes	18+

Source: Management Information

8.2 Strategic Objectives of the Company

To ensure that the Company retains its unique offering underpinned by its world-leading partnership model, it focus on eight strategic objectives:

1) Standard of excellence
- Provide international-standard facilities that support student learning and development;
- Be an emblem of excellence in delivering educational and academic services of the highest standard;
- Deliver a comprehensive portfolio of academic programs and initiatives; and
- Establish a sustainable and viable presence in the region.

2) Quality of learning environment

- Achieve academic excellence through high-quality teaching in a stimulating learning environment; and
- Ensure systems are in place which represent best practice in health, safety and environmental operations.

3) Enable future leaders

- Contribute to QNV 2030 and the knowledge-based economy; and
- Increase Qatarisation to develop future Qatari leaders.

4) Efficiency through continuous improvement

- Improve operating efficiency through continuous improvement;
- Maintain and improve quality management systems; and
- Improve customer service and satisfaction.

5) Establish and utilize stakeholder relationships

- Establish productive relationships with stakeholders and create synergies.

6) Maintain upmost levels of professionalism

- Attain the highest level of professional competence;
- Exercise financial discipline and obtain best value for money and consistently; and perform within approved budget limits.

7) Contribute to a knowledge-based economy

- Establish and implement a research office making contribution in research scholarship and creative expression to achieve a knowledge-based society.

8) Strengthen internal processes

- Strengthen internal processes, infrastructure and communication in operative and administrative processes; and
- Achieve service excellence by enhancing human resources management systems and identify, support and retain qualified and high-performing staff.

Al Faleh's Value Chain

Value Proposition	Value Creation	Value Capture
• Quality educational products • Innovative solutions • Training programmes • Meet QNV 2030 objectives	• Expert team • Innovative technological approaches • Accreditation by international institutions • Growing customer base	• Revenue growth • Increase in demand • Expansion plans • Strong growth potential

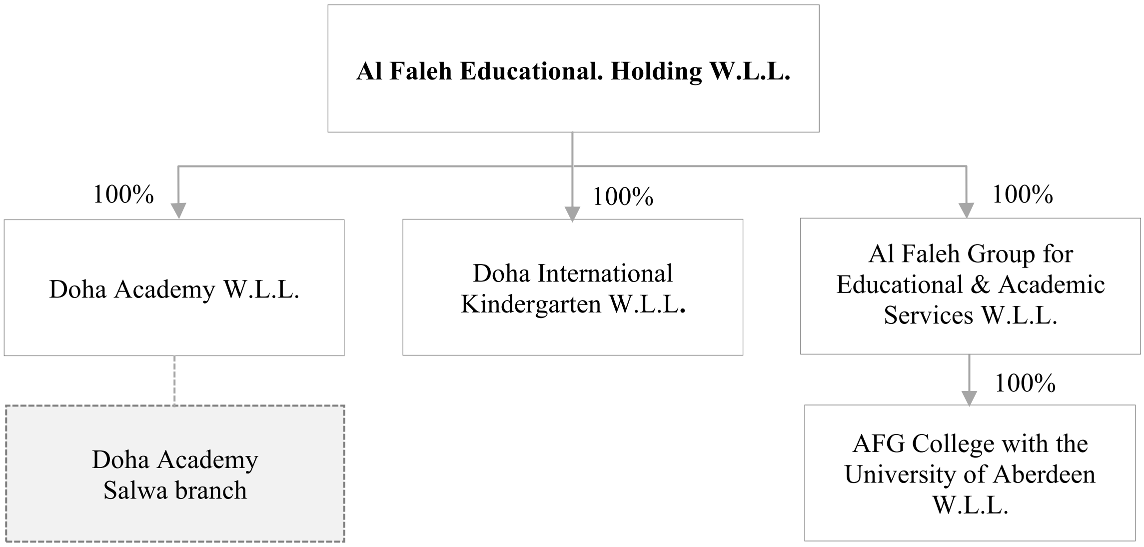
Source: Management information

8.3 Corporate Structure

In 2018/19, the Company undertook a restructuring initiative by acquiring Doha Academy W.L.L. which operates Al Waab campus and a branch in Salwa. The Company also acquired AFG-EAS, a holding company for AFG College.

The objective of the acquisition was to integrate business activities across different stages of the educational life cycle under one holding company. For more details regarding the acquisitions, please refer to *Section 18: Management Discussion and Analysis.*

Doha Academy W.L.L, DIKG and Al Faleh Educational and Academic Services W.L.L. (together the "**Subsidiaries**") are 100% owned by the Company as shown below. Previously, the Subsidiaries were owned and ultimately controlled by the Founder of the Company.



Source: Management Information

8.4 Business History and Description

A brief description of Doha Academy Schools and AFG College is provided below:

8.4.1 DA Al Waab

DA Al Waab was established in September 2000 in the residential area of Al Mamoura with an initial capacity of 300 students. As demand for British curriculum continued to grow, the school expanded capacity. Management leased a plot of land from the Government land built a purpose-built school in Al Waab in 2012. The construction of the new school site was completed in June 2014 and commenced operations in September 2014. Currently, DA Al Waab can accommodate 2,325 students with 93% capacity utilization as of FY19/20. The Al Mamoura site was refurbished during the academic year 2014/15 for use by DA Salwa which was relocated to this site in September 2015.

DA Al Waab offers classes from Kindergarten to Reception ("Foundation"), Years 1-6 ("Primary") and Years 7-13 ("Secondary"). Secondary classes are segregated. Primary and Secondary education for students is based on the National Curriculum of England and Wales along with teachings of Qatari and Islamic values. The main language of instruction is English. However, Arabic, Qatar History and Religion are taught in Arabic language. Support lessons are provided for those students whose first language is not Arabic. The school is a recognised examination centre for both CIE and Pearson Edexcel, internationally benchmarked examinations which are recognised globally and are accepted by most universities and corporations worldwide.

8.4.2 DA Salwa

DA Salwa was established in September 2008 in the residential area of Abu Hamour and offers Foundation and Primary level education. Similar to DA Al Waab, DA Salwa's curriculum is based on the National Curriculum of England and Wales with a focus on the principles and teachings of Islam. In September 2015, the school relocated to a fully refurbished site in Al Mamoura previously occupied by DA Al Waab.

Prior to August 2020, DA Salwa offered Foundation level programmes. As part of a strategic initiative, Management decided to forego this segment and utilize the capacity to accommodate a higher number of Secondary school students instead. As part of the new capacity utilization plan, an additional building was constructed on a vacant plot within the school site during FY19/20to host another 10 classrooms. The Company expects to utilize the increase in capacity from 415 to 600 students in FY20/21. Capacity utilization was 65% in FY19/20.

8.4.3 DIKG

Established in September 2007, DIKG provides classes for children aged 3 to 5 years old. All students are guaranteed places at either DA Al Waab or DA Salwa. DIKG follows the Early Years Foundation Stage curriculum as set out by the United Kingdom Department of Education. The literacy-based subjects follow the UK based Letters and Sounds: Principles and Practice of High-Quality Phonics, the Oxford Reading Tree, and Big Writing. The mathematics curriculum is derived from New Heinemann Maths and Big Maths. The curriculum is also supported with lessons in French, Arabic, Islamic Studies and the Quran as set by the Ministry of Education and Higher Education.

DIKG relocated to a newly refurbished site in Mesaimeer in September 2017. As of FY19/20, this business unit achieved 45% capacity utilization.

8.4.4 AFG College with the University of Aberdeen

AFG College was a pioneer in launching the first UK University with a dedicated campus in Qatar. It was established in partnership with the University of Aberdeen based in Scotland, a prestigious university founded in 1495, Scotland's third oldest university in the world. The University of Aberdeen is consistently ranked among the top 200 universities in the world.

Initially, AFG College offered two undergraduate programmes in Business Management and Accounting & Finance. Management plans to expand course majors to include STEM disciplines, following its long-term mission to be pioneers in the education sector in Qatar.

As part of its unique partnership agreement, University of Aberdeen retains its oversight of academic quality and governance, through delivering its own degrees and providing its own faculty to co-deliver on-campus teaching and learning at AFG College. Moreover, an on-campus university appointed Provost ensures that quality standards are upheld and that AFG College students are afforded the same university experience and outcome as those students studying at the central university campus in Aberdeen. The University of Aberdeen is one of the five oldest UK universities and is consistently placed within the top 1% of the world's universities. With over 520 years of history, the University of Aberdeen is one of the world's premier universities.

The rich history, academic excellence and global ranking of the University of Aberdeen offers significant value to AFG College. Launch of the first UK university in Qatar, which also marked the first international campus of the University of Aberdeen, was well-received by the MOEHE and senior Qatari Government officials. AFG College also enjoys full support of the UK's Ambassador to Qatar and the Department for International Trade and Industry thus, further raising its profile.

AFG College is privately owned and independent of QF. Operations commenced in September 2017 with 134 UG students during the first academic year. The number of students enrolled rapidly increased since inception to reach 407 UG students and 178 PG students bringing the total number of students to 585 students in FY19/20.

AFG College and the University of Aberdeen have agreed to increase programme offerings during each academic year to meet higher education needs in Qatar. In FY19/20, the Company received regulatory approvals to launch the following programmes in FY20/21:

- Master of Laws (LLM) International Commercial Law
- Master of Science International Human Resource Management (iMSc)
- iPGCE/iPGDE/MEd Postgraduate Certificate / Diploma / Masters in Education
- MA (Hons) Business Management & International Relations
- BSc (Hons) Business Management Information Systems
- MA (Hons) Business Management & Legal Studies

Launch of new programmes is expected to further boost the number of students and exceed existing student capacity of 850 students by 2021/22. Accordingly, the Company has planned building of a new campus as part of the next phase of partnership with the University of Aberdeen to increase capacity to 4,500 - 5,000 students from the current capacity of 750 ("Phase 2") and introduce new course offerings including a range of STEM disciplines.

Phase 2 includes a new purpose-built university campus on a 60,000 sqm plot of land, allocated by the Government, with an approximate campus built-up area of 35,000 sqm. The new campus is expected to be operational in September 2022, with a roll-out of at least two schools, business and engineering.

8.5 Competitive Strengths

Strong value proposition supported by a diverse and unique programme offering

- The Company offers a full spectrum of educational programmes to attract and retain students throughout the education life cycle. These include academic and compulsory learning provision for students from the ages of 3-18 years. The programme offering also caters to adults wishing to pursue higher education or advance their education through vocational and professional training courses.
- The Company is committed towards improving the quality of education in Qatar in harmony with the cultural and religious beliefs of the wider society. In line with this commitment, Doha Academy Schools and DIKG not only offer the highly popular British curriculum but also courses in Qatari history and Islamic studies in Arabic. This enables the Company to attract a diverse student base seeking high quality English medium education with an embedded Islamic ethos and exposure to select courses in Arabic medium. It also helps students develop cultural sensitivity and learn how to effectively contribute towards building an integrated society and become future global leaders.
- AFG College is the only institution in Qatar to offer a British MBA degree through its partnership with the University of Aberdeen. It also offers a unique MSc degree in International Business Management. Further, AFG College provides opportunity for students who wish to pursue high-quality university education from a well-recognised institution in their home country instead of travelling overseas. The rapid growth in the number of student enrolment from 134 in 2017/18 to 585 in 2019/20 within just four

years of operations of AFG College highlights the success of the Company's business model. As of August 2019, 70% of the total student population comprised Qatari nationals while the remaining students represented 25 different nationalities.

- AFG College also attracts students from feeder institutions, such as the College of North Atlantic (CNAQ), University Foundation College (UFC), Qatar University (QU), the Qatar Foundation Academic Bridge Programme (ABP) and Community College Qatar (CCQ). These institutions provide foundation programmes to help prepare students pursue UG and PG degrees. Government investment in vocational and higher education providers is expected to help AFG College grow its student base.

Highly qualified faculty and experienced management team

- The faculty at Doha Academy Schools, DIKG and AFG College is highly qualified and has strong experience in the education sector having worked with a range of public/private schools and world-class universities. Full-time faculty teaching at AFG College comprise Honorary Faculty of the University of Aberdeen and faculty hired from the UK university sector or commensurate academic institutions, including Australia and New Zealand.
- The Company promotes continuous professional development and offers competitive compensation packages in order to attract and retain its staff.
- Management team comprises seasoned professionals with proven track record in managing successful educational organisations locally and globally. Please see *Section 9: Management, Shareholders and Corporate Governance* for further details.

Commitment towards maintaining high standard of quality

- The Company maintains a high standard of quality by strictly complying with the requirements of independent external quality assurance agencies. Internal systems are designed to track individual performance against personalised targets with the aim of helping each student maximise his/her academic and personal potential.
- Academic quality of programme offerings is monitored through a structured quality review framework which includes internal annual quality enhancement reviews and external quality assurance agency inspections such as Qatar National School Accreditation. The Company evaluates the achievement of students, the quality of teaching and learning, the behaviour and safety of students, the quality of the institution's leadership, management and overall effectiveness. To improve effectiveness of the internal review process, the Company has established student / staff consultative committees.
- DA Salwa and DA Al Waab obtained accreditation from Qatar National Schools Accreditation and Community of International Schools ("QNSA") in 2017/18 and 2018/19, respectively. In addition to local accreditation, Doha Academy Schools are in process of obtaining international accreditations.
- The Company follows a robust student selection criteria, carefully monitors student performance against industry benchmark standards and ensures that every student receives the best all-round education by focusing on:
  - Academics: a strong curriculum which has been thoroughly researched to ensure the best fit for students' needs, delivered by well-trained and qualified staff;
  - Personal growth: extensive opportunities for extra-curricular, community and philanthropic activities to develop strong and responsible global citizens;
  - Learning environment: an encouraging environment which supports and complements Qatari culture and reflects the cultural needs of parents and students;
  - Physical environment: a safe environment with continuous investment in technology, educational infrastructure, facilities and services while abiding by MOEHE requirements; and
  - Affiliations: partnerships with key quality local and international education providers and assurers enabling the Company to maintain and exceed international benchmark standards.

Strong track record and brand recognition

- The Company's brand is associated with affordable quality education compared to other private schools in Qatar which also offer British curriculum. DA Al Waab has a strong operating history of over two decades while DA Salwa and DIKG have maintained a strong foothold in the pre-primary, primary and secondary segment for over ten years. Further, the founder and Chairperson of the Company is a highly respected member of the Qatari royal family and her profile is held in high regard within the education sector.
- In the higher education segment, AFG College leverages strong brand image of the University of Aberdeen which ranks amongst the top universities in the world. The success of bringing home an international university through its affiliation with the University of Aberdeen led to support from the MOEHE and secure prime land of circa 60,000 sqm to develop a new university campus in Qatar. The land is located in an area earmarked for significant residential and commercial developments through Government investment with new road and metro links.
- Leveraging its strong reputation, the Company is also able to obtain pre-requisite approvals from local authorities for launching new academic programmes from time to time. This allows the Company to maintain a competitive edge as lack of strong brand and track record can be a barrier to entry in the education market.
- The Company has been profiled in national and international journals and frequently liaises with reputable institutions including Reach Out to Asia and QF to promote its products and services. Furthermore, prominent Qatar based institutions including CNAQ, KPMG, Al Jazeera, Qatar Airways collaborate with AFG College to establish mutually beneficial relationships, through educational sponsorships and organisational capacity building.

Well-positioned in a growing private education market

- The total number of students in private schools increased at a 5Y CAGR of 6.5% to reach 200,017 students in 2018/19 while the total number of students in private universities increased at a 5Y CAGR of 4.4% to reach 8,507.

	2013-14	2014-15	2015-16	2016-17	2017/18	2018/19
Pre-primary	36,552	40,644	45,163	47,672	46,640	45,527
Primary	70,874	81,660	88,684	93,471	98,346	100,426
Preparatory	23,198	26,322	28,329	29,628	31,080	31,758
Secondary	15,700	17,557	18,472	19,987	21,808	22,306
Total Students (Private Schools)	**146,324**	**166,183**	**180,648**	**190,758**	**197,874**	**200,017**
Total Students (Private Universities)	**6,844**	**6,977**	**6,751**	**7,056**	**7,822**	**8,507**

Source: MDPS Education Statistics

- The Company is positioned in the mid fee range of school tuition fees (QAR 26,000 to QAR 30,000 per annum). Competing schools offering British curriculum command premium fees at QAR 35,000 to QAR 70, 000 per annum for Primary and Secondary education[27].
- The Company's pricing strategy helps attract local and expatriate students seeking high quality and affordable education. This meets the demand from local students who benefit from the Educational Voucher System in Qatar covered by MOEHE up to a value of QAR 28,000 per annum. Availability of high-quality schools and universities also helps corporates attract and retain key employees and generate demand for private education thus, benefitting the Company through potential increase in student enrolment.

Robust business model, strong financial performance and growth potential

- The Company has achieved strong growth in revenue driven by higher student enrolment and increase in

[27] EdArabia (https://www.edarabia.com/qatar-school-fees/)

tuition fees. Total revenue from student fees increased by 39.7% YOY in 2018/19 and 8.5% YOY in 2019/20 to reach QAR 118.7 million. Tuition fees were increased by approximately 4-6% per annum in 2016/17, 2017/18 and 2018/19. The ability to increase fees stems from a diversified student mix of Qatari nationals who benefit from Government funding and private-pay expatriate students who have relatively low price elasticity of demand.

- Increase in fees and cost control initiatives led to expansion in EBITDA margin from 22.6% in FY17/18 based on Proforma Financial Information to 32.9% in FY19/20. Management achieved strong operational efficiency and profitability through careful planning, monitoring and budgeting. Core business functions, such as HR, Finance and Procurement are centralized and budgeting for the Subsidiaries is approved centrally to ensure robust oversight.

- AFG College has been a key driver of business growth and made a strong contribution to the Company's financial results by turning profitable after only one year of operations. Growth was led by a rapid increase in student enrolment and higher average per fee for higher education programmes. The planned launch of new programme offerings in FY20/21 is expected to provide further growth potential.

- The Company has a strong liquidity profile and relatively low leverage (net debt/equity 11.4% as of F19/20). Tuition fees are received in advance with approximately 15-20% of total tuition fees received before the start of the financial year and the remaining out throughout the academic year. The timing of fee collection enables the Company to meet its operating expenses incurred during the year.
- Significant proportion of Qatari students (c. 70% of total students as of FY19/20 in AFG College) who receive public funding and student retention provides high earnings visibility. The Company is able to retain students by maintaining high standard of education quality and ability to convert students from pre-school stage to primary, secondary and higher education.

8.6 Growth Strategy

During 2014/15 to 2018/19, the Company built significant leadership, management and technological capabilities. As part of growth plans, Management plans to continue expand capacity by opening new campuses on green-field sites and opportunistically pursue acquisitions locally and internationally. The company's growth strategy is outlined below:

Increase student enrolment and retention

- The Company aims to continue to increase enrolment through carefully planned marketing and recruitment strategies. Management also plans to maintain a high applicant to enrolment conversion rate which stood at 52% as of September 2020 for AFG College.
- Management also plans to continue to leverage best practices and industry standard student relationship management software to promptly respond to prospective student enquiries, track and maintain high retention rates.

Expand capacity and enter new markets

- Capacity expansion plans for the existing Doha Academy Schools and AFG College include extension of the DA Salwa campus with 10 newly built classrooms expected be operational in FY20/21. Management is also planning Phase 2 of development for AFG College with expected capacity of 4,500 – 5,000 students.
- The Company intends to grow its domestic network and set up educational institutions in new locations in Qatar. Currently, all services are concentrated in the Al Rayyan and Doha municipalities.
- The Company aims to expand internationally and launch educational institutions in the United Kingdom. International expansion will form a key part of the higher education sector of the business during the next

five years (2021-25). The search for a London based postgraduate institution in partnership with the University of Aberdeen has been commissioned, and real estate agents have been requested to identify suitable higher education premises in London, which will capitalise on the growing tertiary sector within the south east of the UK.

Build academic partnerships and develop new products

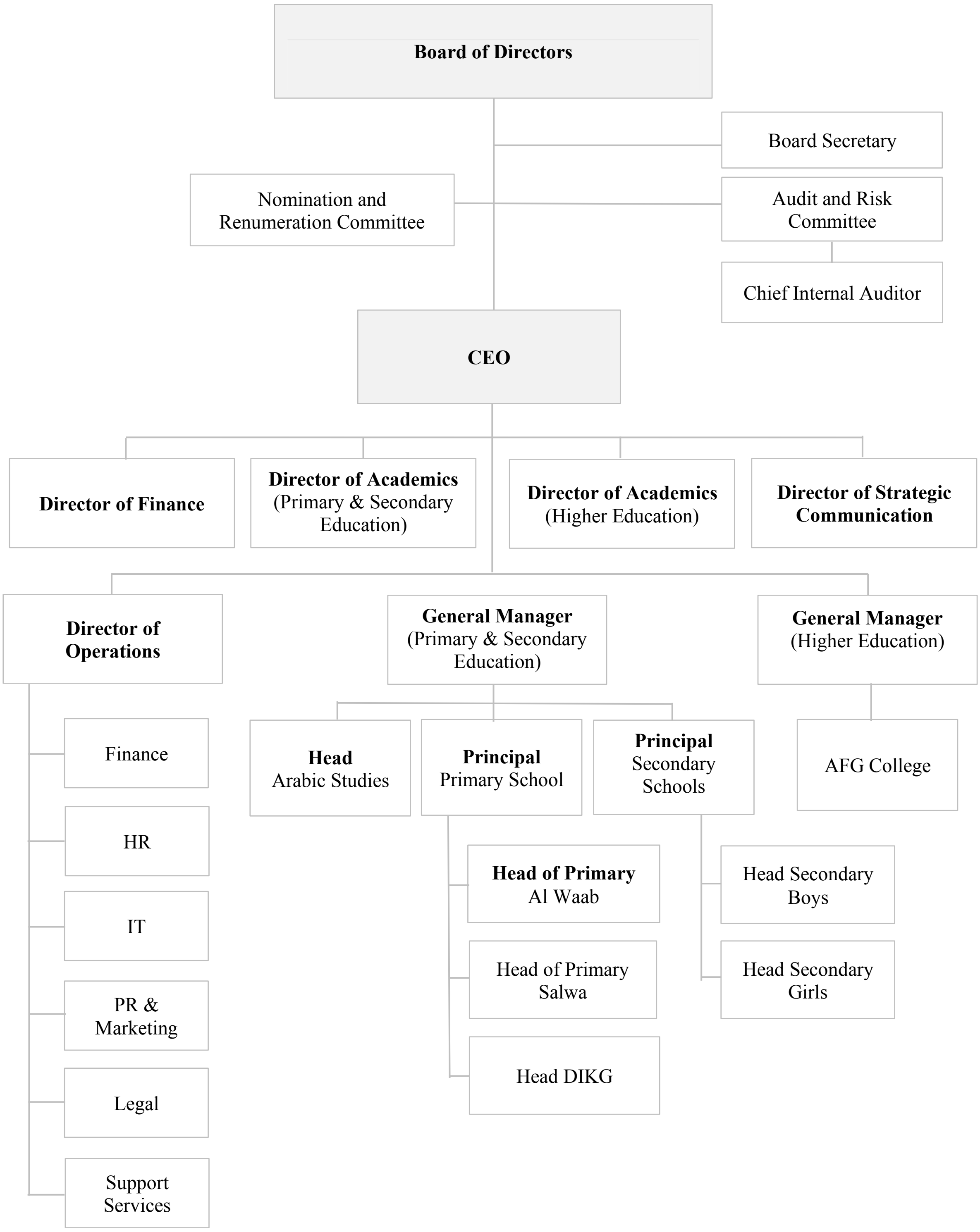
- Management plans to forge new partnerships with established institutions in order launch more K12 schools. The objective is diversify from the existing British curriculum based offering and capture a greater market share in Qatar.
- Management also plans to continue to diversify programme offerings. In the immediate term, the Company plans to launch six new higher education programmes at AFG College. As part of Phase 2, the Company plans to introduce courses covering STEM disciplines.

Seek opportunities for suitable acquisitions

- According to the specialist international education sector consultancy, Parthenon, single-site operators comprise approximately 89% of the school market. The abundance of single-site operators provides a continuous supply of incremental acquisition opportunities.
- The Company continuously assesses the regional and international markets for possible acquisition opportunities so that it can integrate the new businesses into its existing operations.
- The Company aims to invest in such acquisition opportunities to rapidly scale its Primary, Secondary and Higher education business both locally and globally. Any such opportunity will be evaluated using a returns-based approach focused upon the school's quality, reputation, curriculum, local market dynamics, tuition levels, financial position and opportunities for growth.

8.7 Organisation Structure

The Company's organisational structure is set out as below. For more details regarding Board, Board committees and management, please refer to *Section 9: Management, Shareholders and Corporate Governance.*



Source: Management Information

8.8 Employees

The Company's average headcount during the academic year 2019/20 was as follows:

Type	DA Al Waab	DA Branch	DIKG	AFG College	Shared[28]	Total
Senior Management	14	3	1	5	9	**32**
Teaching Staff	172	44	10	14	-	**240**
Administration Staff	58	17	6	20	7	**108**
Total	**244**	**64**	**17**	**39**	**16**	**380**

Source: Management Information

8.9 Operational Planning

- The Company focuses on efficient class scheduling to enable core teaching staff to focus on the teaching and learning aspect of their roles and allow for more preparation time to ensure the delivery of well-structured classroom teaching.
- Management has also worked closely with the University of Aberdeen to develop a commensurate workload model for the academic staff at AFG College to balance delivery, preparation and research time. Workloads are subdivided into in classroom teaching and learning (delivery), preparation of teaching and learning material, marking and assessment and research time. This ensures that faculty has sufficient time to develop themselves professionally, reflect on best practice and deliver high quality evidenced based teaching and learning materials to our students.
- To enhance operational performance and manage costs, the Company closely tracks key performance indicators such as student-teacher ratios, student referrals, student retention, student progression and conversion of secondary school students to higher education by each operating entity.

8.10 Information Systems

1) **Sage - Financial Reporting System:** A South Africa based financial reporting system with modules including general ledger, fixed asset register, payroll, procurement etc. Sage has seamless integration with iSAMs whereby all the information related to students' accounts and fees are directly linked from iSAMs into Sage.

2) **iSAMs*:*** A management information system for schools. It is a single database through a suite of portals, to bring together the whole school community. It is mainly used for the parental communication, timetabling and class scheduling, teacher communication and student billing purposes. iSAMs is compatible with Sage whereby it has the ability to post student invoices directly into Sage through a remote link[29].

3) **Microsoft Dynamics:** AFG College has benefited from the introduction of a new customer relationship management system ("CRM") with the introduction and phased roll-out of Microsoft Dynamics. The college is working closely with its marketing and recruitment counterparts at the University of Aberdeen to integrate the new university CRM system into AFG College's prospective student management system.

[28] Refers to shared staff that support the Subsidiaries

[29] Source: Management Information

8.11 Recruitment process

Al Faleh is committed to hiring and retaining qualified and competent staff who have potential for effectively and efficiently performing their duties and responsibilities in accordance with Al Faleh's strategic direction. Al Faleh aims to provide equal employment opportunity to all current and potential staff.

Vacant posts may be filled through internal promotions to support existing employees in achieving their desired career progression or through external hires. Confidentiality of applicant details is maintained at all times by the HR department which is responsible for establishing and communicating adequate recruitment and selection processes[30].

Al Faleh adheres to the following hiring policies:

Area	Details
Manpower plan	• For recruitment to be initiated, all standard recruitment activities shall be within the approved manpower plan.
Advertising vacancies	• When a position becomes vacant, HR and the concerned department assess the possibility of filling the position through promotion or internal transfer. • If an internal resource is not identified, the vacancy will then be the responsibility of the HR department which will co-ordinate recruitment from external sources. • Academic posts are advertised in top-ranking universities and UK educational newspapers 'Times Educational Supplement' and 'Gold Standard' in order to receive applications from qualified candidates from the United Kingdom and other western-trained academic staff. Al Faleh has obtained an annual subscription to these newspapers for its schools such that any academic or support post vacancies may be adequately advertised.
Selection procedure	• Screening, interviewing and selection procedures are carried out by senior managers with the support of the HR department. This process may also include the schools' Chairperson.
Interview Assessment Record	• Interviewers are required to complete an interview assessment record describing their assessment of the interviewee which is followed by a documents and references checks.
Job offer	• Successful candidates will receive a written job offer containing: - Position offered; - Job/salary grade; - Basic salary; and - Allowances and benefits.
Salary and benefits	• The salary and benefits offered to the selected candidates are in line with the approved salary grading system. Any offer beyond that specified in the salary grading system will require the approval of the General Manager or the Chairperson.
Employment contract	• The new employee is required to sign a formal and legally binding employment contract with the school prior to commencing his or her employment.
Induction programme	• All new employees go through an induction programme to introduce them to the vision, mission and values of the school. The induction programme covers the following: - Organisation structure and its primary processes; - Core functions; - HR policies and procedures; - Use of office facilities and equipment; and - An introduction by the department head to the employee's specific department policies and job description.
Probation period	• All new employees undergo a six months' probation period. Employment continues if the employee's performance is deemed satisfactory.

[30] Source: Management Information

Performance appraisal	•	Employees are recommended for annual salary increments based on their individual performance appraisal results.

Source: Management Information

For AFG College in particular, academic staff is recruited on the basis of higher education experience. Each AFG College faculty member undergoes a rigorous interview process undertaken by the University of Aberdeen. Once selected, faculty is inducted in AFG College's institutional methodologies and operating environment.

AFG College faculty is complemented by full-time Aberdeen faculty who co-teach each degree programme. Such faculty are either Deans of the School of Business, or course leaders delivering the same degree at the UK campus. Full-time Honorary faculty is recruited through traditional channels such as the Times Higher Education jobs board, or jobs.ac.uk.

8.12 Professional Development of Staff

Al Faleh considers its institutions' staff as its most important asset and is committed to ensuring all staff undergo ongoing professional training for the duration of their employment. Emphasis on staff training and development is regarded as a major non-monetary benefit of the employment package and serves to retain professional staff. Al Faleh's training and development strategy ensures staff acquire relevant capabilities to enable Al Faleh to meet its existing and future strategic business objectives.

An overall annual professional development training plan is prepared in consultation with senior managers to determine the staff's specific training requirements. The plan includes a comprehensive and extensive in-house training programme in addition to externally sourced professional development training. The following is taken into consideration when preparing the plan:

- Departmental and organisational training requirements;
- Hierarchy of priorities within the training requirement; and
- Estimated costs especially for externally sourced professional development training.

8.13 Quality Assurance

The Company ensures that its educational offerings are of the highest standards by undertaking periodic internal reviews of its mission, vision, level of teaching and academic results. The quality is further validated through membership with local and international external quality assurance bodies such as QNSA. Independent organisations adhere to standards of excellence and quality, which are recognised internationally. Schools have to go through a rigorous evaluation process in order to be awarded accreditation, which helps facilitate a school in assessing the quality of its program, level of teaching, extracurricular activities, technology and student performance. Reviewing the school's self-appraisal based on specific standards set out by the accreditation board is important in order to analyse whether the school has its mission and program aligned along with recognising areas of improvement, which can aid the school in its future performance. Such bodies require schools to undergo a demanding evaluation process including board presentations, weekly visits and a thorough analysis of the school's activities.

Al Faleh obtained local accreditation for DA Al Waab (received 2018-19) and Salwa (received 2017-18) from the QNSA. In addition to local accreditation, Doha Academy Schools are in process of obtaining international accreditations.

In addition to accreditation, Al Faleh works closely with the MOEHE to ensure that all governmental requirements are fulfilled. Compliance with MOEHE rules and regulations is mandatory for all international and public (government) schools in Qatar. The MOPH regularly monitors, regulates and instructs on key issues relating to health within schools, colleges and universities in order to maintain proper sanitation levels. This includes monitoring hygiene and the quality of nurses' clinics (including mandatory training for the Company's health care staff) and the canteen's food supplies within the schools, the quality of water, pest control, storage and general sanitation. The MOPH also periodically instructs the schools and universities regarding vaccinations, proper handling of viral outbreak, sight tests, weight management and recording prevalent diseases such as diabetes, asthma and COVID-19.

9. MANAGEMENT, SHAREHOLDERS AND CORPORATE GOVERNANCE

9.1 Overview

The Company is chaired by the Founder who has over 25 years of experience in the field of education and served two four-year terms as a member of the Qatar Supreme Education Council (now part of the MOEHE).

The Company's principal decision making forum is the Board of Directors which has overall responsibility for the management and strategy of the Company. The Board is empowered by the Articles to have unrestricted management powers over the Company on behalf of Shareholders, save as restricted by the Articles themselves, by operation of law or by a Shareholders' resolution. The Board has delegated the day-to-day management of the Company to the Chief Executive Officer and the senior executive management.

The Company is committed to implementing and maintaining the highest standards of corporate governance in order to enhance transparency and investors' confidence in the Company and its practices.

9.2 General Assembly

The General Assembly represents all of the Shareholders. Every Shareholder has the right to attend the General Assembly, either in person or by way of proxy, and has a number of votes equivalent to the number of Shares held. A meeting of the General Assembly is not valid unless 15 days' notice is given to all Shareholders who are entitled to attend, through an announcement in at least one Arabic language newspaper and one English language newspaper in general circulation in Qatar and on the website of the financial market and the website of the Company.[31] (https://alfaleh.edu.qa/)

A meeting of the Ordinary General Assembly is not valid unless it is attended by Shareholders representing at least half of the share capital of the Company. If a quorum is not achieved, the meeting may be adjourned to a place and time as determined by the Board and is valid, irrespective of whether a majority of the Company's share capital is represented. [32]

Resolutions of the OGA are passed by a majority of votes on the show of hands unless a poll is demanded. An OGA must be convened at least once a year. An OGA may be called by the Board or by requisition of Shareholders holding at least 10% of the share capital. An EGA may be called by the Board or by requisition of Shareholders holding at least 25% of the share capital[33].

A meeting of the EGA is not valid unless it is attended by a number of Shareholders representing at least 75% the share capital of the Company. If this quorum is not achieved, the Extra Ordinary General Assembly shall be called for another meeting to be held within the thirty days following the first meeting. The second meeting shall be deemed valid if shareholders, representing 50% out of the Company's share capital, attend it. If this quorum is not achieved in the second meeting, the assembly has to be called for a third meeting to be held after the lapse of thirty days since the date has been determined the second meeting. The third meeting shall be deemed valid regardless of the number of attendants. If the matter pertains to taking the resolution concerning the dissolution, liquidation, transformation, acquisition or merger of the Company with another Company or the sale or disposal of the entire project for which the Company was established .the meeting shall be considered valid only if it is attended by shareholders representing at least 75% out of the Company's share capital.[34]

[31] Source: Article 121 of the Companies Law

[32] Source: Article 131 of the Companies Law

[33] Source: Article 138 of the Companies Law

[34] Source: Article 139 of the Companies Law

9.3 Principal Shareholders

Prior to the Listing, the Company had the following shareholders as per the Company's commercial registration.

	Name	Nationality	Ownership	No. of Shares	Address (Doha, Qatar)
1.	Sheikh Nasser Nawaf N. K. Al-Thani	Qatari	0.75%	1,800,000	P.O. Box 9691
2.	Sheikh Faleh Nawaf N. K. Al-Thani	Qatari	1.50%	3,600,000	P.O. Box 9691
3.	Sheikh Khalid Nawaf N. K. Al-Thani	Qatari	2.00%	4,800,000	P.O. Box 9691
4.	Sheikh Mohamed Nawaf N. K. Al-Thani	Qatari	0.75%	1,800,000	P.O. Box 9691
5.	Sheikha Anwar Nawaf N. A. Al-Thani	Qatari	2.00%	4,800,000	P.O. Box 9691
6.	Sheikha Maryam Nawaf N. K. Al-Thani	Qatari	2.00%	4,800,000	P.O. Box 9691
7.	Sheikh Jassem Nawaf N. K. Al-Thani	Qatari	1.50%	3,600,000	P.O. Box 9691
8.	Sheikha Zalfa Khalid J K Al-Thani	Qatari	0.25%	600,000	P.O. Box 9691
9.	Sheikha Aisha Jassem N. N. Al-Thani	Qatari	0.25%	600,000	P.O. Box 9691
10.	Sheikha Amal Nasser N. N. Al-Thani	Qatari	0.25%	600,000	P.O. Box 9691
11.	Sheikh Nawaf Nasser N. N. Al-Thani	Qatari	0.25%	600,000	P.O. Box 9691
12.	Sheikha Aisha Nasser N. N. Al-Thani	Qatari	0.25%	600,000	P.O. Box 9691
13.	Sheikh Abdulla Nasser N. N. Al-Thani	Qatari	0.25%	600,000	P.O. Box 9691
14.	Sheikha Aisha Mohamed N. N. Al-Thani	Qatari	0.25%	600,000	P.O. Box 9691
15.	Sheikh Nawaf Mohamed N. N. Al-Thani	Qatari	0.25%	600,000	P.O. Box 9691
16.	Sheikh Ahmed Mohamed N. N. Al-Thani	Qatari	0.25%	600,000	P.O. Box 9691
17.	Sheikha Nada Mohamed N. N. Al-Thani	Qatari	0.25%	600,000	P.O. Box 9691
18.	Sheikha Aisha Faleh N N Al-Thani	Qatari	0.25%	600,000	P.O. Box 9691
19.	Sheikha Noor Nasser M. T. Al-Subaiei	Qatari	0.25%	600,000	P.O. Box 9691
20.	Sheikha Shaikha Ahmed F. N. Al-Thani	Qatari	0.25%	600,000	P.O. Box 9691
21.	Sheikha Wadha Hamad N. J. Al-Thani	Qatari	0.25%	600,000	P.O. Box 9691
22.	Dr.Sheikha Aisha Falih N A Al-Thani	Qatari	86.00%	206,400,000	P.O. Box 9691
		Total	**100.0%**	**240,000,000**	

Source: Management Information

9.4 Board of Directors

The Board currently comprises six members and is required, as per the Company's Articles, to meet at least six times each year. The Board has broad powers to manage the Company in accordance with the Articles, including, without limitation, the power to secure financing, to grant security interests, to establish committees, and to delegate to committees certain of the powers, authorities and discretion vested in the Board. Each member of the Board must be (i) at least 21 years of age and to possess full capacity; (ii) not have been convicted of a criminal offence, act of dishonesty, breach of trust or any of the crimes set out under Articles 334 and 335 of the Companies Law; and (iii) hold at least 0.5% of the Shares in the Company. These shares should be deposited within sixty days since the membership, in any of the accredited banks. Its deposit should continue without being subject to trading, mortgage, or seizure until the end of the membership duration and the ratification of budget of the last financial year during which the member was fulfilling his work.

Members of the Board are elected for a maximum term of three years, renewable, except for the first Board, which was appointed for five years. The first Board's term expires on March 2026. In accordance with the Articles, the Company shall elect six Board members. In addition, for Board meetings to have a quorum, at least half of the members of the Board must be present. Decisions are taken by the Board by a vote of the majority present at the meeting, and in case of a deadlock, the Chairperson has a casting vote.

Board Powers

The Board is responsible for the overall strategic direction, supervision and control of the Company, through the review and approval of strategic policies and objectives. More particularly, the Board reviews and approves the annual budget, the business plan and all capital expenditures of the Company. It is also the Board's responsibility to ensure the implementation of a framework of control covering internal audit, compliance, risk management (credit risk, liquidity risk, market risk and operational risk) and financial control.

The Board has delegated responsibility for day-to-day management to the Company's experienced senior executive management team led by the Chief Executive Officer.

Current composition of the Board of March 2021

The Board has been assembled in accordance with the QFMA Governance Code and its Articles which states that at least one-third of the Board members shall be independent, and that the majority of the Board members shall be non-executive members.

Name	Position	Independent/ Non-Independent	Executive/ Non-Executive
Sheikha Aisha Bint Faleh Bin Nasser Al Thani	Chairperson	Non-independent	Executive
Sheikh Khalid bin Nawaf Al Thani	Vice Chairperson	Non-independent	Non-executive
Sheikh Mohammad Bin Nawaf Al Thani	Director	Non-independent	Non-executive
Hussein Al Siddiqi	Director	Independent	Non-executive
Professor Jennifer Harrow	Director	Independent	Non-executive
Professor Paul Palmer	Director	Independent	Non-executive

Source: Management Information

9.5 Biographies of Board of Directors ("BOD")

Member (BOD)	Curriculum Vitae
Dr. Sheikha Aisha Faleh Al-Thani	• Dr. Sheikha Aisha bint Faleh Al Thani is the chairperson and founder of the Company. She serves as a founding member of the board of patrons of the World Congress of Muslim Philanthropists. • Previously, she was a member of the Qatar Supreme Education Council, appointed in 2006, serving two terms until 2014. She also served on the board of directors of Reach Out to Asia, a charity initiative which supports schools in Asian countries. • Dr. Sheikha Aisha has a Bachelor in Education and a Bachelor in English Literature (with distinction) from QU and a Master in Business Administration from the University of Hull in the United Kingdom. She thereafter received a PhD from Cass Business School in the United Kingdom in the area of Corporate Governance.
Sheikh Khalid Bin Nawaf Al Thani	• Sheikh Khalid is the deputy chairperson of the Company and holds a Bachelor of Business Administration from Middlesex University. • Sheikh Khalid additionally holds a Masters in Business Administration from the University of Hull. • Sheikh Khalid has further earned the Investment Management Certificate (IMC).
Sheikh Mohammad bin Nawaf Al Thani	• Sheikh Mohammad bin Nawaf Al Thani graduated from Britannia Royal Naval College in 2009 and served as an Officer in Qatar Navy and Army. • In 2014, Sheikh Mohammad served as a member of the board of managers of the Company where he was then appointed as a deputy chairperson in 2015 until February 2021.
Hussein Abdullah Ahmad Al Siddiqi	• Mr. Hussein Al-Siddiqi has been the Chief Operations Officer of Nasser Bin Khaled Al Thani Holding since 2005. Mr. Siddiqi has been with Nasser Bin Khaled Group companies for over nineteen years, initially appointed as Group Administration Manager. • He has been directly involved, and plays a major role, in optimising the operations of Nasser Bin Khaled Group. Mr. Al-Siddiqi received his Master's degree at Washington University in 1990.
Professor Jennifer Harrow	• Professor Jennifer Harrow is a professor at the Cass Business School. She holds a Bachelor's degree in Social Sciences (Government) from the University of Exeter, a Master's degree in Social Policy and Planning from the London School of Economics and Political Science, and a PhD from the same establishment. • She is the principal investigator for the school's ESRC Centre for Charitable Giving and Philanthropy; both co-director of the Centre Hub and principal investigator for its specialist research programme. • She is also a member of the Faculty of Management's Centre for Research in Corporate Governance and was formerly co-director of the Cass Business School Doctoral Programme.
Professor Paul Palmer	• Professor Paul Palmer is a professor at the Cass Business School. He was a member of the Charity Commission SORP committee from 2000-2005. He currently serves on the Ethics panel of the Securities Investment Institute and the Corporate Responsibility Advisory Group of the Institute of Chartered Accountants in England and Wales. In 2010/11, he project-managed the Lord Mayor of London's Integrity and Values Initiative and is continuing strands of this work with the ongoing City Values Forum. • Professor Paul previously served as President of the Royal Society of Public Health and a director of the NCVO Trading Company. He was Honorary Treasurer of the CSR (Corporate Social Responsibility) - SIG (Special Interest Groups) of BAM (British Academy of Management) from 2006 to 2009. In 2009, he was asked to serve on the Expert Panel of the Ethical Investment Research Services Charity Project.

Source: Management Information

9.6 Senior Executive Management of the Company

Name and Position	Position	Nationality	Curriculum Vitae
Sheikha Anwar Bint Nawaf Al Thani	Chief Executive Officer	Qatari	• Sheikha Anwar is a graduate from the University of Minnesota with a Bachelor of Science in Management. • From 2016 until 2018, Sheikha Anwar was named on the Deans list at the University of Minnesota for outstanding performance and academic excellence. • In 2016, Sheikha Anwar founded Little Panda's Kindergarten, a learning institution offering early years foundation stage for students in Doha.
Graeme Garrett	Director of Academic Affairs – Primary and Secondary Education	British	• Graeme Garrett is a highly experienced leader and a high-quality educator, with over 30 years of experience in education and more than 20 years in leadership roles. Prior to joining the Company, Graeme was Principal of The Sultan's School, Muscat, Oman, Headmaster of The English School, Nicosia, Cyprus. Alongside his time teaching in the UK, he worked for the Independent School's Inspectorate and Oxford University. In 2018, Dr Sheikha Aisha persuaded Graeme to join the Company and he is Head of all Schools. • Since his arrival he has successfully steered the Doha Academy through the Qatar National Schools Accreditation and has focused on the Educational development of students, whilst ensuring that decisions are data informed and pragmatic for the Company, in terms of raising the efficiency and effectiveness along with raising the profile of the Schools.
Brian Buckley	Director of Academic Affairs – Higher Education	British	• Brian is a senior higher education practitioner. His experience within the sector has spanned over 22 years and has been instrumental in developing national and international partnership agreements for the UK university sector. He was a senior board member of one of the UK's largest independent providers of university education, which included strategic partnerships with the University of Hull and Plymouth University. He was the executive director of one of the largest London based executive MBA programmes (EMBA) and was instrumental in introducing a leading EMBA Programme into Shanghai. • He has extensive experience in public private partnerships and has worked closely with a leading UK based private equity firm in the field of independent higher education. • Brian was an important figure in the formation of the partnership between AFG and the University of Aberdeen and currently holds the position of Principal and President of the Doha operation. He holds an MBA from the University of Hull and an MSc in European Politics from Birkbeck College, University of London.
Farouk Jamil Soueid	Director of Financial Affairs	Canadian	• Farouk Jamil Soueid is an educationalist who has spent 21 years working in international schools. He pursued his higher education in Lebanon at the American University of Beirut to graduate with a Bachelor's degree in Chemistry and a Teaching Diploma. He is currently serving as the Company's Director of Financial Affairs. • Farouk joined DA in 2002. Prior to being appointed as the Director of Financial Affairs in January 2016, he was the Head of the Secondary School and the Head of the CIE centre. He acquired accreditation from Edexcel/Pearson for DA to be an examination centre. He had an instrumental role in several international annual educational conferences that were held in Doha under the Patronage of Dr Sheikha Aisha Faleh Al Thani. He holds an MBA from the University of Hull.

Michael Harris	Director of Strategic Communications	British	• Michael has over 15 years of experience in the higher education sector, having worked with various British universities and higher educational institutions. He was a member of the senior strategic management team for GSM London (a private provider of higher education) for eight years working as Middle East development manager for that institution. This role involved forging links between education establishments, government agencies and industrial sector multinational organisations to deliver capacity building programmes to managers in the Gulf region. Michael has extensive knowledge of the region having worked with the embassies of UAE, Bahrain and Qatar developing cultural links in the areas of education, law and the arts. Michael holds a University of London BA(Hons), the Graduate Diploma in Law (BPP University) and an MSc Strategic Management from the University of Wales. Michael is currently Director of Strategic Communications & Public Affairs.
Hishaam Hendricks	Director of Operations	South African	• Hishaam Niamatullah Hendricks graduated from the University of the Western Cape, South Africa, with a bachelor's degree in Arts and holds a postgraduate degree in Industrial and Organisational Psychology from the University of Cape Town, South Africa. He also registered as a psychometrist in 1991 with the South African Medical and Dental Council. He completed in 1993 a postgraduate Higher Diploma in Education from the University of the Western Cape. • He joined Doha Academy as the Vice Principal in 2005 and has held many challenging positions during his tenure, the latter being Director of Operations. • He is currently pursuing an MBA with the University of Hull.
Jad Hardan	Director of Information Technology	Lebanese	• Jad Hardan is the Director of Information Technology at Al Faleh Educational Holding. He holds a Bachelor Degree in Information Technology and has more than 15 years of experience in the field. • Jad provides leadership for the continued development of an innovative and secure IT environment and was part of the opening team of AFG College with the University of Aberdeen. • Prior to joining Al Faleh Educational Holding, Jad worked as Projects Manager accredited for Oracle products. He has been the leader in more than 50 major hospitality projects in Qatar and the Middle East.
Javed Ahmed Shaikh	Director of Human Resource	Indian	• Javed Ahmed Shaikh has over 14 years of work experience in various large multinational companies in India & GCC in core HR profile. Javed has professional expertise in establishing & developing HR departments and contributing to productivity, culture and cost savings initiatives with focus on overall organisational development, change management, business excellence and transformation in a matrix structure. • Javed has Master's degree in Human Resources from ITM College-Mumbai which is one of the worldwide accredited institutes of India. • Javed is Instrumental in Global Talent Acquisition, Employee Engagement & Retention, Employee Welfare and Team Management, Compensation & Benefits, Payroll Management, Statutory Compliance, Business Excellence and Administration and Vendor Management.

Source: Management Information

9.7 Risk Management and Corporate Governance

The Company's Board is committed to the highest standards of risk management and corporate governance. The Company will adhere upon Listing to the QFMA Corporate Governance Code.

Board Committees

In accordance with the QFMA Corporate Governance Code, the Company established the following board committees:

Audit and Risk Committee

The Audit and Risk committee is composed of three Board members.

The purpose of the Audit and Risk committee is to assist the Board in fulfilling its oversight responsibilities for the internal and external audit functions, risk management functions, compliance functions, financial reporting process, internal control systems and the Company’s process for monitoring compliance with all relevant laws and regulations (including the QE Rulebook and the QFMA Corporate Governance Code).

Name	Nationality		Date of Appointment
Hussein Al Siddiqui	Qatari	Independent	March 2021
Sheikh Khalid Bin Nawaf Al Thani	Qatari	Non- independent	March 2021
Prof. Paul Palmer	British	Independent	March 2021

Source: Management Information

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is composed of three Board members. As part of good corporate governance, the Nomination and Remuneration Committee recommends Board member appointments and nominations for re-elections in order to comply with the QFMA Corporate Governance Code and to separate the nomination process to promote transparency.
The committee will also consider and make recommendations on the remuneration policy relating to the Chairperson, members of the Board and members of senior executive management. The policy set by the committee shall then be approved by the Shareholders at the OGA, which shall also determine the precise remuneration and incentive payments (including bonuses) of the Chairperson, members of the Board and members of senior executive management[35].

Name	Nationality		Date of Appointment
Hussain Al Siddiqui	Qatari	Independent	March 2021
Prof. Jennifer Harrow	British	Independent	March 2021
Sheikh Mohammad bin Nawaf Al Thani	Qatari	Non- independent	March 2021

Source: Management Information

[35] Source: Management Information

9.8 Material Contracts

Commercial Band of Qatar ("CBQ") loan

Doha Academy has entered into a credit facility agreement with CBQ on 25 February 2020 for a total limit of QAR 16,698,368. Insurances should be maintained on the business and properties mortgage to the bank, with a right to quote for any new insurance related requirements to the bank's insurance partner. Doha Academy is not entitled to change in its ownership, shareholders or legal status without prior written consent of the bank. There are eleven events of defaults set out in the facility which allow the bank to take on more action with respect to (i) cancelling any undrawn amount of any facility; (ii) declare and or request that the principal amount, interest and all other due amounts shall immediately become payable on demand. In the event the Company wishes to take on additional financing, the bank must be offered the opportunity to provide the new financing. As of the date of the of this Information Memorandum an aggregate amount of QAR 11.6 million remains payable by Doha Academy W.L.L.

Masraf Al Rayyan ("MAR") loans

Doha Academy has entered into a credit facility murabaha with MAR on 23 June 2019 for a total limit of QAR 10,000,000. Doha Academy is not entitled to change in its ownership, shareholders or legal status without prior written consent of the bank. There are eight events of defaults set out in the facility which allow the bank to take on more action with respect to (i) consider that all amounts due per the facility becomes due and payable by Doha Academy; (ii) enforce any security provided by Doha Academy to secure payments of the sale price (QAR 11,767,605.24 as defined under the facility); (iii) initiate legal action as required to recover the sale price. As of the date of the of this Information Memorandum an aggregate amount of QAR 8.5 million remains payable by Doha Academy W.L.L.

In addition Doha Academy has entered into a COVID-19 loan for a total amount of QAR 6,040,556 with MAR on 5 June 2020 as part of the National Guarantee Program supported by the Government of the State of Qatar and Qatar Development Bank with the aim of assisting private companies affected by difficulties in paying short-term payments, including salaries and rental dues. As of the date of the of this Information Memorandum an aggregate amount of QAR QAR 6 million remains payable by Doha Academy W.L.L.

Qatar Development Bank ("QDB") loan

On 29/1/2012, Doha Academy entered into a loan agreement with QDB for the amount of QAR 21,460,000. The borrower shall apply all amounts borrowed by it under the facility towards the partial financing of the project costs in accordance with the project completion plan, the project construction contract and the information package up to an amount not exceeding 60% of the project costs. The loan amount is based on 60% of construction costs. the loan will be drawn down as per the milestone schedule and the bill of quantities on the basis of the completed works as decided by QDB. All the Loans made during the availability period shall be consolidated into one loan at the end of the availability period and the Company will repay the total amount of the Loans in twenty four equal quarterly instalments commencing twenty four months following the date of draw down. As of the date of the of this Information Memorandum an aggregate amount of QAR 8.4 million remains payable by Doha Academy W.L.L.

Agreement with the University of Aberdeen

Al Faleh Group has an agreement with the University of Aberdeen which forms the basis of its operation of the AFG College with the University of Aberdeen and which poses various risks. A revised agreement is forthcoming, but it is unclear if this is to be signed prior to listing. The University of Aberdeen can terminate the agreement for convenience upon notice (with the notice period at its discretion) or if there is a change in the Al Faleh Group's control it deems undesirable. These rights are incompatible with the Company's listing and pose risks to the Company's financial stability which cannot be mitigated without revision or waiver of such rights by the University of Aberdeen prior to the Company's listing. Further, the University of Aberdeen retains a considerable degree of control and oversight over the Company's operation of the college.

9.9 Lease Agreements

The terms of major lease contracts of the Company are summarised below:

Contracts	Purpose	Annual Rent (QAR)	Lease Term[36]	Lessor	Start Date
Land Lease Contract	DA Al Waab	96,353	25 years (renewable)	Urban Planning & Development Authority	September 2009
Building Rental Agreement	DA Salwa Branch	1,080,000	Three years (renewable)	Sheikha Aisha Bint Faleh Al Thani	September 2015
Building Rental Agreement	DIKG	384,000	Yearly (renewable)	Omar Abdurrehman Hassan	June 2017
Building Rental Agreement	AFG College	3,600,000	Yearly (renewable)	Sheikha Aisha Bint Faleh Al Thani	August 2020

Source: Management Information

[36] Based on contractual lease term. Longer lease term estimates used as per IFRS 16 in the audited financial statements for the year ended 31 August 2021.

10. RELATED PARTY TRANSACTIONS

As part of its business operations, the Company enters into transactions with related parties. Related parties include entities over which the Group exercises significant influence, shareholders and key management personnel of the Group. In accordance with the QFMA Corporate Governance Code, a related party is someone who:

(a) is a director of the Company or an affiliate;

(b) is a member of senior executive management of the Company or an affiliate;

(c) holds or controls 5% or more of the Shares or any affiliate;

(d) is a relative of any natural persons mentioned in (a), (b) and (c) above;

(e) is a legal entity controlled by any of the persons mentioned in (a), (b) and (d) above; or

(f) is a legal entity that participated in a project or a partnership of any kind with the Company or an affiliate.

For the purpose of the financial statements, related party is defined in line with international standards and IFRS accounting standards. As such, a related party is someone who has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the significant owners and entities over which the Company and the owners exercise significant influence, directors and senior executive management personnel of the Company, close family members and entities owned or controlled by them, associates and affiliated companies.

Pricing policies and other key terms of material related party transactions are reviewed and approved by the Board and the senior executive management endeavour to ensure that related party transactions are conducted on an arm's length commercial basis in the best interests of the Company.

Related party transactions and balances as disclosed in note 11 and 12 of the Audited Financial Statements are shown below.

Nature of Transaction	**Amount** (QAR million)		
Year ended 31 August	**2018** Audited	**2019** Audited	**2020** Audited
Funds given/ received	3.0	16.0	3.5
Rental income	3.3	-	-
Repayment of lease liabilities	-	-	0.1
Rent expense	0.1	0.1	-

Source: Audited financial statements

Amounts due from related parties were settled in FY19/20 as part of a shareholder agreement while amounts due to related parties were partly settled in cash and the remaining transferred as additional capital contribution in a non-cash transaction. ssee *Section 18.4: Key Factors Affecting Results of Operations* for more details.

Due from Related Parties	**Amount** (QAR million)		
Year ended 31 August	**2018**	**2019**	**2020**

Due to Related Parties	Amount (QAR million)		
Year ended 31 August	**2018** Audited	**2019** Audited	**2020** Audited
Sheikha Aisha Bint Faleh Nasser Bin Ahmed Al-Thani	266.1	-	3.5
Sheikh Nawaf Bin Nasser Bin Khalid Al-Thani	2.6	-	-
Sheikh Mohamad Nawaf Bin Nasser Khalid Al-Thani	2.6	-	-
Total	**271.3**	-	**3.5**

Source: Audited financial statements

Long term agreements with related parties

The Company leases several properties from related parties under long term agreements as summarised below.

	Lessee	Lessor	Purpose	Type of premises	Agreement term[37]	Annual value (QAR)
1.	**Doha Academy**	Sheikha Aisha Faleh Nasser Al Thani	Rental of DA Salwa building	Building	Three years renewable	1,080,000
2.	**Doha Academy**	Sheikh Mohamed Nawaf Nasser Al Thani	Rental of staff accommodation	26 flats	Three years renewable	2,232,000
3.	**Doha Academy**	Sheikha Aisha Faleh Nasser Al Thani	Rental of staff accommodation	Villa	Three years renewable	144,000
4..	**Doha Academy**	Sheikha Anwar Bint Nawaf Al Thani	Rental of staff accommodation	12 flats	Two years renewable	1,224,000
5.	**Doha Academy**	Sheikha Anwar Bint Nawaf Al Thani	Rental of staff accommodation	6 flats	One-year renewable	612,000
6.	**Doha Academy**	Sheikh Jassem Bin Nawaf N K Al Thani	Rental of staff accommodation	6 flats	One-year renewable	612,000
7.	**Doha Academy**	NBN Real Estate Co WLL	Rental of staff accommodation	Villa No 15	One-year renewable	144,000
8..	**Doha Academy**	NBN Real Estate Co WLL	Rental of staff accommodation	Villa No 24	One-year renewable	144,000
9.	**Doha Academy**	Sheikh Nasser Bin Nawaf Al Thani	Rental of staff accommodation	9 flats	One-year renewable	918,000

[37] Based on contractual lease term. Longer lease term estimates used as per IFRS 16 in the audited financial statements for the year ended 31 August 2020.

	Lessee	Lessor	Purpose	Type of premises	Agreement term[38]	Annual value (QAR)
10..	**AFG College**	Sheikha Aisha Faleh Nasser Al Thani	Rental of AFG College campus	Commercial Villa	One year renewable	3,600,000
11.	**AFG College**	Sheikha Aisha Faleh Nasser Al Thani	Rental of staff accommodation	9 flats	Two years renewable	900,000

Source: Management Information

Short term agreements with related parties

The Company entered into a Facilities Management Services Agreement with a related party ("Related Company") 1 June 2018 for the provision of facilities management services for the Doha Academy W.L.L. and AFG College. The Related Company is a limited liability company owned between Nasser Bin Khalid Al Thani and Sons Holding Co, holding 51% of the share capital and a foreign company holding the remaining 49%. As such, the transaction with the Related Company would be a related party transaction. The agreement's term of for 3 years ending on 31 May 2021. The total agreement value is QAR 10,031,293 which represents an annual liabilities of QAR 3,350,000 approximately across the three years of the agreement.

[38] Based on contractual lease term. Longer lease term estimates used as per IFRS 16 in the audited financial statements for the year ended 31 August 2020.

11. QATAR EXCHANGE

The QE (formally known as the Doha Securities Market) was established in 1995 and officially started operations in 1997. In June 2009, Qatar Holding, the strategic investment arm of the Qatar Investment Authority and New York Stock Exchange Euronext signed agreements to form a strategic partnership to establish the exchange as a world-class market. In October 2013, New York Stock Exchange Euronext exited the QE with Qatar Holding acquiring the entire share capital of the QE.

The primary aim of the QE is to support Qatar's economy by providing a platform for capital raising for Qatari companies and opportunity for investors to trade a variety of products in a transparent and efficient manner. Currently, the QE has a total of 48 listed companies on its main market and 11 licenced brokers[39].

2014 marked a major milestone for the QE as Qatar was upgraded by the Morgan Stanley Capital International ("MSCI") and Standard & Poor's ("S&P"), global index compilers, from a frontier market to an emerging market. FTSE Russell followed suit a year later September 2015 and upgraded Qatar's status from frontier to secondary emerging market.

In addition to efforts undertaken to upgrade Qatar's status, the QE has undertaken a number of other development initiatives to enhance the market infrastructure, product and legislative framework. These initiatives include the announcement of QEVM in 2015, to broaden accessibility to the public securities market. QEVM is designed to enable small and medium sized enterprises[40] to pursue a public listing but do not meet the financial requirements of the main market. The Company will be the first member admitted to listing on the Venture Market.

Other developments include launch of two Exchange Traded Funds ("ETFs") in 2018, introduction of margin trading, delivery-versus-payment system ("DVP") and mandatory reporting of Environment Social Governance ("ESG").

[39] Source: QE website

[40] Source: Listing Requirements for QE Venture Market, Qatar Exchange

12. QATAR CENTRAL SECURITIES DEPOSITORY

QCSD was established as a Qatari private shareholding company in 2014 and is owned by the Qatar Central Bank and the QE. QCSD provides services relating to the custody, clearing and settlement of securities and other financial instruments listed on the QE. QCSD is the sole company authorised by the QFMA to provide depositary and similar services in the State of Qatar.

QE's systems are linked to QCSD's systems to enable transfer of shares of companies listed on QE between the sellers and buyers. QCSD also processes all off-market transfers, either by inheritance or by court order and is responsible for pledging and unpledging shares. In addition, QCSD offers other services including DVP implementation, securities lending and borrowing settlement, management and follow-up of the non-Qatari shareholders' equity, registration and authorisation of ETFs and participation in Initial Public Offerings ("IPOs").

13. QATAR FINANCIAL MARKETS AUTHORITY

The QFMA is the capital markets authority in the State of Qatar. It was established as an independent regulatory and supervising authority pursuant to Law No. 33 of 2005 and subsequently replaced by Law No. 8 of 2012. The primary mission of the QFMA is to implement a robust regulatory framework for the securities markets in addition to conducting effective and responsible market oversight and supervision.

As per its mandate, QFMA is the licensing authority for the securities industry and relevant activities. It is also the listing authority in charge of overseeing and monitoring the issue of securities in the listing process on the QE. The QFMA also has the responsibility of ensuring market integrity and transparency by enforcing market rules and regulations on market participants and conducting necessary surveillance and supervision activities.

14. TAXATION

The following comments are general in nature and are based on the current applicable tax regime in Qatar which comprises the Income Tax Law and the current practice of the Qatar authorities as at the date of this document.

The information included in this section is not to be regarded as advice on the tax position of any Shareholder or of any person acquiring, selling or otherwise dealing with Shares of the Company or on any tax implications arising from the acquisition, sale or other dealings in respect of the Shares.

This section is only a summary and does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of relevant Shares and does not purport to deal with the consequences applicable to all categories of investors, some of which may be subject to special rules. You should consult your own tax advisor concerning the application of the Income Tax Law to your particular situation as well as any consequences of the purchase, ownership and disposition of relevant shares arising under the laws of any other jurisdiction.

Income tax issues for Qatari nationals

The income (including dividend income) and capital gains of Qatari natural persons or corporate entities based in Qatar and wholly-owned by Qatari nationals are exempt from tax. In addition, capital gains of entities wholly owned by Qatari nationals arising from the sale of securities are exempt from tax.

Income tax issues for non-Qatari nationals

The Company whose shares are owned by non-Qatari nationals will be subject to tax in Qatar with respect to the profit allocated to those non-Qatari shareholders. However, under Income tax law no. 24 of 2018, the income derived from the share of the non-Qatari investor in the profits of the companies whose shares are traded in the capital market is exempt from taxation.

Investors and Shareholders that are nationals or residents in jurisdictions outside Qatar (both corporate and individual) should consult their own tax advisors as to the taxation or tax implications of the Listing and dividend income under the applicable local laws in those jurisdictions.

Value Added tax ("VAT")

Qatar is expected to implement VAT and has ratified the VAT Framework Agreement of the GCC. However, the implementation date is yet to be announced. The potential introduction of VAT may also have some implications for both the Company and Investors. While it is too early to assess any impact VAT may have on the Company, Investors should consult their tax advisors for any implications VAT may have on them.

15. DIVIDEND POLICY

Shareholders will be entitled to receive dividends declared in respect of financial years subsequent to the financial year during which Listing occurs. The Company intends to declare and distribute annual dividends with a view to maximising shareholder value commensurate with the ongoing capital and funding requirements of the Company. Subject to the Articles of Association and applicable laws, any decision to pay dividends to Shareholders and the amount and form of such dividends will be upon the recommendation of the Board for approval by the General Assembly.

The amount of any dividends may vary from year to year. The Company's ability to pay dividends is dependent on a number of factors, including, without limitation, the availability of distributable income, regulatory capital requirements, reserve requirements, capital expenditure plans, liquidity and other cash requirements in future periods and there is no assurance that the Company will pay dividends, or the amount of such dividend, if declared. There are no arrangements in existence under which future dividends are to be waived or agreed to be waived, be it cash or in-kind[41].

[41] Source: Management Information

16. LITIGATION

The Company, from time to time, is involved in litigation or proceedings that arise in the course of its business. At the date of this Information Memorandum, there is one case raised by the Company against a Qatari financial institution and an individual whereby the Company is claiming an aggregate amount of QAR 1.4 million. Management further confirms that there are no other cases raised by the Company or against the Company as of the date of this Information Memorandum.

17. AUDITOR'S REPORT AND FINANCIAL STATEMENTS

This section sets forth the auditor's report for the Audited Financial Statements and Proforma Financial Information.

Al Faleh Educational Holding W.L.L.

(formerly known as Al Faleh Trading Group Holding W.L.L.)

Unaudited Pro forma Compiled Consolidated Financial Information
31 August 2016, 31 August 2017 and 31 August 2018

Al Faleh Educational Holding W.L.L.
(formerly known as Al Faleh Trading Group Holding W.L.L.)

Unaudited Pro forma Compiled Consolidated Financial Information
31 August 2016, 31 August 2017 and 31 August 2018

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Independent Practitioner's Assurance Report on the Compilation of Pro forma Consolidated Financial Information Included in an Information Memorandum

To the shareholders of Al Faleh Educational Holding W.L.L. (formerly known as Al Faleh Trading Group Holding W.L.L.)

Report on the Unaudited Compilation of Pro Forma Consolidated Financial Information included in an Information Memorandum

We have completed our assurance engagement to report on the unaudited compilation of pro forma consolidated financial information of Al Faleh Educational Holding W.L.L. (formerly known as Al Faleh Trading Group Holding W.L.L.) ("the Company") and its subsidiaries (the "Subsidiaries") (together the "Group"), by the Company's management. The unaudited pro forma compiled consolidated financial information consists of the unaudited pro forma compiled consolidated statements of profit or loss and other comprehensive income for the years ended 31 August 2018, 2017 and 2016, and related notes. The applicable criteria on the basis of which management have compiled the unaudited pro forma consolidated financial information are specified in Annexure 1, Article 15.4 of the Offering and Listing of Securities Rulebook "Second market" issued by the Qatar Financial Market Authority and are described in Note 2 "Basis of preparation" of the unaudited pro-forma compiled consolidated financial information.

The unaudited pro forma consolidated financial information has been compiled by the Group's management to illustrate the impact of the acquisition of subsidiaries, set out in Note 2 on the Group's financial performance for the years ended 31 August 2018, 2017 and 2016, as if the transaction had taken place at 1 September 2015. As part of this process, information about the Group's consolidated financial performance has been extracted by management from the Subsidiaries financial statements for the years ended 31 August 2018, 2017 and 2016, on which audit report has been issued.

The group Management's Responsibility for the Unaudited Pro Forma Compiled Consolidated Financial Information

The Group's management is responsible for compiling the unaudited pro-forma consolidated financial information on the basis of the applicable criteria, specified in Annexure 1, Article 15.4 of the Offering and Listing of Securities Rulebook "Second Market" issued by the Qatar Financial Market Authority, as in force as described in Note 2.

KPMG

Independent Practitioner's Assurance Report on the Unaudited Compilation of Pro Forma Consolidated Financial Information Included in and Information Memorandum (continued)

Al Faleh Educational Holding W.L.L. (formerly known as Al Faleh Trading Group Holding W.L.L.)

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibilities

Our responsibility is to express an opinion, about whether the unaudited pro forma consolidated financial information has been compiled, in all material respects, by the Group's management on the basis of the applicable criteria as in force and described in Note 2.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, "*Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*", issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Group's management has compiled, in all material respects, the unaudited pro forma compiled consolidated financial information on the basis of the applicable criteria as described in Note 2.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated financial information.

The purpose of unaudited pro forma compiled consolidated financial information included in an information memorandum is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction as at an earlier date would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma consolidated financial information has been compiled, in all material respects, on the basis of the applicable criteria, involves performing procedures to assess whether the applicable criteria used by the Group's management in the compilation of the unaudited pro forma consolidated financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma compiled consolidated financial information reflects the proper application of those adjustments to the unadjusted financial information.

KPMG

Independent Practitioner's Assurance Report on the Unaudited Compilation of Pro Forma Consolidated Financial Information Included in an Information Memorandum (continued)

Al Faleh Educational Holding W.L.L. (formerly known as Al Faleh Trading Group Holding W.L.L.)

Practitioner's Responsibilities (continued)

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma consolidated financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma compiled consolidated financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the unaudited pro-forma consolidated financial information has been compiled, in all material respects, on the basis of the applicable criteria, as described in Note 2.

10 February 2019
Doha
State of Qatar

Yacoub Hobeika
Partner
Audit registration number 289
KPMG

Al Faleh Educational Holding W.L.L. (Formerly known as Al Faleh Trading Group Holding W.L.L.)

Unaudited pro forma compiled consolidated statement of profit or loss and other comprehensive income In Qatari Riyals

For the year ended 31 August 2018	Al Faleh Educational Holding W.L.L.	Doha International Kindergarten W.L.L.	Doha Academy W.L.L.	AFG Education and Academic Services W.L.L.	Pro forma adjustments	Notes	Total
Fees	-	913,386	66,345,956	11,039,150	-		78,298,492
Other income	3,600,000	-	-	4,009	(3,600,000)	2(a)	4,009
Book expenses	-	(22,541)	(3,315,856)	-	-		(3,338,397)
General and administrative expenses	(126,904)	(1,819,550)	(43,322,678)	(15,569,879)	3,600,000	2(a)	(57,239,011)
Amortisation	-	-	-	-	(7,690,520)	2(b)	(7,690,520)
Depreciation	-	(99,927)	(5,957,221)	(2,883,454)	1,995,699	2(c)	(6,944,903)
Operating profit	3,473,096	(1,028,632)	13,750,201	(7,410,174)	(5,694,821)		3,089,670
Finance costs	-	-	(2,395,987)	(49,744)	-		(2,445,731)
Loss	3,473,096	(1,028,632)	11,354,214	(7,459,918)	(5,694,821)		643,939
Other comprehensive income	-	-	-	-	-		-
Total comprehensive income	**3,473,096**	**(1,028,632)**	**11,354,214**	**(7,459,918)**	**(5,694,821)**		**643,939**

These unaudited pro forma compiled consolidated financial information were approved by the shareholders and signed on their behalf by the following on 10 February 2019:

Sheikha Aisha Bint Faleh Al-Thani

Chairperson

The notes on pages 7 to 9 are an integral part of these unaudited pro forma compiled consolidated financial information

Al Faleh Educational Holding W.L.L. (Formerly known as Al Faleh Trading Group Holding W.L.L.)

Unaudited pro forma compiled consolidated statement of profit or loss and other comprehensive income In Qatari Riyals

For the year ended 31 August 2017	Al Faleh Educational Holding W.L.L.	Doha International Kindergarten W.L.L.	Doha Academy W.L.L.	AFG Education and Academic Services W.L.L.	Pro forma adjustments	Notes	Total
Fees	-	1,096,542	59,764,202	-	-		60,860,744
Other income	1,200,000	-	-	-	(1,200,000)	2(a)	-
Book expenses	-	(10,546)	(2,102,680)	-	-		(2,113,226)
General and administrative expenses	(20,000)	(1,665,019)	(40,960,191)	(7,074,169)	1,200,000	2(a)	(48,519,379)
Amortisation	-	-	-	-	(1,925,220)	2(b)	(1,925,220)
Depreciation	-	(14,726)	(5,992,845)	(134,129)	612,750	2(c)	(5,528,950)
Operating profit	1,180,000	(593,749)	10,708,486	(7,208,298)	(1,312,470)		2,773,969
Finance costs	-	-	(1,018,075)	-	-		(1,018,075)
Loss	1,180,000	(593,749)	9,690,411	(7,208,298)	(1,312,470)		1,755,894
Other comprehensive income	-	-	-	-	-		-
Total comprehensive income	1,180,000	(593,749)	9,690,411	(7,208,298)	(1,312,470)		1,755,894

These unaudited pro forma compiled consolidated financial information were approved by the shareholders and signed on their behalf by the following on

10 February 2019:

Sheikha Aisha Bint Faleh Al-Thani

Chairperson

The notes on pages 7 to 9 are an integral part of these unaudited pro forma compiled consolidated financial information

Al Faleh Educational Holding W.L.L. (Formerly known as Al Faleh Trading Group Holding W.L.L.)

Unaudited pro forma compiled consolidated statement of profit or loss and other comprehensive income In Qatari Riyals

For the year ended 31 August 2016	**Al Faleh Educational Holding W.L.L.**	**Doha International Kindergarten W.L.L.**	**Doha Academy W.L.L.**	**AFG Education and Academic Services .W.L.L**	**Pro forma adjustments**	**Notes**	**Total**
Fees	-	2,486,978	58,420,502	-	-		60,907,480
Book expenses	-	(22,188)	(2,446,751)	-	-		(2,468,939)
General and administrative expenses	-	(1,835,606)	(38,908,073)	-	-		(40,743,679)
Amortisation	-	-	-	-	(1,925,220)	2(b)	(1,925,220)
Depreciation and amortisation	-	(14,577)	(5,667,107)	-	126,375	2(c)	(5,555,309)
Operating profit	-	614,607	11,398,571	-	(1,798,845)		10,214,333
Finance costs	-	-	(1,865,306)	-	-		(1,865,306)
Loss	-	614,607	9,533,265	-	(1,798,845)		8,349,027
Other comprehensive income	-	-	-	-	-		-
Total comprehensive income	-	614,607	9,533,265	-	(1,798,845)		8,349,027

These unaudited pro forma compiled consolidated financial information were approved by the shareholders and signed on their behalf by the following on

10 February 2019:

Sheikha Aisha Bint Faleh Al-Thani

Chairperson

The notes on pages 7 to 9 are an integral part of these unaudited pro forma compiled consolidated financial information

1 Corporate information

Al Faleh Educational Holding W.L.L. (formerly known as Al Faleh Trading Group Holding W.L.L.) (the "Company") is registered in the state of Qatar as a company with limited liability under the Commercial Registration No. 71150. The share capital of the Company is distributed among the shareholders as follows:

Name	Percentage
Sheikha Aisha Bint Faleh Nasser Bin Ahmed Al-Thani	76%
Sheikh Jassim Bin Nawaf Nasser Bin Khalid Al-Thani	4%
Sheikh Faleh Bin Nawaf Nasser Bin Khalid Al-Thani	4%
Sheikh Nasser Bin Nawaf Nasser Bin Khalid Al-Thani	4%
Sheikha Maryam Bint Nawaf Nasser Bin Khalid Al-Thani	2%
Sheikha Anwar Bint Nawaf Nasser Bin Ahmad Al-Thani	2%
Sheikh Khalid Nawaf Bin Nasser Bin Khalid Al-Thani	4%
Sheikh Mohamad Nawaf Bin Nasser Khalid Al-Thani	4%
	100%

The Company was initially registered as a limited liability company called Al Faleh Trading Group Holding W.L.L. As per the decision of the shareholders, the name of the Company is changed to Al Faleh Educational Holding W.L.L. with effect from 15 May 2018.

The Company is starting the Initial Public Offering/Listing Process, as such, these unaudited pro forma consolidated financial information are compiled for submission to the official authorities responsible for Initial Public Offering/Listing Process.

The Company started its operation by acquiring a business and subsequently expanded its operation by acquiring other two companies. The Company along with all subsidiaries included in the unaudited pro forma consolidated financial information listed below are hereafter referred as "the Group".

Name of subsidiary	Ownership interest at 31 August 2018
Doha International Kindergarten W.L.L.	100%
Doha Academy W.L.L.	100%
Al Faleh Group for Educational and Academic Services W.L.L.	100%
AFG College with the University of Aberdeen W.L.L.	100%

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

2 Basis of preparation

With effect from 30 April 2018, the Company acquired Doha International Kindergarten W.L.L. as a 100% owned subsidiary. This was legally registered on 5 July 2018. The Company subsequently acquired Doha Academy W.L.L. and Al Faleh Group for Education and Academic Services W.L.L., with effect from 31 July 2018. These were legally registered on 28 August 2018 and 4 September 2018 respectively.

The unaudited pro forma compiled consolidated financial information comprising the unaudited pro forma compiled consolidated statement of profit or loss and other comprehensive income for the years ended 31 August 2018, 2017, and 2016, read together with the notes, has been prepared as per the requirement of Offering & Listing of Securities Rulebook "Second Market" Annexure 1 (15 (4)) and on the basis of notes set out below to reflect the above mentioned acquisition by Al Faleh Educational Holding W.L.L..

2. Basis of preparation (continued)

The unaudited pro forma compiled consolidated financial information have been prepared for illustrative purposes, in order to present the effect of the business combination through acquisition of the Group entities by the Company in the consolidated statement of profit or loss and other comprehensive income.

Due to the nature of the pro forma, which present a hypothetical situation and therefore give no indication of the Group's actual consolidated financial performance. The actual results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors.

The unaudited pro forma compiled consolidated statements of profit or loss and other comprehensive income for the years ended 31 August 2018, 2017 and 2016, give effect to the acquisition of subsidiaries as if the acquisition had occurred on 1 September 2015.

The unaudited pro forma compiled consolidated financial information gives no indication of the future financial results of the Group. All pro forma adjustments made in the preparation of the unaudited pro forma compiled consolidated financial information are in accordance with the basis of preparation described below.

Sources on which the unaudited pro forma compiled consolidated financial information is based on:

The unaudited pro forma compiled consolidated financial information is based on:

i) the audited financial statements of the Company as at and for the year ended 31 August 2018 and unaudited financial statements of the Companyas at and for the year s ended 31 August 2017 and 2016 ; and

ii) the audited financial statements of the subsidiaries prepared in accordance with International Financial Reporting Standards (IFRS) as at and for the years ended 31 August 2018, 2017 and 2016.

Accounting principles and assumptions used for the unaudited pro forma compiled consolidated financial information

The unaudited pro forma compiled consolidated financial information have been prepared as per the Group's accounting policies.

The adjustments made to the unaudited pro forma compiled consolidated financial information are mentioned below:

a) This reflects the effect of elimination of intercompany transactions, which represents the rent related to the land and building given on rent buy the Company to one of its Group entities before the acquisition.

b) This reflects the effect of additional amortisation of intangible assets (which includes learners enrolment and franchise rights), acquired on fair value through business combination by the Company. Since Al Faleh Group for Educational and Academic Services W.L.L. started its operations with effect from 1 September 2017in the name of AFG College with University of Aberdeen, hence the effect of amortisation on franchise rights acquired through business combination of it was considered from 1 September 2017.

   The effect on amortisation of intangible assets are based on fair value as at 31 July 2018. However, the fair value of assets could differ materially from the final fair value had it been determined as of 1 September 2015 for Doha Academy W.L.L. and Doha International Kindergarten W.L.L. and 1 September 2017 for Al Faleh Group for Educational and Academic Services W.L.L. respectively.

2. Basis of preparation (continued)

Accounting principles and assumptions used for the unaudited pro forma compiled consolidated financial information (continued)

Particulars	Estimated useful	Estimated fair value	Year ended 31 August 2018	2017	2016
Learners enrolment	7 – 13 years	22,597,000	1,925,220	1,925,220	1,925,220
Franchise rights	20 years	115,306,000	5,765,300	-	-
Pro forma adjustments on amortisation of intangible assets			**7,690,520**	**1,925,220**	**1,925,220**

c) This reflects the effect of depreciation of property and equipment, acquired on fair value through business combination by the Company based on fair value as at 31 July 2018. However, the fair value of these property and equipment could differ materially from the final fair value had it been determined as of 1 September 2015 for Doha Academy W.L.L. and Doha International Kindergarten W.L.L. and 1 September 2017 for Al Faleh Group for Educational and Academic Services W.L.L. respectively.

	Year ended 31 August 2018	2017	2016
Estimated depreciation expense	6,844,976	5,514,224	5,540,732
Historical depreciation expense	(8,840,675)	(6,126,974)	(5,667,107)
Pro forma adjustments on depreciation of property and equipment	**(1,995,699)**	**(612,750)**	**(126,375)**

Al Faleh Educational Holding W.L.L.

Consolidated financial statements

31 August 2019

Al Faleh Educational Holding W.L.L.

Consolidated financial statements
For the year ended 31 August 2019

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of Al Faleh Educational Holding W.L.L.
Doha, State of Qatar

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Al Faleh Educational Holding W.L.L. (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 August 2019, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 August 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Company's consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT (continued)

Al Faleh Educational Holding W.L.L.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT (continued)

Al Faleh Educational Holding W.L.L.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations we considered necessary for the purposes of our audit. The Company has maintained proper accounting records and the consolidated financial statements are in agreement therewith. Except for the matter referred to in Note 1 of the consolidated financial statements regarding the fact that the Company has prepared its consolidated financial statements for the year ended 31 August 2019, despite that this is not in accordance with the Company's Articles of Association, we are not aware of any other violations of the Qatar Commercial Companies Law No. 11 of 2015 or the terms of the Company's Articles of Association and any amendments thereto having occurred during the year which might have had a material effect on the Company's consolidated financial position or performance as at and for the year ended 31 August 2019.

7 January 2020
Doha
State of Qatar

Yacoub Hobeika
KPMG
Audit registration number 289

Al Faleh Educational Holding W.L.L.

Consolidated statement of financial position
As at 31 August 2019

In Qatari Riyals

	Note	2019	2018
Assets			
Property and equipment	8	92,789,778	98,773,916
Intangible assets and goodwill	9	243,301,933	250,992,453
Non-current assets		336,091,711	349,766,369
Trade and other receivables	10	2,780,753	1,889,594
Due from related parties	11 (b)	16,281,278	4,669,600
Cash and bank balances	12	4,892,378	7,029,508
Current assets		23,954,409	13,588,702
Total assets		**360,046,120**	363,355,071
Equity			
Share capital	13	10,000,000	10,000,000
Capital contribution		254,759,206	-
Legal reserve		1,572,489	304,024
Retained earnings		14,072,400	2,736,218
Total equity		280,404,095	13,040,242
Liabilities			
Loans and borrowings	14	25,499,427	25,053,724
Employees' end of service benefits	15	1,918,577	2,174,433
Non-current liabilities		27,418,004	27,228,157
Due to related parties	11 (c)	-	271,320,076
Bank overdraft	12	5,001,681	4,872,683
Loans and borrowings	14	9,382,277	6,840,981
Trade and other payables	16	37,840,063	40,052,932
Current liabilities		52,224,021	323,086,672
Total liabilities		79,642,025	350,314,829
Total equity and liabilities		**360,046,120**	363,355,071

These consolidated financial statements were approved by the shareholders and signed on their behalf by the following 7 January 2020:

Sheikha Aisha Bint Faleh Al-Thani
Chairperson

The notes on pages 8 to 40 are an integral part of these consolidated financial statements.

Al Faleh Educational Holding W.L.L.

Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 August 2019 In Qatari Riyals

	Note	2019	2018
Fees	17	109,421,093	5,837,945
Rent income		-	3,300,000
Book expenses		(2,127,461)	-
General and administrative expenses	18	(74,702,173)	(4,817,868)
Allowance for impairment of trade receivables		(254,480)	-
Depreciation	8	(10,026,054)	(1,363,404)
Amortisation	9 (iii)	(7,690,520)	(640,877)
Operating profit		14,621,575	2,315,796
Finance costs		(1,936,928)	(455,554)
Profit		**12,684,647**	1,860,242
Other comprehensive income		-	-
Total comprehensive income		**12,684,647**	1,860,242

The notes on pages 8 to 40 are an integral part of these consolidated financial statements.

Al Faleh Educational Holding W.L.L.

Consolidated statement of changes in equity
For the year ended 31 August 2019

In Qatari Riyals

	Share capital	Capital contribution	Legal reserve (1)	Retained earnings	Total
Balance at 1 September 2017 (Unaudited)	10,000,000	-	118,000	1,062,000	11,180,000
Total comprehensive income:					
Profit	-	-	-	1,860,242	1,860,242
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	1,860,242	1,860,242
Transfer to legal reserve	-	-	186,024	(186,024)	-
Balance at 31 August 2018	10,000,000	-	304,024	2,736,218	13,040,242
Balance at 1 September 2018	10,000,000	-	304,024	2,736,218	13,040,242
Adjustment on initial application of IFRS 9 (Note 6 (n))	-	-	-	(80,000)	(80,000)
Balance at 1 September 2019 (adjusted)	10,000,000	-	304,024	2,656,218	12,960,242
Total comprehensive income:					
Profit	-	-	-	12,684,647	12,684,647
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	12,684,647	12,684,647
Transfer to legal reserve	-	-	1,268,465	(1,268,465)	-
Transfer to capital contribution (2)	-	254,759,206	-	-	254,759,206
Balance at 31 August 2019	**10,000,000**	**254,759,206**	**1,572,489**	**14,072,400**	**280,404,095**

1) In accordance with Qatar Commercial Companies Law No. 11 of 2015, a minimum of 10% of the net profit for the year should be transferred to legal reserve. This reserve is to be maintained until the reserve equals 50% of the paid up share capital and is not available for distribution except in circumstances specified in the above Law.

2) The shareholders decided to transfer their receivable to capital contribution as per their decision dated 31 December 2018.

The notes on pages 8 to 40 are an integral part of these consolidated financial statements.

Al Faleh Educational Holding W.L.L.

Consolidated statement of cash flows
For the year ended 31 August 2019

In Qatari Riyals

	Note	2019	2018
Cash flows from operating activities			
Profit		12,684,647	1,860,242
Adjustments for:			
Depreciation	8	10,026,054	1,363,404
Amortisation	9 (iii)	7,690,520	640,877
Employees' end of service benefits provision	15	322,282	70,992
Allowance for impairment of trade receivables		254,480	-
Bad debts written off		152,481	-
Finance costs		1,936,928	455,554
		33,067,392	4,391,069
Changes in:			
- trade and other receivables		(1,378,120)	566,803
- due from related parties		(11,611,678)	57,255,134
- due to related parties		(16,560,870)	(66,598,649)
- trade and other payables		(2,212,869)	1,765,680
Cash used in operating activities		1,303,855	(2,619,963)
Employees' end of service benefits paid	15	(578,138)	(34,728)
Finance costs paid		(1,936,928)	(455,554)
Net cash used in operating activities		**(1,211,211)**	(3,110,245)
Cash flows from investing activities			
Acquisition of property and equipment	8	(4,041,916)	(235,420)
Movement in bank guarantee deposit		960,000	-
Net cash used in investing activities		**(3,081,916)**	(235,420)
Cash flows from financing activity			
Net movement in loans and borrowings		2,986,999	3,889,490
Net cash from a financing activity		**2,986,999**	3,889,490
Net changes in cash and cash equivalents		(1,306,128)	543,825
Cash and cash equivalents at the beginning of the year		543,825	-
Cash and cash equivalents at 31 August	12	**(762,303)**	543,825
Non cash transactions:			
Acquisition of subsidiaries, net of cash acquired	19	-	311,368,776
Transfer to capital contribution		254,759,206	-

The notes on pages 8 to 40 are an integral part of these consolidated financial statements.

1. Reporting entity

Al Faleh Educational Holding W.L.L. (the "Company") is registered in the state of Qatar as a company with limited liability under the Commercial Registration No. 71150. The share capital is distributed among the shareholders as follows in the current and comparative year:

Name	**2019 Percentage**	2018 Percentage
Sheikha Aisha Bint Faleh Nasser Bin Ahmed Al-Thani	76%	76%
Sheikh Jassim Bin Nawaf Nasser Bin Khalid Al-Thani	4%	4%
Sheikh Faleh Bin Nawaf Nasser Bin Khalid Al-Thani	4%	4%
Sheikh Nasser Bin Nawaf Nasser Bin Khalid Al-Thani	4%	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	4%	4%
Sheikh Mohamad Nawaf Bin Nasser Khalid Al-Thani	4%	4%
	100%	100%

The Company was initially registered as a limited liability company called Al Faleh Trading Group Holding W.L.L. As per the decision of the shareholders, the name of the Company is changed to Al Faleh Educational Holding W.L.L. with effect from 15 May 2018. The Company is in the process of amending its Articles of Association to effect the change in name of the Company.

The Company started its operations in 2018 by acquiring a business and subsequently expanded it operations by acquiring other two Companies. The acquisition details are included in Note 19.

As per the Company's Articles of Association, the financial statements of the Company shall be prepared for the year ended 31 December 2018. However, the management prepared these consolidated financial statements for the year ended 31 August 2019.

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

Name of subsidiary	**Principal activities**	**Ownership interest**	
		2019	2018
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 consolidated financial statements of the Company as at 31 August 2019 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 consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

This is the first set of the Group's annual consolidated financial statements in which IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments have been applied. Changes to significant accounting policies are described in Note 6 (n).

3. Basis of measurement

These consolidated financial statements have been prepared under the historical cost basis.

4. Functional and presentation currency

These consolidated financial statements have been presented in Qatari Riyals, which is the Group's functional currency. All financial information presented in Qatari Riyals has been rounded to the nearest Qatari Riyal, unless otherwise indicated.

5. Use of estimates and judgments

The preparation of these consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are included in Note 22.

6. Significant accounting policies

The accounting policies set out below have been applied consistently to all the years presented in these consolidated financial statements.

a) Basis of consolidation

i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

6. Significant accounting policies (continued)

a) Basis of consolidation (continued)

i) Business combinations (continued)

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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 financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii) Non- controlling interests

Non - controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) Property and equipment

Recognition and measurement
Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items of property and equipment. Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

6. Significant accounting policies (continued)

b) Property and equipment (continued)

Subsequent expenditure
Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation
Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current year are as follows:

Building	20 years
Machinery and equipment	5 years
Computer and equipment	3 years
Motor vehicles	5 years
Furniture and fixtures	4-7 years
Sign boards	3-5 years
Leasehold improvements	4-5 years
Learning resources	4 years

Depreciation methods and useful lives are reviewed at each financial year-end and adjusted if appropriate.

Capital work in progress
Capital work in progress represents projects in the course of construction for the purposes of use in future. Capital work in progress is carried at cost, less any recognised impairment loss. Upon completion these projects will be transferred to property and equipment.

c) Intangible assets and goodwill

Recognition and measurement

Goodwill and trademark
Goodwill and trademark arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Other intangible assets
Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised.

6. Significant accounting policies (continued)

c) Intangible assets and goodwill (continued)

Amortisation (continued)

The estimated useful lives for current year are as follows:

Learner enrolments	7 - 13 years
Franchise rights	20 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

d) Leases – Group as a lessee

Leases of property and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property and equipment acquired under finance leases are depreciated on a straight-line basis over the shorter of the lease term and their useful economic life, unless there is reasonable certainty that the Group will obtain ownership by the end of the lease term, in which case the assets are depreciated over their estimated useful lives.

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 (net of any incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease.

e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, bank balances and short-term deposits with maturities of three months or less, if any, net of any outstanding balances and are used by the Group in the management of its short-term commitments. Bank overdrafts if any, that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

f) Financial instruments

i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

6. Significant accounting policies (continued)

f) Financial instruments (continued)

ii) Classification and subsequent measurement

Financial assets – Policy applicable from 1 September 2018

On initial recognition, a financial asset is classified and measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and;

- its contractual terms give rise on specified dates to cash flows that are solely payments principal and interest on the principal amount outstanding.

The Group does not have debit and equity investment.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment: Policy applicable from 1 September 2018

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

6. Significant accounting policies (continued)

f) Financial instruments (continued)

ii) Classification and subsequent measurement (continued)

Financial assets – Business model assessment: Policy applicable from 1 September 2018 (continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest: Policy applicable from 1 September 2018

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable-rate features;

- prepayment and extension features; and

- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses: Policy applicable from 1 September 2018

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

6. Significant accounting policies (continued)

f) Financial instruments (continued)

ii) Classification and subsequent measurement (continued)

Financial assets – Policy applicable before 1 September 2018

The Group classifies non- derivative financial assets to loans and receivables and measured at amortized cost using the effective interest method.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii) Derecognition

Financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

6. Significant accounting policies (continued)

g) Impairment

Non-derivative financial assets

Policy applicable from 1 September 2018

Financial instruments

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost;

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

6. Significant accounting policies (continued)

g) Impairment (continued)

Non-derivative financial assets (continued)

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 365 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For students, the Group has a policy of writing off the gross carrying amount when the financial asset is 365 days past due based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Policy applicable before 1 September 2018

Financial assets not classified as at FVTPL were assessed at each reporting date to determine whether there was objective evidence of impairment.

Objective evidence that financial assets are impaired includes:
- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers; or
- observable data indicating that there was a measurable decrease in the expected cash flows from a group of financial assets.

Financial assets measured at amortised cost
The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

6. Significant accounting policies (continued)

g) Impairment (continued)

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property and inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

h) Share capital

Ordinary shares issued by the Company are classified as equity.

i) Employees' end of service benefits

The Group provides for employees' end of service benefits determined in accordance with the provisions of the Qatar Labour Law based on employees' salaries and period of employment, and are paid to the employee on termination of employment with the Group.

The Group has no expectation of settling its employees' end of service benefits obligation in near term and hence classified it as non- current liability. The provision is not discounted to present value as the effect of the time value of money is not expected to be significant.

j) Provisions

Provisions are recognised, if any, as a result of past events, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

k) Revenue recognition

Revenue from contracts with students

The Group has initially applied IFRS 15 "Revenue from contracts with customers" from 1 September 2018. Information about the Group's accounting policies relating to contracts with customers is provided in Note 6 (n).

IFRS 15 did not have a significant impact on the Group's accounting policies with respect to other revenue streams.

6. Significant accounting policies (continued)

l) Foreign currencies

Transactions in foreign currencies are translated to the respective functional currencies of the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

m) Borrowing costs

Borrowing costs are finance cost and other costs that the Group incurs in connection with the borrowing of funds. A qualifying asset for finance cost capitalization is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The Group capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Group recognizes other borrowing costs as an expense in the period in which it incurs them.

The Group begins capitalizing borrowing costs as part of the cost of a qualifying asset on the commencement date. The commencement date for capitalization is the date when the Group first meets all of the following conditions:
(a) incurs expenditures for the asset;
(b) incurs borrowing costs; and
(c) undertakes activities that are necessary to prepare the asset for its intended use or sale.

To the extent that the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings, if any.

The borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than those specific borrowings mentioned above as made specifically for the purpose of obtaining a qualified asset, are capitalized by applying a capitalization rate to the expenditures on that asset.

n) Newly standards, amendments and interpretation effective from 1 September 2018

The Group has initially applied IFRS 15 "*Revenue from Contracts with Customers*" and IFRS 9 "*Financial Instruments*" from 1 September 2018. A number of other new standards are effective from 1 September 2018 but they do not have a material effect on the Group's consolidated financial statements.

Due to the transition methods chosen by the Group in applying these standards, comparative information throughout these consolidated financial statements has not been restated to reflect the requirements of the new standards.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 *Revenue, IAS 11 Construction Contracts* and related interpretations. Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

The adoption of these amendments had no significant impact on the consolidated financial statements.

6. Significant accounting policies (continued)

n) Newly standards, amendments and interpretation effective from 1 September 2018 (continued)

IFRS 15 ***Revenue from Contracts with Customers (continued)***

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product / service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15 (applicable from 1 September 2018)	Revenue recognition under IAS 18 (applicable before 1 September 2018)
Fees	Invoices for fees are raised in the beginning of the term and service is delivered over time. The payments are usually collected in advance.	Revenue is recognised over time as the services are provided. The service is provided over time and the amount of revenue is allocated on monthly basis over time. Fees paid in advance is deferred and shown as advances under trade and other payables. Discount of fees is shown as reduction from gross revenue.	Fees is recognised over the period of training imparted. Fees paid in advance is deferred and shown as advances under trade and other payables.
Book sale	Revenue is recognised when the control of the books are transferred to the students. Invoices are generated and revenue is recognised at that point in time.	Revenue was recognised when the books are delivered and accepted by the students. Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.	Revenue was recognised when the books were delivered to the students, which was taken to be the point in time at which the customer accepted the goods and the related risks and rewards of ownership transferred.

IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets and financial liabilities. This standard replaces IAS 39 *Financial Instruments: Recognition and Measurement.*

As a result of the adoption of IFRS 9, the Group has adopted consequential amendments to IAS 1 *Presentation of Financial Statements*, which require impairment of financial assets to be presented in a separate line item in the consolidated statement of profit or loss and OCI.

Additionally, the Group has adopted consequential amendments to IFRS 7 *Financial Instruments*:

Disclosures that are applied to disclosures about 2019 but have not been generally applied to comparative information.

6. Significant accounting policies (continued)

n) Newly standards, amendments and interpretation effective from 1 September 2018 (continued)

IFRS 9 Financial Instruments (continued)

The following table summarizes the impact of transition to IFRS 9 on the opening balance of accumulated losses (for a description of the transition method, see (Note 6 (n) (iii) below).

Adjustment on initial application of IFRS 9	**Retained earnings**
Balance at 1 September 2018 (Audited)	2,736,218
Allowance for impairment of trade receivables under IFRS 9	(80,000)
Adjusted balance at 1 September 2018	2,656,218

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

(i) Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principle classification categories for financial assets: measured at amortised cost, Fair Value Through Other Comprehensive Income (FVOCI), and Fair Value Through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables, and available-for-sale.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities.

The Group has no debt or equity investments at FVOCI as at reporting date.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets and financial liabilities as at 1 September 2018.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 September 2018 relates solely to the new impairment requirements.

Financial assets	**Note**	**Original classification under IAS 39**	**New classification under IFRS 9**	**Original carrying amount under IAS 39**	**New carrying amount under IFRS 9**
Trade and other receivables (excluding prepayments and advances)	(a)	Loans and receivables	Amortised cost	1,271,977	1,191,977
Due from related parties	(a)	Loans and receivables	Amortised cost	4,669,600	4,669,600
Cash at bank	(a)	Loans and receivables	Amortised cost	6,907,225	6,907,225
				12,848,802	12,768,802

6. Significant accounting policies (continued)

n) Newly standards, amendments and interpretation effective from 1 September 2018 (continued)

IFRS 9 Financial Instruments (continued)

(i) Classification and measurement of financial assets and financial liabilities (continued)

Financial liabilities	**Original classification under IAS 39**	**New classification under IFRS 9**	**Original carrying amount under IAS 39**	**New carrying amount under IFRS 9**
Bank overdraft	Other financial liabilities	Other financial liabilities	4,872,683	4,872,683
Borrowings	Other financial liabilities	Other financial liabilities	31,894,705	31,894,705
Due to a related parties	Other financial liabilities	Other financial liabilities	271,320,076	271,320,076
Trade and other payables (excluding advances)	Other financial liabilities	Other financial liabilities	8,569,673	8,569,673
			316,657,137	316,657,137

(a) These assets were previously classified as loans and receivables under IAS 39 are now classified at amortised cost as per IFRS 9.

The following table reconciles the carrying amounts of financial assets under IAS 39 to the carrying amount under IFRS 9 on transition to IFRS 9 on 1 September 2018.

	IAS 39 carrying amount at 31 August 2018	**Reclassification**	**Remeasurement**	**IFRS 9 carrying amount at 1 September 2018**
Financial assets				
Amortised cost				
Trade and other receivables:				
Brought forward:				
Loans and receivables	1,271,977	-	-	-
Remeasurement	-	-	(80,000)	-
Carried forward:				
Amortised cost	-	-	-	1,191,977
Total amortised cost	1,271,977	-	(80,000)	1,191,977

(ii) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

6. Significant accounting policies (continued)

n) Newly standards, amendments and interpretation effective from 1 September 2018 (continued)

IFRS 9 Financial Instruments (continued)

(ii) Impairment of financial assets

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Group has determined that the application of IFRS 9's impairment requirements at 1 September 2018 results in an additional allowance for impairment as follows:

Loss allowance at 31 August 2018 under IAS 39	-
Additional impairment recognised at 1 September 2018 on:	
- Trade and other receivables as at 31 August 2018	80,000
Loss allowance at 1 September 2018 under IFRS 9	80,000

(iii) Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below.

The Group has taken an exemption not to restate comparative information of prior periods with respect to classification and measurement (including impairment) requirements. Accordingly, the information presented for 2018 does not generally reflect the requirements of IFRS 9, but rather those of IAS 39.

The following assessment have been made on the basis of the facts and circumstances that existed at the date of initial application.

- The determination of the business model within which a financial asset is held.
- The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.

o) New standards, amendments and interpretations issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 September 2019 and earlier application is permitted; however, the Group has not early adopted the following new or amended standards in preparing these consolidated financial statements.

The following standards are expected to have a material impact on the Group's consolidated financial statements in the period of initial application.

IFRS 16 *Leases*

IFRS 16 introduces a single, on-balance lease sheet accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard- i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

6. Significant accounting policies (continued)

o) New standards, amendments and interpretations issued but not yet effective (continued)

IFRS 16 *Leases (continued)*

The standard is effective for annual periods beginning on or after 1 September 2019. Early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS 16.

The Group is currently assessing the estimated impact on initial application of IFRS 16 as at 1 September 2019.

Other standards

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

- *IFRIC 23 Uncertainty over Tax Treatments.*
- *Prepayment Features with Negative Compensation (Amendments to IFRS 9).*
- *Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28).*
- *Plan Amendment, Curtailment or Settlement (Amendments to IAS 19).*
- *Annual Improvements to IFRS Standards 2015–2017 Cycle – various standards.*
- *Amendments to References to Conceptual Fra Framework in IFRS Standards.*
- *IFRS 17 Insurance Contracts.*

7. Financial risk and capital management

a) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing the risks, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Management have the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables, due from related parties and balance held with the banks.

7. Financial risk and capital management (continued)

a) Financial risk management (continued)

Credit risk (continued)

Trade and other receivables and due from related parties
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparties. The credit worthiness of each party is evaluated prior to entering into agreement. Appropriate procedures for follow up and recovery are in place to monitor the credit risk.

Bank balances
Balances with banks represent current and call deposit accounts with reputed banks in Qatar.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk
Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Interest rate risk

Interest rate risk is the risk that the Group's earnings will be affected as a result of fluctuations in the value of financial instruments due to changes in market interest rates.

b) Capital management

The management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, which the Group defines as a result from operating activities divided by total shareholder's equity. The management also monitors the level of dividends to ordinary shareholders.

The Group manages its capital to ensure that it will be able to continue on a going concern basis while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the loans and borrowings disclosed in note 14, net of cash and bank balances and equity, comprising issued share capital, reserves and retained earnings.

7. Financial risk and capital management (continued)

b) Capital management (continued)

Gearing ratio

The Group's management reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The gearing ratios at the year end are as follows:

	2019	2018
Debt (a)	39,883,385	36,767,388
Cash and bank balances (Note 12)	(4,892,378)	(7,029,508)
Net debt	**34,991,007**	29,737,880
Equity (b)	**280,404,095**	13,040,242
Net debt to equity	**12.48%**	228.05%

(a) Debt is defined as long and short term borrowings, as detailed in note 14 and 12.

(b) Equity includes all share capital, reserves and retained earnings of the Group.

8. Property and equipment

	Building	Machinery and equipment	Computer and equipment (2)	Motor vehicles	Furniture and fixtures	Sign boards	Leasehold improvements	Learning resources	Capital work in progress (1)	Total
Cost										
Acquired through business combination (Note 19)	98,565,715	4,982,426	5,049,790	2,716,703	8,911,964	121,625	6,382,758	1,121,969	30,000	127,882,950
Additions	-	9,000	25,572	-	101,528	-	27,000	72,320	-	235,420
Balance at 31 August 2018	98,565,715	4,991,426	5,075,362	2,716,703	9,013,492	121,625	6,409,758	1,194,289	30,000	128,118,370
Additions	-	67,463	182,642	225,000	518,976	-	1,279,678	1,364,907	403,250	4,041,916
Transfers	-	-	-	-	-	-	30,000	-	(30,000)	-
Balance at 31 August 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**
Accumulated depreciation										
Acquired through business combination (Note 19)	10,717,715	3,109,153	3,091,789	2,053,703	5,442,702	116,624	3,026,395	422,969	-	27,981,050
Depreciation	457,542	162,057	147,966	282,880	191,301	5,000	93,194	23,464	-	1,363,404
Balance at 31 August 2018	11,175,257	3,271,210	3,239,755	2,336,583	5,634,003	121,624	3,119,589	446,433	-	29,344,454
Depreciation	5,490,500	875,402	847,235	269,380	992,608	-	1,033,638	517,291	-	10,026,054
Balance at 31 August 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**
Carrying amounts										
At 31 August 2019	**81,899,958**	**912,277**	**1,171,014**	**335,740**	**2,905,857**	**1**	**3,566,209**	**1,595,472**	**403,250**	**92,789,778**
At 31 August 2018	87,390,458	1,720,216	1,835,607	380,120	3,379,489	1	3,290,169	747,856	30,000	98,773,916

(1) Capital work in progress represents the ongoing improvements to lease hold properties which are not yet finalized.
(2) Computer and equipment include the following amounts where the Group is the lessee under a finance lease (Note 14):

	2019	2018
Cost – capitalised finance leases	1,754,901	1,754,901
Accumulated depreciation	(969,472)	(384,504)
Carrying amount	**785,429**	1,370,397

9. Intangible assets and goodwill

This comprises of the following intangibles assets and goodwill acquired in the prior year through business combination (Note 19):

	2019	2018
Goodwill (i)	96,520,330	96,520,330
Trademark (ii)	17,210,000	17,210,000
Learners enrolment (iii)	20,511,345	22,436,565
Franchise rights (iii)	109,060,258	114,825,558
Balance at 31 August	**243,301,933**	250,992,453

(i) Allocation of goodwill to cash generating units for impairment testing purposes under IAS 36

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs as follows:

	2019	2018
Doha Academy W.L.L.	74,896,979	74,896,979
Al Faleh Group for Educational and Academic Services W.L.L.	21,623,351	21,623,351
Balance at 31 August	**96,520,330**	96,520,330

Doha Academy W.L.L.
The recoverable amount of this CGU is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Group's management covering a five-year discrete period, and a discount rate of 14.9% (2018: 14.4%). Management have forecast average EBITDA margin to be in line with observed recent historical trend.

Terminal value has been derived by reference to the Gordon Growth Model assuming a steady level of operations beyond the discrete period using a terminal growth rate of 2%.

The budgeted growth rate is assumed to be CAGR of 5.9% and 11.8% for two schools operating under the name of Doha Academy W.L.L., over the forecast period. The growth rate is considered appropriate by management considering the nature of the industry and the general growth in the economic activity witnessed in the country where the entity operate.

Any change in key assumptions on which the recoverable amount is based may cause the aggregate carrying amount of goodwill to exceed the aggregate recoverable amount of the cash-generating unit.

Al Faleh Group for Educational and Academic Services W.L.L.
The recoverable amount of this CGU is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Group's management covering an five-year discrete period, and a discount rate of 16% (2018: 16.3%). Management have forecast average EBITDA margin to be in line with observed recent historical trend.

Terminal value has been derived by reference to the Gordon Growth Model assuming a steady level of operations beyond the discrete period using a terminal growth rate of 2%.

9. Intangible assets and goodwill (continued)

(i) Allocation of goodwill to cash generating units for impairment testing purposes under IAS 36 (continued)

Al Faleh Group for Educational and Academic Services W.L.L. (continued)
The budgeted growth rate is assumed to be CAGR of 46.1% over the forecast period. The growth rate is considered appropriate by management considering the nature of the industry and the general growth in the economic activity witnessed in the country where the entity operate.

Any change in key assumptions on which the recoverable amount is based may cause the aggregate carrying amount of goodwill to exceed the aggregate recoverable amount of the cash-generating unit.

(ii) Allocation of trademark to cash generating unit for impairment

Trademark, amounting to QR 17,210,000 is attributable to Doha Academy W.L.L., a CGU acquired during the year through business combination.

Trademark was valued using the Relief from Royalty Method (RRM), which assumes that the intangible asset has a fair value based on royalty income attributable to it. Royalty income would represent the cost savings by Group where it is not required to pay royalties to a third party for the license to use the intangible asset. The recoverable amount of this asset is determined based on a value in use calculation which uses royalty projections based on financial budgets approved by the management covering a five-year period and terminal value based on Gordon Growth Model and discounted to present value. Any change in key assumptions on which the recoverable amount is based may cause the aggregate carrying amount of trademark to exceed the aggregate recoverable amount of the asset. The key assumptions used in value in use for the trademark are as follows:

(a) Royalty rate– Management applied a post-tax royalty rate of 2.5%.

(b) Budgeted growth rate - The budgeted growth rate is assumed to be CAGR of 5.9% and 11.8% for two schools operating under the name of Doha Academy, over the forecast period. The growth rate is considered appropriate by management considering the nature of the industry and the general growth in the economic activity witnessed in the country where this entity operate.

(c) Terminal value has been derived by reference to the Gordon Growth Model assuming a steady level of operations beyond the discrete period. Terminal period cash flows are assumed to grow at a perpetual growth rate of 2%.

(d) Discount rate of 14.90% per annum based on WACC, inclusive of 0.5% premium to cover the inherent risk.

9. Intangible assets and goodwill (continued)

(iii) Amortisation of intangible assets with finite useful life

	Learner enrolments	Franchise rights	Total
Cost			
Acquired through business combination (Note 19)	22,597,000	115,306,000	137,903,000
Balance at 31 August 2018 / 31 August 2019	**22,597,000**	**115,306,000**	**137,903,000**
Accumulated amortisation			
Amortisation	160,435	480,442	640,877
Balance at 31 August 2018	160,435	480,442	640,877
Amortisation	1,925,220	5,765,300	7,690,520
Balance at 31 August 2019	**2,085,655**	**6,245,742**	**8,331,397**
Carrying amounts			
At 31 August 2019	**20,511,345**	**109,060,258**	**129,571,603**
At 31 August 2018	22,436,565	114,825,558	137,262,123

10. Trade and other receivables

	2019	2018
Trade and note receivables	1,878,184	546,278
Less: Allowance for impairment of trade receivables (i)	(334,480)	-
	1,543,704	546,278
Prepayments and advances	477,620	617,617
Refundable deposits	581,131	584,881
Staff advances	29,700	60,800
Other receivables	148,598	80,018
	2,780,753	1,889,594

(i) The movement in allowance for impairment of trade receivables is presented as below:

	2019	2018
Balance at the beginning of the year	-	-
Add: Adjustment on initial application of IFRS 9	80,000	-
Balance at the beginning of the year (adjusted)	80,000	-
Acquired through business combination (Note 19)	-	947,478
Provision made / reversal	254,480	-
Written off	-	(947,478)
Balance at 31 August	**334,480**	-

11. Related party transactions

a) Transactions with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include entities over which the Group exercises significant influence, shareholders and key management personnel of the Group.

Nature of transaction	2019	2018
Advance given	**16,021,278**	2,981,965
Rental income	-	3,300,000
Rent expense	**60,000**	60,000

b) Due from related parties

	2019	2018
Sheikha Aisha Bint Faleh Nasser Bin Ahmed Al-Thani	15,904,502	-
Sheikh Jassim Bin Nawaf Nasser Bin Khalid Al-Thani	29,463	421,909
Sheikh Faleh Bin Nawaf Nasser Bin Khalid Al-Thani	29,463	421,909
Sheikh Nasser Bin Nawaf Nasser Bin Khalid Al-Thani	29,463	421,909
Sheikha Maryam Bint Nawaf Nasser Bin Khalid Al-Thani	14,731	210,954
Sheikha Anwar Bint Nawaf Nasser Bin Ahmad Al-Thani	14,731	210,954
Sheikh Khalid Nawaf Bin Nasser Bin Khalid Al-Thani	29,462	-
Sheikh Mohamad Nawaf Bin Nasser Khalid Al-Thani	29,463	-
Four Star Services W.L.L.	200,000	2,981,965
	16,281,278	4,669,600

c) Due to related parties

	2019	2018
Sheikha Aisha Bint Faleh Nasser Bin Ahmed Al-Thani	-	266,050,930
Sheikh Nawaf Bin Nasser Bin Khalid Al-Thani	-	2,634,573
Sheikh Mohamad Nawaf Bin Nasser Khalid Al-Thani	-	2,634,573
	-	271,320,076

12. Cash and cash equivalents

	2019	2018
Cash in hand	93,472	122,283
Cash at bank – Guarantee deposits	653,000	1,613,000
Cash at bank – Current accounts (1)	4,145,161	5,292,480
Cash at bank – Call deposits	745	1,745
Cash and bank balances in the consolidated statement of financial position	**4,892,378**	7,029,508
Less: Bank overdraft	(5,001,681)	(4,872,683)
Less: Cash at bank – Guarantee deposits	(653,000)	(1,613,000)
Cash and cash equivalents in the consolidated statement of cash flows	**(762,303)**	543,825

(1) Cash held in bank current account earns no interest.

13. Share capital

	2019	2018
Authorised, issued and fully paid-up shares		
10,000 shares of nominal value QR 1,000 each	**10,000,000**	10,000,000

14. Loans and borrowings

	2019	2018
Murabaha term loan (i)	9,717,091	-
Term loan (ii)	3,998,000	5,000,000
Vehicle loans (iii)	159,820	97,096
Finance lease liabilities (iv)	870,268	1,467,045
Term loan (v)	8,725,310	9,683,263
Term loan – Ijara (vi)	10,374,281	14,146,746
Murabaha term loan (vii)	970,934	1,500,555
Vehicle loan	66,000	-
	34,881,704	31,894,705

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

	2019	2018
Current portion	9,382,277	6,840,981
Non-current portion	25,499,427	25,053,724
	34,881,704	31,894,705

(i) During the year, Doha Academy W.L.L. obtained a term loan from a local bank for working capital management which carries interest at 6.50% per annum. The loan is repayable in 60 equal instalments and the last instalment payment date is 23 June 2024. This loan is secured by the person guarantee of the Chairperson.

(ii) In 2018, Doha Academy W.L.L., a subsidiary obtained a term loan from a local bank for working capital management which carries interest at 6.25% per annum. The loan is repayable in 60 equal instalments and the last instalment payment date is 15 August 2023. This loan is secured by the personal guarantee of the Chairperson.

(iii) In 2018, AFG College for the University of Aberdeen W.L.L., a subsidiary, obtained vehicle loans from the suppliers of vehicles. This is repayable in 48 equal instalments with fixed interest rate of 6% to 8% per annum. The loan is secured with mortgage of the vehicle.

(iv) In 2018, AFG College for the University of Aberdeen W.L.L., a subsidiary, obtained computer equipment on finance lease from Oredoo (Note 8). The finance lease liabilities payable are as follows:

	Future minimum lease payments		**Interest**		**Present value of minimum lease payments**	
	2019	2018	**2019**	2018	**2019**	2018
Less than one year	622,560	622,560	36,267	73,075	586,293	549,485
Between 1 and 5 years	290,680	965,120	6,705	47,560	283,975	917,560
	913,240	1,587,680	**42,972**	120,635	**870,268**	1,467,045

14. Loans and borrowings (continued)

(v) In 2017, the Doha Academy W.L.L., a subsidiary obtained a term loan from a local bank for working capital management which carries interest at 6.00% per annum. The loan is repayable in 66 equal instalments and the last instalment payment date is 28 August 2023. This loan is secured by the personal guarantee of the Chairperson.

(vi) In 2015, the Doha Academy W.L.L., a subsidiary obtained a loan from a local bank to finance the construction of the building which carries interest at 4% per annum. This loan is secured by the personal guarantee of the chairperson. The loan is repayable in 24 equal instalments and the last instalment payment date is 29 May 2022. This loan is secured by the personal guarantee of the Chairperson.

(vii) In 2015, the Doha Academy W.L.L., a subsidiary obtained a murabaha loan from a local bank to finance the development of the school which carries profit at 4.5% per annum. This loan is secured by the personal guarantee of the Chairperson.

15. Employees' end of service benefits

	2019	2018
Balance at the beginning of the year	2,174,433	-
Acquired through business combinations (Note 19)	-	2,138,169
Provision made	322,282	70,992
Benefits paid	(578,138)	(34,728)
Balance at 31 August	**1,918,577**	2,174,433

16. Trade and other payables

	2019	2018
Trade and notes payable (i)	4,862,710	5,630,950
Accrued expenses	826,247	2,856,172
Advances from customers	31,681,158	31,483,259
Staff provisions	221,328	68,400
Other payables	248,620	14,151
	37,840,063	40,052,932

(i) This includes payables to related parties as follows:

	2019	2018
Qatar Automobiles Company W.L.L.	91,762	45,603
Nasser Bin Khalid Travel and Tourism W.L.L.	528,360	490,665
	620,122	536,268

17. Fees

	2019	2018
Tuition	97,145,128	5,830,645
Registration	1,531,100	-
Application	224,400	-
Entrance exam	371,000	-
International exam	1,908,000	-
Books	7,112,585	-
Transport	831,426	5,000
Others	297,454	2,300
	109,421,093	5,837,945

18. General and administrative expenses

	2019	2018
Staff costs	45,105,077	3,028,588
Rent	9,448,503	842,998
Royalty	7,585,900	-
Cleaning and facility management	4,051,416	283,521
Advertisements	1,221,228	-
Communication	940,617	81,284
Travelling	924,681	5,525
Repairs and maintenance	921,311	11,119
Legal and professional fees	825,590	397,013
Bank charges	613,712	49,696
Printing and stationery	486,649	5,335
Examination	365,533	1,651
Insurance	221,785	24,632
Bad debt written off	152,481	-
Others	1,837,690	86,506
	74,702,173	4,817,868

19. Business combination

The following are the business acquisitions done by the Group in 2018.

(i) *Doha International Kindergarten W.L.L. (DIK)*
On 30 April 2018, the Group has acquired Doha International Kindergarten W.L.L. (DIK), a company with limited liability, incorporated in Qatar and registered under commercial registration number 88346 for a consideration of QR 648,175 (book value as at 30 April 2018). The formalities for legal registration was completed on 5 July 2018.

(ii) *Doha Academy W.L.L. (DA)*
On 31 July 2018, the Group has acquired Doha Academy W.L.L. (DA), a company with limited liability, incorporated in Qatar and registered under commercial registration number 88273 for a consideration of QR 187,000,000 (fair value as at 30 June 2018). The formalities for legal registration was completed on 28 August 2018.

(iii) *Al Faleh Group for Educational and Academic Services W.L.L. (AFG)*
On 31 July 2018, the Group has acquired Al Faleh Group for Educational and Academic Services W.L.L. (AFG), a company with limited liability, incorporated in Qatar and registered under commercial registration number 88714 for a consideration of QR 118,000,000 (fair value as at 30 June 2018). The formalities for legal registration was completed on 4 September 2018.

19. Business combination (continued)

The following table summarises the net identifiable assets acquired and liabilities assumed against the consideration and the corresponding goodwill.

Identifiable assets acquired and liabilities assumed

	DIK	DA	AFG	Total
Assets				
Property and equipment	536,300	93,096,000	6,269,600	99,901,900
Intangible assets, excluding goodwill	-	39,807,000	115,306,000	155,113,000
Trade and other receivables	20,123	1,605,513	830,761	2,456,397
Due from related parties	570,088	45,073,161	5,101,485	50,744,734
Cash and bank balances	83,502	3,439,571	250,906	3,773,979
Total assets (A)	1,210,013	183,021,245	127,758,752	311,990,010
Liabilities				
Borrowings	-	26,422,695	1,582,520	28,005,215
Bank overdraft	-	7,881,580	-	7,881,580
Employees' end of service benefits	182,488	1,878,366	77,315	2,138,169
Trade and other payables	379,350	34,073,984	3,833,918	38,287,252
Due to related parties	-	661,599	25,888,350	26,549,949
Total liabilities (B)	561,838	70,918,224	31,382,103	102,862,165
Net identifiable assets acquired (A - B)	648,175	112,103,021	96,376,649	209,127,845
Less: Consideration	(648,175)	(187,000,000)	(118,000,000)	(305,648,175)
Goodwill	-	(74,896,979)	(21,623,351)	(96,520,330)
Analysis of cash flows on acquisition				
Consideration payable	648,175	187,000,000	118,000,000	305,648,175
Net cash (acquired)/paid on acquisition of subsidiaries *	(83,502)	6,055,009	(250,906)	5,720,601
Net consideration payables	564,673	193,055,009	117,749,094	311,368,776

* This is excluding bank guarantee taken by the subsidiaries.

19. Business combination (continued)

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Property and equipment	*Profit approach, market comparison technique and cost technique:* The profit approach considers the discounted estimated cash flows that are expected to be generated by using the Building. The valuation model considers market prices for other assets when they are available and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Intangible assets	*Relief from royalty method and multi-period excess earnings method:* The relief from royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the trademark being owned. The multi-period excess earnings method considers the present value of the incremental after-tax cash flows attributable to the subject intangible assets (Learners enrolment and franchise rights) after deducting contributory asset charges.

20. Financial instruments and risk management

Credit risk

The maximum exposure to credit risk at the reporting date was:

	2019	2018
Trade and notes receivables	1,878,184	546,278
Other receivables	759,429	80,018
Due from related parties	16,281,278	4,669,600
Bank balances	4,798,906	6,907,225
	23,717,797	12,203,121

Allowance for impairment on financial assets recognised in profit or loss were as follows:

	2019	2018
Allowance / (reversal) for impairment of trade and other receivables*	**254,480**	-

*Refer Note 10 for the movement in allowance for impairment of trade and other receivables.

Comparative information under IAS 39

An analysis of the credit quality of trade receivables that were neither past due nor impaired and the ageing of trade receivables that were past due but not impaired as at 31 August 2018 is as follows:

20. Financial instruments and risk management (continued)

Credit risk (continued)

	Gross 2018	Impairment 2018
Trade receivables past due and not impaired		
181-365 days	546,278	-

Expected credit loss assessment for individual customers as at 1 September 2018 and 31 August 2019.

The Group uses cash shortfall method to measure the ECL of financial assets. This approach incorporates the expectations of cash shortfalls as well as the expected time period in which the financial assets will be collected.

On initial application of IFRS 9, the Group identified impairment allowance of QR 80,000 as at 1 September 2018 and QR 334,480 as at 31 August 2019.

Due from related parties

Management believes that there is no credit risk from due from related parties because the related parties are the Group's ultimate shareholder who are financially healthy.

Cash and cash equivalents

The Group held bank balances of QR 4,798,906 at 31 August 2019 (31 August 2018: QAR 6,907,225). The cash and cash equivalents are held with bank and financial institution counterparties, which are fairly rated.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

On the initial application of IFRS 9, the Group did not identify any significant impairment allowance as at 1 September 2018 and at 31 August 2019.

Liquidity risk

The following are the contractual maturities of financial liabilities, excluding the impact of netting agreement. The Group's expected cash flows on these instruments do not vary significantly from this analysis.

31 August 2019	**Carrying amounts**	**Contractual cash flows**	**Less than 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Trade and other payables excluding advances	6,158,905	(6,158,905)	(6,158,905)	-
Loans and borrowings	34,881,704	(34,881,704)	(9,382,277)	(25,499,427)
Bank overdraft	5,001,681	(5,001,681)	(5,001,681)	-
	46,042,290	**(46,042,290)**	**(20,542,863)**	**(25,499,427)**

20. Financial instruments and risk management (continued)

Liquidity risk (continued)

31 August 2018	Carrying amounts	Contractual cash flows	Less than 1 year	More than 1 year
Non-derivative financial liabilities				
Trade and other payables excluding advances	8,569,673	(8,569,673)	(8,569,673)	-
Due to related parties	271,320,076	(271,320,076)	(271,320,076)	-
Loans and borrowings	31,894,705	(31,894,705)	(6,840,981)	(25,053,724)
Bank overdraft	4,872,683	(4,872,683)	(4,872,683)	-
	316,657,137	(316,657,137)	(291,603,413)	(25,053,724)

Market risk

Interest rate risk
At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	2019	2018
Fixed rate instruments		
Loans and borrowings	**22,158,394**	17,211,442
Average interest rate (p.a.)	**4% to 8%**	4% to 8%
Variable rate instruments		
Loans and borrowings	12,723,310	14,683,263
Bank overdraft	5,001,681	4,872,683
	17,724,991	19,555,946
Average interest rate (p.a.)	**5.75% to 6.7%**	6% to 6.7%

Cash flow sensitivity analysis for variable rate instruments
A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) owners' equity and profit or loss by QR 177,250 (2018: QR 195,560).

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of the Group's financial instruments is not materially different from their carrying values.

21. Contingent liabilities

	2019	2018
Payment guarantee	**633,000**	1,633,000

22. Significant estimates and judgments

Going concern
Management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources and capability to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, these consolidated financial statements continue to be prepared on a going concern basis.

Impairment of non-financial assets
The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life intangible assets are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of financial assets measured at amortised cost
On 1 September 2018, IFRS 9 “Financial Instruments” replaced the ‘incurred loss’ impairment model in IAS 39 “Financial Instruments: Recognition and Measurement” with an ‘expected credit loss’ (ECL) impairment model. The new impairment model requires forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. It also requires management to assign probability and magnitude of default to various categories of financial assets measured at amortised cost (trade and other receivables and receivable from related parties, and cash at bank). Probability of default constitutes a key input in measuring an ECL and entails considerable judgement; it is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. The magnitude of the loss in case there is a default is also an estimate of the loss arising on default; it is based on the difference between the contractual cash flows due and those that the Group would expect to receive. In the previous period, the impairment review on financial assets measured at amortised cost was performed only for those for which management had an indication for impairment. That also entailed significant judgement. It was determined by reference to past default experience of a counterparty and an analysis of the counterparty's financial situation, but the “incurred loss” model disregarded entirely the current and expected future conditions. As a result, it is expected that under the new impairment model credit losses will be recognised earlier.

Useful lives, residual values and related depreciation charges of property and equipment
The Group's management determines the estimated useful lives of its property and equipment to calculate depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually. Future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

22. Significant estimates and judgments (continued)

Useful lives of intangible assets
The Group's management determines the estimated useful lives of its intangible assets for calculating amortisation. This estimate is determined after considering the expected usage of the asset, technical or commercial obsolescence.

Provision and contingent liabilities
The Group's management determines provision on best estimate of the expenditure required to settle the present obligation as a result of the past event at the reporting date.

The Group's management measures contingent liabilities as a possible obligation depending on whether some uncertain future event occurs or a present obligation but payment is not probable or the amount cannot be measured reliably.

Business combinations
The recognition of business combinations requires the excess of the purchase price of acquisitions over the net book value of assets acquired to be allocated to the assets and liabilities of the acquired entity.

The Group makes judgments and estimates in relation to the fair value allocation of the purchase price. If any unallocated portion is positive it is recognised as goodwill and if negative, it is recognised in the consolidated statement of profit or loss.

The Group required fair valuation of the components acquired under business combination (i.e. assets acquired, liabilities assumed, consideration transferred, acquisition date and a gain or loss arising on derecognition of previously held interest). The fair valuation requires use of valuation techniques requiring significant judgment and estimates.

23. Comparative figures

The comparative information for the previous year have been reclassified, where necessary, in order to conform to the current year's presentation. Such reclassification does not affect the reported net profit, net assets or equity of the previous year.

Al Faleh Educational Holding W.L.L.

Consolidated financial statements

31 August 2020

Al Faleh Educational Holding W.L.L.

Consolidated financial statements
As at and for the year ended 31 August 2020

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of Al Faleh Educational Holding W.L.L.
Doha, State of Qatar

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Al Faleh Educational Holding W.L.L. (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 August 2020, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 August 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Company's consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 25 of the consolidated financial statements which describe the possible effect of Covid-19 pandemic. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT (continued)

Al Faleh Educational Holding W.L.L.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT (continued)

Al Faleh Educational Holding W.L.L.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations we considered necessary for the purposes of our audit. The Company has maintained proper accounting records and the consolidated financial statements are in agreement therewith. Except for the matter referred to in Note 1 of the consolidated financial statements regarding the fact that the Company has prepared its consolidated financial statements for the year ended 31 August 2020, despite that this is not in accordance with the Company's Articles of Association, we are not aware of any other violations of the Qatar Commercial Companies Law No. 11 of 2015 or the terms of the Company's Articles of Association and any amendments thereto having occurred during the year which might have had a material effect on the Company's consolidated financial position or performance as at and for the year ended 31 August 2020.

30 December 2020	Yaccub Hobeika
Doha	KPMG
State of Qatar	Audit registration number 289

Al Faleh Educational Holding W.L.L.

Consolidated statement of financial position
As at 31 August 2020 In Qatari Riyals

	Note	2020	2019
Assets			
Property and equipment	8	84,047,870	92,789,778
Right-of-use assets	9	68,756,300	-
Intangible assets and goodwill	10	235,611,413	243,301,933
Non-current assets		388,415,583	336,091,711
Inventories		807,674	-
Accounts and other receivables	11	3,661,368	2,780,753
Due from related parties	12 (b)	-	16,281,278
Cash and bank balances	13	5,821,026	4,892,378
Current assets		10,290,068	23,954,409
Total assets		**398,705,651**	360,046,120
Equity			
Share capital	14	10,000,000	10,000,000
Capital contribution		270,018,246	254,759,206
Legal reserve		2,279,689	1,572,489
Retained earnings		18,072,542	14,072,400
Total equity		300,370,477	280,404,095
Liabilities			
Loans and borrowings	15	27,699,548	25,215,452
Lease liabilities	16	9,676,404	283,975
Employees' end of service benefits	17	2,741,531	1,918,577
Non-current liabilities		40,117,483	27,418,004
Due to a related party	12 (c)	3,545,127	-
Bank overdraft	13	3,611,419	5,001,681
Loans and borrowings	15	8,858,603	8,795,984
Lease liabilities	16	4,379,129	586,293
Trade and other payables	18	37,823,413	37,840,063
Current liabilities		58,217,691	52,224,021
Total liabilities		98,335,174	79,642,025
Total equity and liabilities		**398,705,651**	360,046,120

These consolidated financial statements were approved by the shareholders and signed on their behalf by the following 30 December 2020:

Sheikha Aisha Bint Faleh Al-Thani
Chairperson

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The notes on pages 8 to 39 are an integral part of these consolidated financial statements.

Al Faleh Educational Holding W.L.L.

Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 August 2020

In Qatari Riyals

	Note	2020	2019
Fees	19	118,559,549	109,421,093
Other income		127,881	1,170
Book expenses		(1,847,337)	(2,127,461)
General and administrative expenses	20	(77,234,582)	(74,702,173)
Allowance for impairment of accounts receivables	11	(528,842)	(254,480)
Depreciation of property and equipment	8	(10,051,613)	(10,026,054)
Depreciation of right-of-use assets	9	(11,390,743)	-
Amortisation	10 (iii)	(7,690,520)	(7,690,520)
Operating profit		9,943,793	14,621,575
Finance costs		(2,871,791)	(1,936,928)
Profit		**7,072,002**	12,684,647
Other comprehensive income		-	-
Total comprehensive income		**7,072,002**	12,684,647

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The notes on pages 8 to 39 are an integral part of these consolidated financial statements.

Al Faleh Educational Holding W.L.L.

Consolidated statement of changes in equity
As at and for the year ended 31 August 2020

In Qatari Riyals

	Share capital	Capital contribution	Legal reserve (1)	Retained earnings	Total
Balance at 1 September 2018	10,000,000	-	304,024	2,736,218	13,040,242
Adjustment on initial application of IFRS 9	-	-	-	(80,000)	(80,000)
Balance at 1 September 2018 (adjusted)	10,000,000	-	304,024	2,656,218	12,960,242
Total comprehensive income:					
Profit	-	-	-	12,684,647	12,684,647
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	12,684,647	12,684,647
Transfer to legal reserve	-	-	1,268,465	(1,268,465)	-
Transfer to capital contribution (2)	-	254,759,206	-	-	254,759,206
Balance at 31 August 2019	10,000,000	254,759,206	1,572,489	14,072,400	280,404,095
Balance at 1 September 2019	10,000,000	254,759,206	1,572,489	14,072,400	280,404,095
Adjustment on initial application of IFRS 16 (Note 6 (o))	-	15,259,040	-	-	15,259,040
Balance at 1 September 2019 (adjusted)	10,000,000	270,018,246	1,572,489	14,072,400	295,663,135
Total comprehensive income:					
Profit	-	-	-	7,072,002	7,072,002
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	7,072,002	7,072,002
Transfer to legal reserve	-	-	707,200	(707,200)	-
Dividend distribution (3)				(2,364,660)	(2,364,660)
Balance at 31 August 2020	**10,000,000**	**270,018,246**	**2,279,689**	**18,072,542**	**300,370,477**

1) In accordance with Qatar Commercial Companies Law No. 11 of 2015, a minimum of 10% of the net profit for the year should be transferred to legal reserve. This reserve is to be maintained until the reserve equals 50% of the paid up share capital and is not available for distribution except in circumstances specified in the above Law.

2) The shareholders decided to transfer their receivable to capital contribution as per their decision dated 31 December 2018.

3) As per the shareholder's resolution dated 29 February 2020, dividend amounting to QR 2,364,660 was distributed during the year.

The notes on pages 8 to 39 are an integral part of these consolidated financial statements.

Al Faleh Educational Holding W.L.L.

Consolidated statement of cash flows
For the year ended 31 August 2020

In Qatari Riyals

	Note	2020	2019
Cash flows from operating activities			
Profit		7,072,002	12,684,647
Adjustments for:			
Depreciation of property and equipment	8	10,051,613	10,026,054
Depreciation of right-of-use assets	9	11,390,743	-
Amortisation	10 (iii)	7,690,520	7,690,520
Employees' end of service benefits provision	17	1,386,028	322,282
Allowance for impairment of accounts receivables	11	528,842	254,480
Bad debts written off		-	152,481
Finance costs		2,871,791	1,936,928
		40,991,539	33,067,392
Changes in:			
- inventories		(807,674)	-
- accounts and other receivables		(1,409,457)	(1,378,120)
- due from related parties		(32,633,382)	(11,611,678)
- due to a related party		3,545,127	(16,560,870)
- trade and other payables		(16,650)	(2,212,869)
Cash from operating activities		9,669,503	1,303,855
Employees' end of service benefits paid	17	(563,074)	(578,138)
Finance costs paid		(2,141,345)	(1,936,928)
Net cash generated from / (used in) operating activities		**6,965,084**	(1,211,211)
Cash flows from investing activities			
Acquisition of property and equipment	8	(1,309,705)	(4,041,916)
Movement in bank guarantee deposit		-	960,000
Net cash used in investing activities		**(1,309,705)**	(3,081,916)
Cash flows from financing activities			
Proceeds from borrowings	15	6,727,772	10,142,000
Repayment of borrowings	15	(4,911,503)	(6,558,224)
Repayment of lease liabilities	16	(5,152,738)	(596,777)
Net cash (used in) / generated from financing activities		**(3,336,469)**	2,986,999
Net changes in cash and cash equivalents		2,318,910	(1,306,128)
Cash and cash equivalents at the beginning of the year		(762,303)	543,825
Cash and cash equivalents at 31 August	13	**1,556,607**	(762,303)
Non cash transactions:			
Dividend distribution		(2,364,660)	-
Transfer to capital contribution		15,259,040	254,759,206

The notes on pages 8 to 39 are an integral part of these consolidated financial statements.

1. Reporting entity

Al Faleh Educational Holding W.L.L. (the "Company") is registered in the state of Qatar as a company with limited liability under the Commercial Registration No. 71150. The share capital is distributed among the shareholders as follows in the current and comparative year:

Name	**2020 Percentage**	2019 Percentage
Sheikha Aisha Bint Faleh Nasser Bin Ahmed Al-Thani	76%	76%
Sheikh Jassim Bin Nawaf Nasser Bin Khalid Al-Thani	4%	4%
Sheikh Faleh Bin Nawaf Nasser Bin Khalid Al-Thani	4%	4%
Sheikh Nasser Bin Nawaf Nasser Bin Khalid Al-Thani	4%	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	4%	4%
Sheikh Mohamad Nawaf Bin Nasser Khalid Al-Thani	4%	4%
	100%	100%

The Company was initially registered as a limited liability company called Al Faleh Trading Group Holding W.L.L. As per the decision of the shareholders, the name of the Company is changed to Al Faleh Educational Holding W.L.L. with effect from 15 May 2018. The Company is in the process of amending its Articles of Association to effect the change in name of the Company.

As per the Company's Articles of Association, the financial statements of the Company shall be prepared for the year ended 31 December 2019. However, the management prepared these consolidated financial statements for the year ended 31 August 2020.

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

Name of subsidiary	**Principal activities**	**Ownership interest**	
		2020	2019
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 consolidated financial statements of the Company as at 31 August 2020 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 consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

This is the first set of the Group's annual financial statements in which IFRS 16 Leases has been applied. Changes to significant accounting policies are described in Note 6 (o).

3. Basis of measurement

These consolidated financial statements have been prepared under the historical cost basis.

4. Functional and presentation currency

These consolidated financial statements have been presented in Qatari Riyals, which is the Group's functional currency. All financial information presented in Qatari Riyals has been rounded to the nearest Qatari Riyal, unless otherwise indicated.

5. Use of estimates and judgments

The preparation of these consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are included in Note 23.

6. Significant accounting policies

The accounting policies set out below have been applied consistently to all the years presented in these consolidated financial statements.

a) Basis of consolidation

i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

6. Significant accounting policies (continued)

a) Basis of consolidation (continued)

i) Business combinations (continued)

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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 financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii) Non- controlling interests

Non - controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) Property and equipment

Recognition and measurement
Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items of property and equipment. Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

6. Significant accounting policies (continued)

b) Property and equipment (continued)

Subsequent expenditure
Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation
Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative years are as follows:

Building	20 years
Machinery and equipment	5 years
Computer and equipment	3 years
Motor vehicles	5 years
Furniture and fixtures	4-7 years
Sign boards	3-5 years
Leasehold improvements	4-5 years
Learning resources	4 years

Depreciation methods and useful lives are reviewed at each financial year-end and adjusted if appropriate.

Capital work in progress
Capital work in progress represents projects in the course of construction for the purposes of use in future. Capital work in progress is carried at cost, less any recognised impairment loss. Upon completion these projects will be transferred to property and equipment.

c) Right-of-use assets

Recognition and measurement

Right-of-use assets are recognized at the lease commencement date at cost, which comprises the initial amount of the lease liability (see accounting policy "Lease liabilities") adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Subsequent measurement

Items of right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of a right-of-use asset using the straight-line method over the earlier of the lease term and its useful life. It is depreciated over its useful life, if the lease agreement either transfers ownership of the right-of-use asset to the Group by the end of the lease term or reflects that the Group will exercise a purchase option at the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment.

In addition, the carrying value of a right of use asset may be periodically adjusted for certain remeasurements of the related lease liability (see accounting policy "Lease liabilities").

c) Right-of-use assets (continued)

Derecognition

An item of a right-of-use asset is derecognised at the earlier of the end of the lease term, cancellation of lease contract, or transfer of control of the underlying asset. In case control of the underlying asset passes to the Group, the carrying value of the right-of-use asset is reclassified to property and equipment.

d) Intangible assets and goodwill

Recognition and measurement

Goodwill and trademark
Goodwill and trademark arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Other intangible assets
Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for current year are as follows:

Learner's enrolments	7 - 13 years
Franchise rights	20 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

e) Leases

Leases – Group as a lessee: Policy applicable from 1 September 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

6. Significant accounting policies (continued)

e) Leases (continued)

Leases – Group as a lessee: Policy applicable from 1 September 2019 (continued)

- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either the Group has the right to operate the asset; or the Group designed the asset in a way that predetermines how and for what purpose it will be used.

The above policy is applied to contracts effective as on or entered into after 1 September 2019.

Where it is established that the Group is a lessee, a right-of-use asset (See accounting policy "Right-of-use asset") and a lease liability are recognized at the lease commencement date.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Lease liabilities are subsequently measured at amortised cost using the effective interest method.

A lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When a lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

6. Significant accounting policies (continued)

e) Leases (continued)

Leases – Group as a lessee: Policy applicable before 1 September 2019

Leases of property and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are shown on the consolidated statement of financial position as finance lease liabilities. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The assets acquired under finance leases are depreciated on a straight-line basis over the shorter of the lease term and their useful economic life, unless there is reasonable certainty that the Group will obtain ownership by the end of the lease term, in which case the assets are depreciated over their estimated useful lives. The Group did not have finance leases in the comparative year.

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 (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases – Group as a lessor

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time.

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Under an operating lease, the asset is included in the consolidated statement of financial position as property and equipment. Lease income is recognized over the term of the lease on a straight-line basis. This implies the recognition of deferred income when the contractual day rates are not constant during the initial term of the lease contract.

Leases in which a significant portion of the risk and rewards of ownership are transferred to the lessee are classified as finance leases. They are initially recognised as “Finance lease receivables” on the consolidated statement of financial position at the present value of the minimum lease payments (the net investment in the lease) receivable from the lessee over the period of the lease. Over the lease term, each lease payment made by the lessee is allocated between the “Finance lease receivables” and “Finance lease income” in profit or loss so as to achieve a constant rate on the finance lease receivable balance outstanding. The Group does not have finance lease receivables.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, bank balances and short-term deposits with maturities of three months or less, if any, net of any outstanding balances and are used by the Group in the management of its short-term commitments. Bank overdrafts if any, that are repayable on demand and form an integral part of the Group’s cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

6. Significant accounting policies (continued)

g) Financial instruments

i) Recognition and initial measurement

Accounts receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is an accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. An account receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified and measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and;

- its contractual terms give rise on specified dates to cash flows that are solely payments principal and interest on the principal amount outstanding.

The Group does not have debit and equity investment.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment:

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;

6. Significant accounting policies (continued)

g) Financial instruments (continued)

ii) Classification and subsequent measurement (continued)

Financial assets – Business model assessment: (continued)

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable-rate features;

- prepayment and extension features; and

- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

6. Significant accounting policies (continued)

g) Financial instruments (continued)

ii) Classification and subsequent measurement (continued)

Financial assets – Subsequent measurement and gains and losses:

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii) Derecognition

Financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

6. Significant accounting policies (continued)

h) Impairment

Non-derivative financial assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost;

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for accounts receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 365 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

6. Significant accounting policies (continued)

h) Impairment (continued)

Non-derivative financial assets (continued)

Presentation of allowance for ECL in the consolidated statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For students, the Group has a policy of writing off the gross carrying amount when the financial asset is 365 days past due based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

i) Share capital

Ordinary shares issued by the Company are classified as equity.

j) Employees' end of service benefits

The Group provides for employees' end of service benefits determined in accordance with the provisions of the Qatar Labour Law based on employees' salaries and period of employment, and are paid to the employee on termination of employment with the Group.

The Group has no expectation of settling its employees' end of service benefits obligation in near term and hence classified it as non- current liability. The provision is not discounted to present value as the effect of the time value of money is not expected to be significant.

6. Significant accounting policies (continued)

k) Provisions

Provisions are recognised, if any, as a result of past events, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

l) Revenue recognition

Revenue from contracts with students
Revenue from contracts with customers for sales of goods or services in the ordinary course of the Group's activities is recognised in accordance with the following 5-step model:
1. Identify the contracts with customers: A contract is an agreement which creates enforceable rights and obligations and sets out criteria that must be met.
2. Identify performance obligations within the contract: A performance obligation is a promise to deliver a good or a service to a customer that is distinct.
3. Determine the transaction price: The transaction price is the consideration to which the Group expects to be entitled in exchange for delivering the promised goods or services to a customer, excluding amounts collected from third parties.
4. Allocate the transaction price to the performance obligations in a contract, if more than one. For a contract that has more than one performance obligation, the transaction price is allocated to each performance obligation in an amount that depicts the consideration to which the entity expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue as and when the performance obligation(s) is/are satisfied.

Rendering of services
Revenue is recognised over time as those services are provided based on the stage of completion of the projects which is determined based on the input method. The related costs are recognised in profit or loss when they are incurred.

m) Foreign currencies

Transactions in foreign currencies are translated to the respective functional currencies of the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

n) Borrowing costs

Borrowing costs are finance cost and other costs that the Group incurs in connection with the borrowing of funds. A qualifying asset for finance cost capitalization is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The Group capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Group recognizes other borrowing costs as an expense in the period in which it incurs them.

The Group begins capitalizing borrowing costs as part of the cost of a qualifying asset on the commencement date. The commencement date for capitalization is the date when the Group first meets all of the following conditions:
(a) incurs expenditures for the asset;
(b) incurs borrowing costs; and
(c) undertakes activities that are necessary to prepare the asset for its intended use or sale.

6. Significant accounting policies (continued)

n) Borrowing costs (continued)

To the extent that the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings, if any.

The borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than those specific borrowings mentioned above as made specifically for the purpose of obtaining a qualified asset, are capitalized by applying a capitalization rate to the expenditures on that asset.

o) Newly standards, amendments and interpretation effective from 1 September 2019

The table below lists the recent changes to International Financial Reporting Standards ("IFRS" or "standards") that are required to be applied by an entity with an annual reporting period beginning on or after 1 September 2019:

- IFRS 16 "Leases"
- Interpretation made by the International Financial Reporting Interpretation Council (IFRIC) 23 "Uncertainty over Tax Treatments"
- Amendments to IFRS 9 "Financial Instruments" on prepayment features with negative compensation
- Amendments to IAS 28 "Investments in Associates and Joint Ventures" on long-term interests in associates and joint ventures
- Amendments to IAS 19 "Employee Benefits" on plan amendment, curtailment or settlement
- Amendments to various standards based on the Annual Improvements to IFRSs 2015-2017 Cycle

The Group initially adopted IFRS 16 "Leases" (hereafter "IFRS 16") on 1 September 2019. The other new and amended standards and the interpretation to a standard listed in the table above do not have any or material effect on the Group's consolidated financial statements.

The effects of the adoption of IFRS 16 on the Group's consolidated financial statements are explained below:

IFRS 16

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the consolidated financial statements for both lessors and lessees. IFRS 16 supersedes IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC 15 "Operating Leases – Incentives", and SIC 27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease".

IFRS 16 introduced a single, on-balance sheet lease accounting model for lessees. It changed the accounting of leases previously classified as operating leases under IAS 17, which were off balance sheet. Under IAS 17, operating leases were expensed on a straight line basis over the term of the lease, and assets and liabilities were recognised only to the extent that there was a timing difference between actual lease payments and the expense recognised. Under IFRS 16 a lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17; i.e. lessors continue to classify leases as finance or operating leases.

6. Significant accounting policies (continued)

o) Newly standards, amendments and interpretation effective from 1 September 2019 (continued)

IFRS 16 (continued)

Impact on lessee accounting

The Group has chosen to apply the simplified transition approach of IFRS 16 by which comparative amounts are not restated.

On initial application of IFRS 16, for all leases, except for those that the practical expedient was applied (see below), the Group will:

- Recognise right of use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments;
- Recognise depreciation of right of use assets and interest on lease liabilities in the consolidated statement of profit or loss;
- Separate the total amount of cash paid into a principal portion and interest (presented within financing activities) in the cash flow statement.

Under IFRS 16, the Group applied the practical expedient to grandfather the definition of a lease on transition. This means that:

- all contracts entered into before 1 September 2019 that were not identified as leases in accordance with IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 September 2019;
- any leases with unexpired lease term on initial application date of less than 12 months or any leases relating to low value items (USD 5,000 or less), then the Group elected to use the short-term lease exemption; and
- the initial direct costs arising from the measurement of right-of-use asset at the date of initial application were excluded.

Based on an analysis of the Group's finance leases as at 31 August 2019 on the basis of the facts and circumstances that existed at that date, management's assessment is that there was the following impact on the Group's consolidated financial statements as at 1 September 2019:

	As reported at 31 August 2019	**Adjustments due to adoption of IFRS 16**	**Adjusted opening balances as at 1 September 2019**
Consolidated statement of financial position:			
Right-of-use assets (1)	-	66,989,490	66,989,490
Lease liabilities (2)	870,268	17,170,450	18,040,718
Capital contribution (1)	254,759,206	15,259,040	270,018,246
Due from related parties	16,281,278	(34,560,000)	(18,278,722)

(1) The Group's right-of-use assets, which comprises of land, school and university premises and staff accommodation, were measured at an amount equal to the lease liabilities. The Group recognised right-of-use asset at market rate against lease obtained at subsidised rate from controlling shareholder and the difference between present value of market rate and actual rate was recognised as capital contribution. There was no adjustment to the retained earnings as at 1 September 2019.

(2) The lease liabilities were measured at the present value of the future lease payments on adoption of IFRS 16. When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 September 2019. The incremental borrowing rates used was 6%.

6. Significant accounting policies (continued)

o) Newly standards, amendments and interpretation effective from 1 September 2019 (continued)

During the year, the profit or loss was impacted as follows due to the application of IFRS 16:

	As reported for the year ended 31 August 2019	**Adjustments due to adoption of IFRS 16***	**As reported for the year ended 31 August 2020**
Consolidated statement of profit or loss:			
Rental expense (1)	9,448,503	(8,926,253)	2,301,130
Depreciation (2)		11,390,743	11,390,743
Interest expense (2)		993,630	952,807
		3,458,120	

(1) In the previous year, leases were accounted as operating leases for which the Group only recognised expense on a straight-line basis over the term of the lease, and only recognises assets and liabilities to the extent that there is a timing difference between actual lease payments and the expense recognised.
(2) Under IFRS 16 the Group recognised a depreciation charge for right-of-use assets and interest expense on lease liabilities.

* This includes the impact of leases existing as at 1 September 2019 and lease contracts entered in the year which were accounted under IFRS 16.

The impact of the above changes introduced by IFRS 16 on the current year results was to decrease the profit for the year by QR 3,458,120 and to decrease the retained earnings at the reporting date by the same amount.

The impact of IFRS 16 on the cash flow statements was to separate the total amount of cash paid into a principal portion and interest portion. Under IAS 17, all lease payments on operating leases were presented in the previous year as part of cash flows from operating activities. The impact of these changes under IFRS 16 was to increase the cash generated by operating activities by QR 5,152,738 and to increase cash used in financing activities by the same amount.

6. Significant accounting policies (continued)

p) New standards, amendments and interpretations issued but not yet effective

The table below lists the recent changes to International Financial Reporting Standards ("IFRS" or "standards") that are required to be applied by an entity with an annual reporting period beginning on or after 1 September 2020.

Effective for year beginning 1 September 2020	• Amendments to references to conceptual framework in IFRS standards • Amendments to IFRS 3 "Business Combinations" of definition of business • Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" of definition of material.
Effective for year beginning 1 January 2021	• IFRS 17 "Insurance Contracts"
Effective date deferred indefinitely / available for optional adoption	• Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" on sale or contribution of assets between an investor and its associate or joint venture

7. Financial risk and capital management

a) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing the risks, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Management have the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's accounts and other receivables, due from related parties and balance held with the banks.

7. Financial risk and capital management (continued)

a) Financial risk management (continued)

Credit risk (continued)

Accounts and other receivables and due from related parties
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparties. The credit worthiness of each party is evaluated prior to entering into agreement. Appropriate procedures for follow up and recovery are in place to monitor the credit risk.

Bank balances
Balances with banks represent current and call deposit accounts with reputed banks in Qatar.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk
Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Interest rate risk
Interest rate risk is the risk that the Group's earnings will be affected as a result of fluctuations in the value of financial instruments due to changes in market interest rates.

b) Capital management

The management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, which the Group defines as a result from operating activities divided by total shareholder's equity. The management also monitors the level of dividends to ordinary shareholders.

The Group manages its capital to ensure that it will be able to continue on a going concern basis while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the loans and borrowings disclosed in note 15, net of cash and bank balances and equity, comprising issued share capital, reserves and retained earnings.

7. Financial risk and capital management (continued)

b) Capital management (continued)

Gearing ratio

The Group's management reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The gearing ratios at the year end are as follows:

	2020	2019
Debt (a)	40,169,570	39,013,117
Cash and bank balances (Note 13)	(5,821,026)	(4,892,378)
Net debt	**34,348,544**	34,120,739
Equity (b)	**300,370,477**	280,404,095
Net debt to equity	**11.43%**	12.17%

(a) Debt is defined as long and short term borrowings, as detailed in note 15 and 13.

(b) Equity includes all share capital, reserves and retained earnings of the Group.

8. Property and equipment

	Building	Machinery and equipment	Computer and equipment (1)	Motor vehicles	Furniture and fixtures	Sign boards	Leasehold improvements	Learning resources	Capital work in progress	Total
Cost										
Balance at 1 September 2018	98,565,715	4,991,426	5,075,362	2,716,703	9,013,492	121,625	6,409,758	1,194,289	30,000	128,118,370
Additions	-	67,463	182,642	225,000	518,976	-	1,279,678	1,364,907	403,250	4,041,916
Transfers	-	-	-	-	-	-	30,000	-	(30,000)	-
Balance at 31 August 2019 / 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	**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**
Accumulated depreciation										
Balance at 1 September 2018	11,175,257	3,271,210	3,239,755	2,336,583	5,634,003	121,624	3,119,589	446,433	-	29,344,454
Depreciation	5,490,500	875,402	847,235	269,380	992,608	-	1,033,638	517,291	-	10,026,054
Balance at 31 August 2019 / 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	**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**
Carrying amounts										
At 31 August 2020	**76,409,458**	**353,235**	**553,360**	**256,371**	**2,146,912**	**1**	**2,963,761**	**1,364,772**	**-**	**84,047,870**
At 31 August 2019	81,899,958	912,277	1,171,014	335,740	2,905,857	1	3,566,209	1,595,472	403,250	92,789,778

(1) Computer and equipment include the following amounts where the Group is the lessee under a finance lease (Note 16):

	2020	2019
Cost – capitalised finance leases	1,754,901	1,754,901
Accumulated depreciation	(1,554,439)	(969,472)
Carrying amount	**200,462**	785,429

9. 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 16).

	2020
Cost	
Adjustment on initial adoption of IFRS 16 (Note 6 (o))	66,989,490
Additions	1,167,553
Modification	11,990,000
At 31 August	80,147,043
Accumulated depreciation	
Depreciation	11,390,743
At 31 August	11,390,743
Carrying amount	
At 31 August	**68,756,300**

10. Intangible assets and goodwill

This comprises of the following intangibles assets and goodwill acquired in the prior years through business combination:

	2020	2019
Goodwill (i)	96,520,330	96,520,330
Trademark (ii)	17,210,000	17,210,000
Learners enrolment (iii)	18,586,125	20,511,345
Franchise rights (iii)	103,294,958	109,060,258
Balance at 31 August	**235,611,413**	243,301,933

(i) Allocation of goodwill to cash generating units for impairment testing purposes under IAS 36

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs as follows:

	2020	2019
Doha Academy W.L.L.	74,896,979	74,896,979
Al Faleh Group for Educational and Academic Services W.L.L.	21,623,351	21,623,351
Balance at 31 August	**96,520,330**	96,520,330

Doha Academy W.L.L.
The recoverable amount of this CGU is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Group's management covering a five-year discrete period, and a discount rate of 11.74% (2019: 14.9%). Management have forecast average EBITDA margin to be in line with observed recent historical trend.

Terminal value has been derived by reference to the Gordon Growth Model assuming a steady level of operations beyond the discrete period using a terminal growth rate of 2%.

10. Intangible assets and goodwill (continued)

(i) Allocation of goodwill to cash generating units for impairment testing purposes under IAS 36 (continued)

Doha Academy W.L.L. (continued)
The budgeted growth rate is assumed to be CAGR of 5.9% and 11.8% for two schools operating under the name of Doha Academy W.L.L., over the forecast period. The growth rate is considered appropriate by management considering the nature of the industry and the general growth in the economic activity witnessed in the country where the entity operate.

Any change in key assumptions on which the recoverable amount is based may cause the aggregate carrying amount of goodwill to exceed the aggregate recoverable amount of the cash-generating unit.

Al Faleh Group for Educational and Academic Services W.L.L.
The recoverable amount of this CGU is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Group's management covering an five-year discrete period, and a discount rate of 12.32% (2019: 16%). Management have forecast average EBITDA margin to be in line with observed recent historical trend.

Terminal value has been derived by reference to the Gordon Growth Model assuming a steady level of operations beyond the discrete period using a terminal growth rate of 2%.

The budgeted growth rate is assumed to be CAGR of 46.1% over the forecast period. The growth rate is considered appropriate by management considering the nature of the industry and the general growth in the economic activity witnessed in the country where the entity operate.

Any change in key assumptions on which the recoverable amount is based may cause the aggregate carrying amount of goodwill to exceed the aggregate recoverable amount of the cash-generating unit.

(ii) Allocation of trademark to cash generating unit for impairment

Trademark, amounting to QR 17,210,000 is attributable to Doha Academy W.L.L., a CGU acquired during the year through business combination.

Trademark was valued using the Relief from Royalty Method (RRM), which assumes that the intangible asset has a fair value based on royalty income attributable to it. Royalty income would represent the cost savings by Group where it is not required to pay royalties to a third party for the license to use the intangible asset. The recoverable amount of this asset is determined based on a value in use calculation which uses royalty projections based on financial budgets approved by the management covering a five-year period and terminal value based on Gordon Growth Model and discounted to present value. Any change in key assumptions on which the recoverable amount is based may cause the aggregate carrying amount of trademark to exceed the aggregate recoverable amount of the asset. The key assumptions used in value in use for the trademark are as follows:

(a) Royalty rate – Management applied a post-tax royalty rate of 2.5%.

(b) Budgeted growth rate - The budgeted growth rate is assumed to be CAGR of 5.9% and 11.8% for two schools operating under the name of Doha Academy, over the forecast period. The growth rate is considered appropriate by management considering the nature of the industry and the general growth in the economic activity witnessed in the country where this entity operate.

10. Intangible assets and goodwill (continued)

(ii) Allocation of trademark to cash generating unit for impairment (continued)

(c) Terminal value has been derived by reference to the Gordon Growth Model assuming a steady level of operations beyond the discrete period. Terminal period cash flows are assumed to grow at a perpetual growth rate of 2%.

(d) Discount rate of 11.74% (2019: 14.90%) per annum based on WACC, inclusive of 0.5% premium to cover the inherent risk.

(iii) Amortisation of intangible assets with finite useful life

	Learner enrolments	Franchise rights	Total
Cost			
Balance at 1 September 2018 / 31 August 2019 / 1 September 2019 / 31 August 2020	22,597,000	115,306,000	137,903,000
Accumulated amortisation			
Balance at 1 September 2018	160,435	480,442	640,877
Amortisation	1,925,220	5,765,300	7,690,520
Balance at 31 August 2019 / 1 September 2019	2,085,655	6,245,742	8,331,397
Amortisation	1,925,220	5,765,300	7,690,520
Balance at 31 August 2020	**4,010,875**	**12,011,042**	**16,021,917**
Carrying amounts			
At 31 August 2020	**18,586,125**	**103,294,958**	**121,881,083**
At 31 August 2019	20,511,345	109,060,258	129,571,603

11. Accounts and other receivables

	2020	2019
Accounts and note receivables	2,636,570	1,878,184
Less: Allowance for impairment of accounts receivables (i)	(748,605)	(334,480)
	1,887,965	1,543,704
Prepayments and advances	689,508	477,620
Refundable deposits	476,531	581,131
Staff advances	9,423	29,700
Other receivables	597,941	148,598
	3,661,368	2,780,753

(i) The movement in allowance for impairment of accounts receivables is presented as below:

	2020	2019
Balance at the beginning of the year	-	-
Add: Adjustment on initial application of IFRS 9	-	80,000
Balance at the beginning of the year (adjusted)	334,480	80,000
Provision made	528,842	254,480
Written off	(114,717)	-
Balance at 31 August	**748,605**	334,480

12. Related party transactions

a) Transactions with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include entities over which the Group exercises significant influence, shareholders and key management personnel of the Group.

Nature of transaction	2020	2019
Funds given / (received)	**3,545,127**	16,021,278
Repayment of lease liabilities	**60,000**	-
Rent expense	**-**	60,000

b) Due from related parties

	2020	2019
Sheikha Aisha Bint Faleh Nasser Bin Ahmed Al-Thani	-	15,904,502
Sheikh Jassim Bin Nawaf Nasser Bin Khalid Al-Thani	-	29,463
Sheikh Faleh Bin Nawaf Nasser Bin Khalid Al-Thani	-	29,463
Sheikh Nasser Bin Nawaf Nasser Bin Khalid Al-Thani	-	29,463
Sheikha Maryam Bint Nawaf Nasser Bin Khalid Al-Thani	-	14,731
Sheikha Anwar Bint Nawaf Nasser Bin Ahmad Al-Thani	-	14,731
Sheikh Khalid Nawaf Bin Nasser Bin Khalid Al-Thani	-	29,462
Sheikh Mohamad Nawaf Bin Nasser Khalid Al-Thani	-	29,463
Four Star Services W.L.L.	-	200,000
	-	16,281,278

c) Due to a related party

	2020	2019
Sheikha Aisha Bint Faleh Nasser Bin Ahmed Al-Thani	3,545,127	-
	3,545,127	**-**

13. Cash and cash equivalents

	2020	2019
Cash in hand	70,356	93,472
Cash at bank – Guarantee deposits	653,000	653,000
Cash at bank – Current accounts (1)	5,096,925	4,145,161
Cash at bank – Call deposits	745	745
Cash and bank balances in the consolidated statement of financial position	**5,821,026**	4,892,378
Less: Bank overdraft (2)	(3,611,419)	(5,001,681)
Less: Cash at bank – Guarantee deposits	(653,000)	(653,000)
Cash and cash equivalents in the consolidated statement of cash flows	**1,556,607**	(762,303)

(1) Cash held in bank current account earns no interest.
(2) During the year, the Company paid interest on bank overdraft amounting to QR 315,129 (2019: 268,687)

14. Share capital

	2020	2019
Authorised, issued and fully paid-up shares		
10,000 shares of nominal value QR 1,000 each	**10,000,000**	10,000,000

15. Loans and borrowings

	2020	2019
Term loan (i)	583,781	-
Murabaha term loan (ii)	6,143,991	-
Murabaha term loan (iii) *	8,743,994	9,717,091
Term loan (iv) *	3,456,876	3,998,000
Vehicle loans (v)	86,806	159,820
Term loan (vi) *	8,394,680	8,725,310
Term loan – Ijara (vii) *	8,488,048	10,374,281
Murabaha term loan (viii)	617,868	970,934
Vehicle loan	42,107	66,000
	36,558,151	34,011,436

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

	2020	2019
Current portion	8,858,603	8,795,984
Non-current portion	27,699,548	25,215,452
	36,558,151	34,011,436

The movements of loans and borrowings were as follows:

	2020	2019
Balance at the beginning of the year	34,011,436	30,427,660
Proceeds from borrowings	6,727,772	10,142,000
Interest expense	1,563,032	1,596,359
Interest paid	(832,586)	(1,596,359)
Repayment of principle	(4,911,503)	(6,558,224)
At 31 August	**36,558,151**	34,011,436

(i) During the year, AFG College with the University of Aberdeen W.L.L. obtained term loan from a local bank for working capital management during the COVID 19 period for payment of salary and other expenses. The repayment of this loan will start from 1 August 2021.

(ii) During the year, Doha Academy W.L.L. obtained a term loan from a local bank for working capital management which carries interest at 4.50% per annum. The loan is repayable in 24 equal instalments and the last instalment payment date is 5 May 2023. This loan is secured by the person guarantee of the Chairperson.

(iii) In 2019, Doha Academy W.L.L. obtained a term loan from a local bank for working capital management which carries interest at 6.50% per annum. The loan is repayable in 60 equal instalments and the last instalment payment date is 23 December 2024. This loan is secured by the person guarantee of the Chairperson.

15. Loans and borrowings (continued)

(iv) In 2018, Doha Academy W.L.L., a subsidiary obtained a term loan from a local bank for working capital management which carries interest at 6.25% per annum. The loan is repayable in 60 equal instalments and the last instalment payment date is 15 February 2024. This loan is secured by the personal guarantee of the Chairperson.

(v) In 2018, AFG College with the University of Aberdeen W.L.L., a subsidiary, obtained vehicle loans from the suppliers of vehicles. This is repayable in 48 equal instalments with fixed interest rate of 6% to 8% per annum. The loan is secured with mortgage of the vehicle.

(vi) In 2017, Doha Academy W.L.L., a subsidiary obtained a term loan from a local bank for working capital management which carries interest at 6.00% per annum. The loan is repayable in 66 equal instalments and the last instalment payment date is 29 February 2024. This loan is secured by the personal guarantee of the Chairperson.

(vii) In 2015, Doha Academy W.L.L., a subsidiary obtained a loan from a local bank to finance the construction of the building which carries interest at 4% per annum. This loan is secured by the personal guarantee of the chairperson. The loan is repayable in 24 equal instalments and the last instalment payment date is 29 November 2022. This loan is secured by the personal guarantee of the Chairperson.

(viii) In 2015, Doha Academy W.L.L., a subsidiary obtained a murabaha loan from a local bank to finance the development of the school which carries profit at 4.5% per annum and last instalment payment date is 23 December 2021. This loan is secured by the personal guarantee of the Chairperson.

* These loans were originally obtained at a different terms and conditions and were rescheduled during the year with new terms and conditions as disclosed above.

16. Lease liabilities

The movements of finance lease liabilities were as follows:

	2020	2019
Lease liabilities (2019: finance lease liabilities)	870,268	1,467,045
Lease liabilities recognised on transition to IFRS 16 at the beginning of the year (Note 6 (o)) (1)	17,170,450	-
Balance at 1 September 2019 (adjusted)	18,040,718	1,467,045
Additions	1,167,553	-
Interest expense	993,630	71,882
Interest paid	(993,630)	(71,882)
Repayment of principle	(5,152,738)	(596,777)
At 31 August	**14,055,533**	870,268

The Group had the following lease agreements as at the reporting date:

(1) The Group entered into lease contracts with the various landlords including ultimate controlling party and Ministry of Municipality for lease of properties. These lease liabilities are repayable by rental obligations which varies based on the terms of contracts with the landlord (2 to 25 years), bears an implicit interest rate of 6% per annum, and is effectively secured as the rights to the leased asset revert to the lessor in the event of default. This lease contract was accounted before 1 September 2019 as operating leases and was recognised as finance leases upon the adoption of IFRS 16 on 1 September 2019.

16. Lease liabilities (continued)

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

	2020	2019
Non-current	9,676,404	283,975
Current	4,379,129	586,293
	14,055,533	870,268

The maturity analysis of the contractual undiscounted cash flows of lease liabilities is as follows:

	2020	2019
No later than 1 year	5,028,328	917,560
Later than 1 year and no later than 5 years	13,462,410	549,485
More than 5 years	963,525	-
Total undiscounted lease liabilities at 31 August	19,454,263	1,467,045
Future finance charges of finance leases	(5,398,730)	(596,777)
Lease liabilities included in the consolidated statement of financial position at 31 August	**14,055,533**	870,268

The total lease expense, including leases that are not included in the above lease liabilities because they relate to short-term leases is analysed as follows:

	2020
Interest expense (included within finance liabilities)	952,807
Expense related to short-term leases included within "General administrative expenses")	2,301,130
	3,253,937

Lease liabilities are effectively secured as the rights to the leased assets recognised in the consolidated financial statements revert to the lessor in the event of default.

17. Employees' end of service benefits

	2020	2019
Balance at the beginning of the year	1,918,577	2,174,433
Provision made	1,386,028	322,282
Benefits paid	(563,074)	(578,138)
Balance at 31 August	**2,741,531**	1,918,577

18. Trade and other payables

	2020	2019
Trade and notes payable (i)	4,112,750	4,862,710
Accrued expenses	4,492,287	826,247
Advances from customers	27,290,629	31,681,158
Staff provisions	721,333	221,328
Staff payables	242,006	-
Other payables	964,408	248,620
	37,823,413	37,840,063

18. Trade and other payables (continued)

(i) This includes payables to related parties as follows:

	2020	2019
Qatar Automobiles Company W.L.L.	146,419	91,762
Nasser Bin Khaled Real Estate	197,724	-
Nasser Bin Khalid Travel and Tourism W.L.L.	71,710	528,360
Doha Tec	10,000	
NBK Fashion W.L.L.	4,750	-
	430,603	620,122

19. Fees

	2020	2019
Tuition	108,583,145	97,145,128
Registration	1,132,500	1,531,100
Application	125,200	224,400
Entrance exam	274,500	371,000
International exam	1,446,095	1,908,000
Books	6,200,565	7,112,585
Transport	560,469	831,426
Others	237,075	297,454
	118,559,549	109,421,093

20. General and administrative expenses

	2020	2019
Staff costs (1)	46,026,799	45,105,077
Rent	2,301,130	9,448,503
Royalty	16,844,154	7,585,900
Cleaning and facility management	3,579,508	4,051,416
Advertisements	541,901	1,221,228
Communication	728,552	940,617
Travelling	581,660	924,681
Repairs and maintenance	1,485,288	921,311
Legal and professional fees	877,843	825,590
Bank charges	639,994	613,712
Printing and stationery	504,539	486,649
Examination	266,328	365,533
Insurance	190,468	221,785
Bad debt written off	-	152,481
Others	2,666,418	1,837,690
	77,234,582	74,702,173

(1) Staff costs include provision for employees' end of service benefits amounting to QR 1,386,028 (2019: QR 322,282) (Note 17).

21. Financial instruments and risk management

Credit risk

The maximum exposure to credit risk at the reporting date was:

	2020	2019
Accounts and notes receivables	2,636,570	1,878,184
Other receivables	1,083,895	759,429
Due from related parties	-	16,281,278
Bank balances	5,750,670	4,798,906
	9,471,135	23,717,797

Allowance for impairment on financial assets recognised in profit or loss were as follows:

	2020	2019
Allowance for impairment of accounts and other receivables*	**528,842**	254,480

*Refer Note 11 for the movement in allowance for impairment of accounts and other receivables.

The Group uses cash shortfall method to measure the ECL of financial assets. This approach incorporates the expectations of cash shortfalls as well as the expected time period in which the financial assets will be collected.

Due from related parties

Management believes that there is no credit risk from due from related parties because the related parties are the Group's ultimate shareholder who are financially healthy.

Cash and cash equivalents

The Group held bank balances of QR 5,750,670 at 31 August 2020 (31 August 2019: QR 4,798,906). The cash and cash equivalents are held with bank and financial institution counterparties, which are fairly rated.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Group did not identify any significant impairment allowance as at 31 August 2020.

Liquidity risk

The following are the contractual maturities of financial liabilities, excluding the impact of netting agreement. The Group's expected cash flows on these instruments do not vary significantly from this analysis.

31 August 2020	**Carrying amounts**	**Contractual cash flows**	**Less than 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Trade and other payables excluding advances	10,532,784	(10,532,784)	(10,532,784)	-
Due to a related party	3,545,127	(3,545,127)	(3,545,127)	-
Lease liabilities	14,055,533	(19,454,263)	(5,028,328)	(14,425,935)
Loans and borrowings	36,558,151	(40,404,503)	(10,613,856)	(29,790,647)
Bank overdraft	3,611,419	(3,611,419)	(3,611,419)	-
	68,303,014	**(77,548,096)**	**(33,331,514)**	**(44,216,582)**

21. Financial instruments and risk management (continued)

Liquidity risk (continued)

31 August 2019	Carrying amounts	Contractual cash flows	Less than 1 year	More than 1 year
Non-derivative financial liabilities				
Trade and other payables excluding advances	6,158,905	(6,158,905)	(6,158,905)	-
Loans and borrowings	34,011,436	(41,485,137)	(10,602,732)	(30,882,405)
Lease liabilities (2019: finance lease liabilities)	870,268	(1,467,045)	(917,560)	(549,485)
Bank overdraft	5,001,681	(5,001,681)	(5,001,681)	-
	46,042,290	(54,112,768)	(22,680,878)	(31,431,890)

Market risk

Interest rate risk
At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	2020	2019
Fixed rate instruments		
Loans and borrowings	**24,706,594**	21,288,126
Average interest rate (p.a.)	**4% to 8%**	4% to 8%
Variable rate instruments		
Loans and borrowings	11,851,557	12,723,310
Bank overdraft	3,611,419	5,001,681
	15,462,976	17,724,991
Average interest rate (p.a.)	**5.75% to 6.7%**	5.75% to 6.7%

Cash flow sensitivity analysis for variable rate instruments
A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) owners' equity and profit or loss by QR 154,630 (2019: QR 177,250).

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of the Group's financial instruments is not materially different from their carrying values.

22. Contingent liabilities

	2020	2019
Payment guarantee	**633,000**	633,000

23. Significant estimates and judgments

Going concern
Management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources and capability to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, these consolidated financial statements continue to be prepared on a going concern basis.

23. Significant estimates and judgments (continued)

Impairment of non-financial assets
The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life intangible assets are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Provision for expected credit losses of financial assets
The Group uses a provision matrix to calculate ECLs for its financial assets. The provision rates for accounts receivable are based on days past due for the group of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Useful lives, residual values and related depreciation charges of property and equipment
The Group's management determines the estimated useful lives of its property and equipment to calculate depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually. Future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Useful lives of intangible assets
The Group's management determines the estimated useful lives of its intangible assets for calculating amortisation. This estimate is determined after considering the expected usage of the asset, technical or commercial obsolescence.

Provision and contingent liabilities
The Group's management determines provision on best estimate of the expenditure required to settle the present obligation as a result of the past event at the reporting date.

The Group's management measures contingent liabilities as a possible obligation depending on whether some uncertain future event occurs or a present obligation but payment is not probable or the amount cannot be measured reliably.

Lease liabilities
Management assesses whether contracts entered by the Group for renting various assets contain a lease. The lease identification, including whether or not the Group has contracted to substantially all the economic benefits of the underlying asset, may require significant judgement. Establishing the lease term may also present challenges where a contract has an indefinite term or is subject to auto renewal or there are renewal options that are unclear if they will be exercised at the option date. The extend of the lease term significantly influences the value of the lease liability and the related right-of-use asset and arriving at a conclusion sometimes requires significant judgement calls. Furthermore, once the lease term is established, management needs to estimate the future cash flows payable over the lease term and discount them using the incremental borrowing rate that a lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. That also requires significant judgment and affects both the lease liability and the fair value of the underlying asset.

24. Comparative figures

The comparative information for the previous year have been reclassified, where necessary, in order to conform to the current year's presentation. Such reclassification does not affect the reported net profit, net assets or equity of the previous year.

25. COVID 19 pandemic impact on the business

The coronavirus outbreak since early 2020 has brought about additional uncertainties in the Group's operating environment and did not have significant impact on the Group's consolidated financial position after the outbreak.

The Group has been closely monitoring the impact of the developments on the Group's businesses and has put in place contingency measures. These contingency measures include increasing options for logistics movements, online education for students, cost cutting measures like reduction of staff costs etc. The Group will keep its contingency measures under review as the situation evolves.

As far as the Group's businesses are concerned, the outbreak did not have any significant impact in the current year.

18. MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion of the financial condition and results of operations is based upon and should be read in conjunction with the Audited Financial Statements and related notes and Proforma Financial Information presented under Section 17: Auditor's Report and Financial Statements. This discussion contains forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those projected in forward-looking statements. In evaluating our business, you should carefully consider the information provided under the caption "Risk Factors" in this Information Memorandum.

18.1 Company Overview

The Company was established on 1 March 2015 as a holding Limited Liability Company in accordance with the Companies Law and the terms of its Articles of Association under commercial registration number 71150. Primary business activities include providing early years, primary and secondary education. These services are provided through the following business units:

- DA Al Waab;
- DA Salwa branch;
- DIKG; and
- AFG College

These business units fall under the Subsidiaries as described earlier in *Section 8: The Company* and are fully consolidated in the financials of the Company.

18.2 Key Operational Performance Indicators

Management considers the number of student enrolment, capacity utilization and average revenue per student as key indicators that impact the financial performance of the Company. These indicators and key trends are explained as below:

Average number of students

Student enrolment is a key contributor to the total revenue generated by the Company in terms of tuition and ancillary fees. Management monitors student enrolment on a school-by-school basis to help plan capacity expansion and track local market trends.

Doha Academy Schools and DIKG

The total number of students in Doha Academy Schools and DIKG increased from 2,496 to 2,568 in FY18/19, an increase of 72 students. However, in FY19/20, the number of students decreased by 11% (280 students). The decrease in the number of students was led by Management's strategic decision to forego capacity for KG and reception students and utilize this capacity for enrolling higher number of year 7,8 and 9 students instead. This decision also partly impacted the number of students in DA Al Waab, a decrease of 178 students in FY19/20. Further, job uncertainty following the onset of the COVID-19 pandemic also resulted in some drop-outs.

AFG College

During the first year of operations, AFG College enrolled 134 students across two undergraduate programmes. The number of students more than tripled from 134 to 585 students during the four years of operating history. This rapid growth is attributable to the success of AFG College's programme offerings and launch of new PG programmes in FY18/19 and FY19/20.

	Average Number of Students			Change (YOY)	
Academic Year	**2017-18**	**2018-19**	**2019-20**	**2018-19**	**2019-20**
DA Al Waab	2,137	2,107	1,929	-30	-178
DA Salwa	308	388	270	80	-118
DIKG	51	73	89	22	16
Total	**2,496**	**2,568**	**2,288**	**72**	**-280**
AFG College (UG programmes)	134	328	407	194	79
AFG College (PG programmes)	-	83	178	-	95
Total	**134**	**411**	**585**	**277**	**174**

Source: Management accounts

Capacity

The Company calculates capacity based on the seats available in the classrooms / lecture theatres.

Doha Academy Schools and DIKG

Capacity for Doha Academy Schools and DIKG has remained stable at 2,940 students. However, recent construction of a new building at the DA Salwa campus is expected to increase capacity by 200 students in the academic year 2020-21.

AFG College

AFG College had a total capacity of 750 students in FY17/18. In response to the high growth in student enrolment during FY19/20 and expected growth in the future, Management added a new teaching block to increase capacity by 100 students bringing the total capacity to 850 students.

Breakdown by Business Units	Total Capacity			Change (YOY)	
Academic Year	**2017-18**	**2018-19**	**2019-20**	**2018-19**	**2019-20**
DA Al Waab	2,325	2,325	2,325	-	-
DA Salwa	415	415	415	-	-
DIKG	200	200	200	-	-
Total	**2,940**	**2,940**	**2,940**	**-**	**-**
AFG College (UG programmes)	600	600	600	-	-
AFG College (PG programmes)	150	250	250	100	-
Total	**750**	**850**	**850**	**100**	**-**

Source: Management accounts

Utilisation

Utilisation is calculated as a ratio of average number of students to total capacity.

Doha Academy Schools and DIKG

Capacity utilization at Doha Academy Schools and DIKG schools averaged 83.4% the last three financial years. On a YOY basis, the capacity utilization decreased form 87.3% in FY18/19 to 77.8% in FY19/20 due to the decrease in number of students as mentioned above.

AFG College

Capacity utilization increased from 17.9% during the first year of operations to 68.8% during FY19/20 as the number of student enrolment ramped up.

Breakdown by Business Units	Average Capacity Utilisation			
Academic Year	**2017-18**	**2018-19**	**2019-20**	**3Y average**
DA Al Waab	91.9%	90.6%	83.0%	88.5%
DA Salwa	74.2%	93.5%	65.1%	77.6%
DIKG	25.5%	36.5%	44.5%	35.5%
Total	**84.9%**	**87.3%**	**77.8%**	**83.4%**
AFG College (UG programmes)	22.3%	54.7%	67.88%	48.3%
AFG College (PG programmes)	-	33.2%	71.2%	52.2%
Total	**17.9%**	**48.4%**	**68.8%**	45.0%

Source: Management accounts

Average revenue per student

Average revenue per student is calculated by dividing the total revenue by the average the number of students. This metric impacted primarily by the level and total amount of tuition fees generated by Doha Academy Schools, DIKG and AFG College. Any increase in the level of tuition fees is subject to the approval of the MOEHE. Other factors include student discounts and financial assistance and scholarships.

Doha Academy Schools

The average revenue per student in DA Al Waab and DA Salwa ranged from c. QAR 24,000 to QAR 30,000 during the last three financial years. Tuition fees were increased in FY17/18 and FY18/19 and after receiving regulatory approval.

AFG College

The average revenue per student in the UG programmes increased by 5.5% YOY to QAR 85,061 during FY18/19 and by an additional 1.4% in FY19/20. The growth in average revenue per student in the PG programmes was significantly higher from QAR 89,157 to QAR 92,697 during FY19/20 (4.0% YOY) due to launch of new PG programmes.

Breakdown by Business Units	Average Fee per Student (QAR)			Change (YOY)	
Year ended 31 August	**2018***	**2019**	**2020**	**2019**	**2020**
DA Al Waab	27,609	30,090	30,378	9.0%	1.0%
DA Salwa	24,026	25,000	27,407	4.1%	9.6%
DIKG	17,647	17,808	17,978	0.9%	1.0%
Total	**26,963**	**28,972**	**29,545**	**7.5%**	**2.0%**
AFG College (UG programmes)	80,597	85,061	86,241	5.5%	1.4%
AFG College (PG programmes)	-	89,157	92,697	-	4.0%
Total	**80,597**	**85,888**	**88,205**	**6.6%**	**2.7%**

Source: Management accounts

18.3 Principle Components of Operating Results

Revenue

Revenue is referred to as fees and is recognised net of different discounts for students. Sales of services which have been invoiced but not yet recognised as revenue are included on the balance sheet as unearned revenue and are accounted for within trade and other payables.

The main source of revenue is tuition fees. Other sources of revenue include income from sale of text books, registration fees, examinations, bus transportation and entrance exam fees[42]. Fee income is generally payable in advance, on or before the first day of each term or semester. The Company generally recognises tuition fee income over the twelve months i.e. from September to August. Standard terms and conditions require a month's notice of withdrawal for a refund of prepaid tuition fees.

Revenue recognition

The academic year of the school and college generally runs from 1st September through to the end of June, with the first term / semester from September to December, the second term / semester from January to March and the third term / semester from April to June. School and college fees are payable in advance on or before the first day of each term / semester. When fees are invoiced in advance for future months, they are deferred in the balance sheet and released to revenue in the month to which they relate. This policy reflects the profile of service delivery across the financial year.

Direct learning costs are accrued and recognised on a similar basis. As the financial year runs from the 1st September to 31st August, the majority of earnings from the schools and college are recognised equally over the full 12 months of the year. This results in a smoothed operating profit across the calendar year, matching direct and indirect teaching costs and other costs.

General and administrative expenses ("G&A")

G&A expenses primarily consist of staff expenses related to salary and benefits for teaching staff including but not limited to staff employed in the Doha Academy Schools, DIKG and AFG College.

Another key driver of these expenses are royalty fees payable by AFG College as part of its contractual agreement with the University of Aberdeen. These fees are calculated on a percentage of the tuition fees received and are based on a scaled shared revenue model with 10% of tuition fees payable in year 1 of operations, 15% in year 2 and 25% in year 3 and onwards until the expiry of the agreement on 17 November 2040. In addition, AFG College also pays fees for visiting faculty to the University. This fee is nominal and will be phased out over time as AFG College builds its own full-time faculty.

Other G&A expenses include professional fees, legal fees, audit fees, rent for the premises for Doha Academy Schools, DIKG and AFG college and staff accommodation, marketing and recruitment costs, allowance for bad debts, etc.

Depreciation and amortisation

Depreciation is calculated to write-off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives or the earlier of the lease term or its useful life in case of ROUA.
Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives. Goodwill is not amortised.

Depreciation and amortisation methods and useful lives of property and equipment are reviewed at each financial year-end and adjusted if appropriate.

Finance costs

Finance costs represent interest on borrowings, financial leases including lease of IT equipment from Ooredoo lease liabilities related to properties and bank overdraft facilities.

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[42] Represents fees for conducting entrance exams for new students. The results of such exams are used to evaluate the skills level of the applicant and based on the results they could be enrolled in the school.

18.4 Key Factors Affecting Results of Operations

Key factor impacting the financial performance and position of the Company during the financial year ended 31 August 2018, 2019 and 2020 are described below:

18.4.1 Key Factors Affecting Results of Operations during FY18/19

Intra-Group Acquisitions during the Year Ended 31 August 2018

As mentioned earlier in *Section 8: The Company,* the Company fully acquired four entities during 2018. Details are shown below:

	Doha Academy W.L.L	DIKG	AFG-EAS
Legal restructuring[43]	31 July 2018	30 April 2018	31 July 2018
Purchase consideration	QAR 187 million	QAR 648,175	QAR 118 million

Source: Management Information

Due to the difference in timing of the above acquisitions, the audited consolidated financial statements for the year ended 31 August 2018 do not reflect the combined activities of all the entities within the group for the full year. Please refer to the compiled unaudited proforma financial information and the related notes as of 31 August 2018 and comparative analysis as well as other information presented under "Auditors Report and Financial Statements" for further details.

Additional Capital Contribution

During FY18/19, the Company settled QAR 271.3 million in amounts due to related parties. As part of a shareholder agreement, the amount was settled partly in cash (QAR 16.6 million) while the remaining amount (QAR 254.8 million) was transferred as additional capital contribution in a non-cash transaction. This resulted in an increase in total equity from QAR 13.0 in FY17/18 to QAR 280.4 million in FY18/19. have been presented below for illustrative purposes:

Year ended 31 August	2018 Audited	2019 Audited	Abs. Change
Due to related parties	271.3	-	(271.3)
Capital contribution	-	254.8	254.8
Total equity	13.0	280.4	267.4

Source: Audited Financial Statements

Rental agreement between the Company, AFG College and the Founder

Prior to the acquisition of AFG College in July 2018, the Company generated rental income of QAR 3.3 million under a rental agreement between the Company and the Founder. Upon acquisition, rental expense incurred by AFG College under a sub-lease was offset with the rental income received by the Company upon consolidation. However, the consolidation impact was for one month only due to the timing of the acquisition. Resultantly, the Company recognized rental income of QAR 3.3 million for 11 months based on a monthly rate of QAR 300,000. No rental income was recognized in subsequent years due to the consolidation effect.

[43] Dates for the legal restructuring are based on the 'control transfer' or 'effective date of the transactions' as stated in the legal acquisition documents.

18.4.2 Key Factors Affecting Results of Operations During FY19/20

Adoption of IFRS 16 Leases

The Company adopted IFRS 16 Leases on 1 September 2019 resulting in recognition of finance leases, which were previously accounted for as operating leases. This in turn impacted the net profit for FY19/20 as recognition of lease liabilities and ROUA led to an increase in depreciation expense and finance costs which more than offset a decrease in rent expense as shown in the table below:

Impact of IFRS 16 leases	**Amount** (QAR million)		
Year ended 31 August	**2019** Audited	**IFRS 16** **Adjustments**	**2020** Audited
ROUA	-	67.0	67.0
Lease liabilities	0.9	17.2	18.0
Capital contribution	254.8	15.3	270.0
Due from related parties	16.3	(34.6)	(18.3)
Rental expense	9.4	(8.9)	2.3
Depreciation (ROUA)	-	11.4	11.4
Finance cost	-	1.0	1.0

Source: Audited Financial Statements

The Company's ROUA, which comprises of land, school and university premises and staff accommodation, were measured at an amount equal to the lease liabilities. The Company recognised ROUA asset at market rate against lease obtained at subsidised rate from the controlling shareholder and the difference between present value of market rate and actual rate was recognised as capital contribution of QAR 15.3 million. There was no adjustment to the retained earnings as at 1 September 2019.

The lease liabilities were measured at the present value of the future lease payments on adoption of IFRS 16. When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 September 2019. The incremental borrowing rates used was 6%.

Increase in royalty fees

As part of the contractual arrangement with the University of Aberdeen, AFG College incurred a higher royalty fee of 15% of student fees in FY18/19 and 25% in FY19/20 compared to 10% in FY17/18, the first year of operations as explained earlier in *Section 18.3: Principal Components of Operating Results*. This led to an increase in general and administrative expenses.

Change in business strategy

During FY19/20, Management undertook a strategic decision to forego capacity for KG and reception students and utilize this capacity for enrolling higher number of year 7,8 and 9 students instead. As explained earlier, this decision contributed to a decrease in the number of students enrolled in the Doha Academy and impacted financial performance.

Impact of COVID-19

The coronavirus outbreak since early 2020 brought about additional uncertainties in the Company's operating environment. However, there was no significant impact on the consolidated financial position. Management has been closely monitoring the impact of COVID-19 on business operations and has put in place contingency measures. These include increasing options for logistics movements, online education for students, cost cutting measures like reduction of staff costs etc. The Company will keep its contingency measures under review as the situation evolves. As far as the Company's business activity is concerned, the outbreak did not have any significant impact during FY19/20.

18.5 Income Statement Analysis for the Years Ended 31 August 2018 - 2020

The following table presents a summary income statement and selected financial ratios for the last three financial years ended 31 August 2018, 2019 and 2020. The table also includes unaudited proforma financial information for the year ended 2018 for comparative purposes as the audited financial statements for the same period do not reflect the full year impact of the acquisition of the Subsidiaries.

Summary Income Statement	**Amount** (QAR million)				**Change (YOY)**	
Year ended 31 August	**2018**	**2018**	**2019**	**2020**	**2019**[44]	**2020**
	Audited	Unaudited proforma	Audited	Audited		
Fees	5.8	78.3	109.4	118.7	39.7%	8.5%
Rent income[45]	3.3	-	-	-	-	-
Book expenses	-	(3.3)	(2.1)	(1.8)	-36.3%	-13.2%
G&A expenses	(4.8)	(57.2)	(75.0)	(77.8)	31.0%	3.7%
EBITDA	**4.3**	**17.7**	**32.3**	**39.1**	**82.4%**	**20.8%**
Depreciation	(1.4)	(6.9)	(10.0)	(21.4)	44.4%	113.9%
Amortisation	(0.6)	(7.7)	(7.7)	(7.7)	-	-
Operating profit	**2.3**	**3.1**	**14.6**	**9.9**	**373.2%**	**-32.0%**
Finance costs	(0.5)	(2.4)	(1.9)	(2.9)	-20.8%	48.3%
Net profit	**1.9**	**0.6**	**12.7**	**7.1**	NM	**-44.2%**
Selected ratios					**Abs. change**	
EBTIDA margin[46]	74.0%	22.6%	29.6%	32.9%	6.9%	3.4%
Net profit margin[47]	31.9%	0.8%	11.6%	6.0%	10.8%	-5.6%

Source: Audited Financial Statements and Proforma Financial Information

Fees

As described earlier, the main source of revenue for the Company is tuition fees which averaged 90.1%[48] of total fees during the last two financial years ended 31 August 2019 and 2020. Despite, the decrease in number of students in Doha Academy Schools, total tuition fees increased by 11.8% during FY19/20 to reach QAR 108.6 million and contributed 91.5% of total fees. The increase was driven by higher enrolment in AFG College and increase in average fee per student in the UG and PG programmes. The increase in tuition fees more than offset the decrease in revenue from sale of books, registration and exam fees declined due to the drop in students in Doha Academy Schools.

44 represents change in FY18/19 financials vs proforma unaudited financials for FY17/18
45 Rent income was eliminated upon consolidation of AFG College and change in lease agreement as explained earlier
46 EBITDA divided by total fees
47 Net profit divided by total fees
48 Calculated as the average of the contribution of tuition fees to total fees in FY18/19 and FY19/20

Fee Breakdown by Type	Amount (QAR million)			Contribution	
Year ended 31 August	**2018**	**2019**	**2020**	**2019**	**2020**
	Audited	Audited	Audited		
Tuition	5.8	97.1	108.6	88.8%	91.5%
Books	-	7.1	6.2	6.5%	5.2%
Registration	-	1.5	1.1	1.4%	1.0%
International exam fees	-	1.9	1.4	1.7%	1.2%
Application and entrance exam fees	-	0.6	0.4	0.5%	0.3%
Transport	0.0	0.8	0.6	0.8%	0.5%
Other	0.0	0.3	0.3	0.3%	0.3%
Total fees	**5.8**	**109.4**	**118.7**	**100.0%**	**100.0%**

Source: Audited Financial Statements

Total fees increased from QAR 78.3 million in FY17/18 based on Proforma Financial Information to QAR 109.4 million in FY18/19, representing an increase of 39.7% YOY. The increase was driven by higher student enrolment and increase in the level of tuition fees.

AFG College was a key growth driver generating total fees of QAR 35.0 million in FY18/19 which more than doubled as compared to FY17/18 as the college entered third year of operations. During FY19/20, total fee growth slowed to 8.5% and stood at QAR 118.7 million. The decrease in growth rate was due to the drop in the number of students in the Doha Academy Schools as explained earlier (see *Section 18.4.1: Key factors affecting results of operations during FY18/19)*.

Fee Breakdown by Business Units	Total fees (QAR million)			Change (YOY)	
Year ended 31 August	**2018**	**2019**	**2020**	**2019**[49]	**2020**
DA Al Waab	59.0	63.4	58.6	7.5%	-7.6%
DA Salwa	7.4	9.7	7.4	31.5%	-23.1%
DIKG	0.9	1.3	1.6	43.8%	24.1%
Total (Doha Academy)	**67.3**	**74.4**	**67.7**	**10.6%**	**-9.0%**
UG programmes	11.0	27.6	34.3	149.9%	24.5%
PG programmes	-	7.4	16.5	-	122.7%
Total (AFG College)	**11.0**	**35.0**	**50.9**	**217.1%**	**45.3%**
Other income	-	-	0.1	-	-
Total revenue	**78.3**	**109.4**	**118.7**	**39.7%**	**8.5%**

Source: Management accounts

Notwithstanding the decline in FY19/20 fee revenue generated by Doha Academy Schools, Management expects higher fee revenue in the future based on the following factors:

- DA Salwa passed the QNSA accreditation and subsequently enrolled into a voucher programme 2017/18 whereby the Government of Qatar will sponsor the education of each Qatari student with fees of up to QAR 28,000 per student. This is expected to result in a higher number of enrolment of Qatari students 35.6% Qatari students.
- Capacity expansion through recent completion of construction of a new teaching block at DA Salwa campus. This new purpose-built building has 10 new classrooms and can accommodate up to 200 students.
- Focussed marketing and student recruitment plan.

[49] Represents change in FY18/19 audited financials vs FY1718 unaudited proforma financials

DA Al Waab, being the biggest school by capacity, contributed 58.0% and 49.4% of total fees during FY18/19 and FY19/20, respectively. Overall, Doha Academy Schools and DIKG contributed 62.5% of total fees on average during the last two financial years while AFG College contributed over 37.4% of total fees on average during the same period.

Fee contribution	**Total fees** (QAR million)			**Total fee contribution**	
Year ended 31 August	**2018**	**2019**	**2020**	**2019**	**2020**
DA Al Waab	59.0	63.4	58.6	58.0%	49.4%
DA Salwa	7.4	9.7	7.4	8.8%	6.3%
DIKG	0.9	1.3	1.6	1.2%	1.4%
Total fees	**67.3**	**74.4**	**67.7**	**68.0%**	**57.0%**
UG programmes	11.0	27.6	34.3	25.2%	28.9%
PG programmes	-	7.4	16.5	6.8%	13.9%
Total (AFG College)	**11.0**	**35.0**	**50.9**	**32.0%**	**42.8%**
Other income	-	-	0.1	-	-
Total fee	**78.3**	**109.4**	**118.7**	**100.0%**	**100.0%**

Source: Management accounts

Book expenses

Book expenses represent the cost of purchasing textbooks and recorded a declining trend from QAR 3.3 million in FY17/18 based on Proforma Financial Information to QAR 1.8 million in FY19/20. The decrease was primarily driven by lower purchases especially, due to the decreased in the number of students in FY19/20.

G&A Expenses

Total G&A expenses increased slightly from QAR 74.7 million during FY18/19 to QAR 77.2 million in FY19/20. This was primarily driven by an increase in staff costs and royalty fees. Staff costs accounted for 41.2% of total fees in FY18/19 and decreased to 38.8% of total fees in FY19/20 due to higher growth in the fees. On the other hand, royalty fees increased from 6.9% to 14.2% of total fees in FY19/20 due to the change in contractual agreement provisions with the University of Aberdeen which led to a higher rate payable.

The increase in staff costs and royalty was offset was partially offset by a decrease in rent expense from QAR 9.4 million to QAR 2.3 million due to adoption of IFRS 16.

Overall, total G&A expenses declined from 68.3% of total fees in FY18/19 to 65.1% in FY19/20. Note that the breakdown of G&A expenses as per audited financial statements for the year 31 August 2018 presented in the table below is not comparable as these do not include the full year impact of the acquisitions.

Breakdown of G&A Expenses	**Amount** (QAR million)			**As % of total fees**	
Year ended 31 August	**2018** Audited	**2019** Audited	**2020** Audited	**2019**	**2020**
Staff costs	3.0	45.1	46.0	41.2%	38.8%
Royalty	-	7.6	16.8	6.9%	14.2%
Rent	0.8	9.4	2.3	8.6%	1.9%
Cleaning and facility management	0.3	4.1	3.6	3.7%	3.0%
Repair and maintenance	-	0.9	1.5	0.8%	1.3%
Advertisement	-	1.2	0.5	1.1%	0.5%
Communication	0.1	0.9	0.7	0.9%	0.6%
Travel	0.0	0.9	0.6	0.8%	0.5%
Legal and professional fees	0.4	0.8	0.9	0.8%	0.7%
Other	0.2	3.7	4.3	3.4%	3.6%
Total	**4.8**	**74.7**	**77.2**	68.3%	65.1%

Source: Audited financial statements

EBITDA

EBITDA margin increased from 22.6% in FY17/18 based on Proforma Financial Information to 32.9% in FY19/20 due to higher increase in total fees in proportion to general and administrative and book expenses. A key driver was the contribution from AFG College which witnessed negative EBITDA in the year of operation in FY17/18 and turned EBITDA positive in FY18/19 on account of rapid increase in student enrolment.

Depreciation and amortisation

Depreciation on property and equipment increased by 45.3% in FY18/19 as the Company primarily due to additional depreciation incurred on leasehold improvements related to the existing premises of the Doha Academy for schools and AFG college however, remained stable in the year after. During FY19/20, the Company incurred additional depreciation of QAR 11.4 million due to adoption of IFRS 16. Amortisation of intangible assets remained stable throughout the last three financial years.

Depreciation and amortisation	**Depreciation** (QAR million)			**Change (YOY)**	
Year ended 31 August	**2018** Proforma	**2019** Audited	**2020** Audited	**2019**	**2020**
Depreciation on property and equipment	6.9	10.0	10.1	44.4%	0.3%
Depreciation on ROUA	-	-	11.4	-	NM
Amortisation	7.7	7.7	7.7	--	-

Source: Audited Financial Statements and Proforma Financial Information

Finance costs

Finance costs decreased from QAR 2.4 million in FY17/18 based on Proforma Financial Information to QAR 1.9 million FY18/19 as the Company incurred expenses of finance leases related to IT equipment. During FY19/20, finance costs increased to QAR 2.9 million due to increase in total debt and interest expense related to lease liabilities.

Net profit

The Company witnessed a significant increase in net profit from QAR 0.6 million in FY17/18 based on Proforma Financial Information to QAR 12.7 million in FY18/19. AFG College was a key contributor as it turned profitable after incurring losses in the first year of operations. During FY19/20 however, net profit declined to QAR 7.1 million as an increase in EBITDA margin was more than offset by higher depreciation expenses and finance costs primarily due to adoption of IFRS 16.

18.6 Balance Sheet Analysis for the Year Ended 31 August 2018 - 2020

The following table presents a summary balance sheet and selected financial ratios for the last three financial years ended 31 August 2018, 2019 and 2020.

Summary Balance Sheet	**Amount** (QAR million)			**Change (YOY)**	
Year ended 31 August	**2018**	**2019**	**2020**	**2019**	**2020**
	Audited	Audited	Audited		
Non-current assets	349.8	336.1	388.4	-3.9%	15.6%
Current assets	13.6	24.0	10.3	76.3%	-57.0%
Total assets	**363.4**	**360.0**	**398.7**	-0.9%	10.7%
Share capital	10.0	10.0	10.0	0.0%	0.0%
Capital contribution	-	254.8	270.0		6.0%
Legal reserve	0.3	1.6	2.3	417.2%	45.0%
Retained earnings	2.7	14.1	18.1	414.3%	28.4%
Total equity	**13.0**	**280.4**	**300.4**	NM	7.1%
Non-current liabilities	27.2	27.4	40.1	0.7%	46.3%
Current liabilities	323.1	52.2	58.2	-83.8%	11.5%
Total liabilities	**350.3**	**79.6**	**98.3**	-77.3%	23.5%
Total equity and liabilities	**363.4**	**360.0**	**398.7**	0.9%	10.7%
Selected ratios				**Abs. Change**	
Return on assets[50]	0.2%	3.5%	1.9%	3.3%	1.6%
Return on equity[51]	4.9%	8.6%	2.4%	3.7%	-6.2%
Net debt/ total equity	228.0%	12.2%	11.4%	NM	-0.7%

Source: Audited Financial Statements

Non-current Assets

Total non-current assets increased from QAR 349.8 million in FY17/18 to QAR 388.4 million in FYI9/20 primarily, due to recognition of ROUA following adoption of IFRS 16. Non-current assets primarily consist of intangible assets and goodwill arising from the Company's acquisition of the Subsidiaries in FY17/18.

Other non-current assets comprise property and equipment mainly comprise buildings, furniture, leasehold improvements, and learning resources. The Company did not incur any significant capital expenditure during the last three financial years except for some additions related to leasehold improvements.

Breakdown of Non-Current Assets	**Amount** (QAR million)			**Change (YOY)**	
Year ended 31 August	**2018**	**2019**	**2020**	**2019**	**2020**
	Audited	Audited	Audited		
Property and equipment	98.8	92.8	84.0	-6.1%	-9.4%
ROUA	-	-	68.8	-	-
Intangible assets and goodwill	251.0	243.3	235.6	-3.1%	-3.2%
Total non-current assets	**349.8**	**336.1**	**388.4**	-3.9%	15.6%

Source: Audited financial statements

50 Net profit divided by total assets in FY17/18 and average total assets in FY18/9 and FY19/20

51 Net profit divided by total equity in in FY17/18 and average total equity in FY18/9 and FY19/20

Current assets

Total current assets increased from QAR 13.6 million in FY17/18 to QAR 24.0 million in FY18/19 mainly due to an increase in amounts due to related parties. These amounts were settled in the next year and adjusted against capital contribution to account for the difference between the present value of market rate and actual rate of the ROUA.

Breakdown of Current Assets	**Amount** (QAR million)			**Change (YOY)**	
Year ended 31 August	**2018**	**2019**	**2020**	**2019**	**2020**
	Audited	Audited	Audited		
Inventories	-	-	0.8		
Accounts and other receivables	1.9	2.8	3.7	47.2%	31.7%
Due from related parties	4.7	16.3	-	248.7%	-100.0%
Cash and bank balances	7.0	4.9	5.8	-30.4%	19.0%
Total current assets	**13.6**	**24.0**	**10.3**	76.3%	-57.0%

Source: Audited Financial Statements

Debt

As of 31 August 2018, total debt (excluding bank draft) stood at QAR 31.9 million which increased by 6.6% to QAR 34.0 million in FY18/19 to fund working capital needs. In FY19/20, the Company took advantage of the Government stimulus programme to alleviate the impact of COVID-19 and obtained additional bank debt from a local bank for payment of salaries and expenses thus, resulting in an increase in total debt by 7.5% to reach QAR 36.6 million FY19/20.

Breakdown of Total Debt	**Amount** (QAR million)			**Change (YOY)**	
Year ended 31 August	**2018**	**2019**	**2020**	**2019**	**2020**
	Audited	Audited	Audited		
Debt (current portion)	6.8	8.8	8.9	28.6%	0.7%
Debt (non-current portion)	25.1	25.2	27.7	0.6%	9.9%
Total debt	31.9	34.0	36.6	6.6%	7.5%
Bank overdraft	4.9	5.0	3.6	2.6%	-27.8%
Total debt (incl. bank overdraft)	**36.8**	**39.0**	**40.2**	**6.1%**	**3.0%**
Cash	7.0	4.9	5.8	-30.4%	19.0%
Net debt	**29.7**	**34.1**	**34.3**	**14.7%**	**0.7%**

Source: Audited Financial Statements

Other Liabilities

Other liabilities mainly comprise due to related parties, trade and other payables and lease liabilities. Trade and other payables are predominantly driven by tuition fees received in advance for Doha Academy Schools, DIKG and AFG College. In FY17/18, the Company recorded amounts due to related parties of QAR 271.3 million which were settled in the following year as explained earlier resulting in total other liabilities of QAR 40.6 million. Other total liabilities increased by 43.2% to reach QAR 58.2 million as of 31 August 2020 due to recognition of lease liabilities following adoption of IFRS 16.

Breakdown of Other Liabilities	**Amount** (QAR million)			**Change (YOY)**	
Year ended 31 August	**2018**	**2019**	**2020**	**2019**	**2020**
	Audited	Audited	Audited		
Lease liabilities	-	0.9	14.1	-	NM
Due to a related party	271.3	-	3.5	-100.0%	-
Trade and other payable	40.1	37.8	37.8	-5.5%	0.0%
EOSB	2.2	1.9	2.7	-11.8%	42.9%
Total other liabilities	**313.5**	**40.6**	**58.2**	**-87.0%**	**43.2%**

Source: Audited Financial Statements

Total equity

Total equity increased from QAR 13.0 million in FY17/18 to QAR 280.4 million in FY18/19 mainly due to additional capital contribution as part of settlement of some amounts due related parties and increase in retained earnings. A further increase in capital contribution to account for ROUA and continued growth in retained earnings led to further increase in total equity to QAR 300.4 million as of 31 August 2020.

	Amounts (QAR million)			**Change (YOY)**	
Year ended 31 August	**2018**	**2019**	**2020**	**2019**	**2020**
	Audited	Audited	Audited		
Share capital	10.0	10.0	10.0	0.0%	0.0%
Capital contribution	-	254.8	270.0	-	6.0%
Legal reserve	0.3	1.6	2.3	417.2%	45.0%
Retained earnings	2.7	14.1	18.1	414.3%	28.4%
Total equity	**13.0**	**280.4**	**300.4**	2050.3%	7.1%

Source: Audited Financial Statements

18.7 Cash Flow Analysis for the Year Ended 31 August 2018 - 2020

Cash Flows from / (used in) Operating Activities

The Company incurred net cash outflow of QAR 3.1 million in FY17/18 mainly due to payment of QAR 66.6 million to settle the due to related parties. Despite an increase in net profit from QAR 1.9 million to QAR 12.7 million in FY18/19, the Company incurred cash outflow of QAR 1.2 million. This was driven by cash outflow incurred in relation to amounts due to and from related parties and inject additional capital in the Company as part of a shareholder agreement as explained in *Section 18.4.1 Key Factors Affecting Results of Operations during FY18/19.* Strong operational performance supported by an increase in EBITDA margin, resulted in cash inflow of QAR 7.0 million in FY19/20.

Cash flows from / (used in) Operating Activities	**Amount** (QAR million)		
Year ended 31 August	**2018** Audited	**2019** Audited	**2020** Audited
Net profit	1.9	12.7	7.1
Adjustments:			
Depreciation and amortisation	2.0	17.7	29.1
EOSB provision	0.1	0.3	1.4
Allowance for bad debts	-	0.4	0.5
Finance costs	0.5	1.9	2.9
Changes in:			
Inventories	-	-	(0.8)
Account receivables	0.6	(1.4)	(1.4)
Due from related parties	57.3	(11.6)	(32.6)
Due to related parties	(66.6)	(16.6)	3.5
Trade and other payables	1.8	(2.2)	(0.0)
Cash from operating activities	**(2.6)**	**1.3**	**9.7**
EOSB paid	(0.0)	(0.6)	(0.6)
Finance costs paid	(0.5)	(1.9)	(2.1)
Net cash flow from operating activities	**(3.1)**	**(1.2)**	**7.0**

Source: Audited Financial Statements

Cash flows used in investing activities

Net cash outflow from investing activities primarily represents capital expenditure ("Capex") related to the educational facilities of Doha Academy Schools, DIKG and AFG College. The Company had minimal Capex requirements in FY17/18. In FY18/19, the Company incurred an outflow of QAR 4.0 million due to capacity expansion at AFG College thorough addition of a new teaching block. During the following year, the Company incurred outflow of QAR 1.3 million related to leasehold improvements.

Cash flows from Investing Activities	**Amount** (QAR million)		
Year ended 31 August	**2018** Audited	**2019** Audited	**2020** Audited
Acquisition of property and equipment	(0.2)	(4.0)	(1.3)
Movement in bank guarantee deposit	-	1.0	-
Net cash flow from investing activities	**(0.2)**	**(3.1)**	**(1.3)**

Source: Audited Financial Statements

Cash flows from/ (used in) financing activities

The Company reported net cash inflow of QAR 3.9 million in FY17/18 representing proceeds from bank debt. In the following year, the Company borrowed an addition QAR 10.1 million and repaid QAR 7.2 million of financial obligations resulting in net cash inflow of QAR 3.0 million. The proceeds from debt were used for general corporate purposes. In FY19/20, the Company incurred net cash outflow of QAR 3.3 million due to repayment of principal on existing debt facilities and repayment of principal amount of lease liabilities.

Cash flows from Financing Activities	Amount (QAR million)		
Year ended 31 August	**2018** Audited	**2019** Audited	**2020** Audited
Proceeds from borrowings	-	10.1	6.7
Repayment of borrowings	-	(6.6)	(4.9)
Repayment of lease liabilities	-	(0.6)	(5.2)
Net movement in loans and borrowings	3.9	-	-
Net cash flow from financing activities	**3.9**	**3.0**	**(3.3)**

Source: Audited Financial Statements

Net cash flow

Net cash balance inclusive of bank overdraft and guarantee deposits reached QAR 7.0 million in FY17/18 and decreased to QAR 4.9 million and QAR 5.8 million in FY18/19 and FY19/20, respectively.

Net Cash Flows	Amount (QAR million)		
Year ended 31 August	**2018** Audited	**2019** Audited	**2020** Audited
Net changes in cash and cash equivalents	**0.5**	**(1.3)**	**2.3**
Cash and cash equivalents at the beginning of the year	-	0.5	(0.8)
Cash and cash equivalents	**0.5**	**(0.8)**	**1.6**
Bank overdraft	4.9	5.0	3.6
Guarantee deposits	1.6	0.7	0.7
Net cash balance	**7.0**	**4.9**	**5.8**

Source: Audited Financial Statements

The Company believes that its operating cash flows as of the date of this IM and available revolving credit facility will be sufficient to fund working capital requirements, anticipated capital expenditures and debt service requirements for the next 12 months.

18.8 Results of Operations During the First Quarter ("Q1") 2020/21 Compared to Q1 2019/20

Income statement analysis

The following table presents a summary income statement and selected financial ratios for Q1 ended 30 November 2019 and 2020.

Summary Income Statement	**Amount** (QAR million)		**Change (YOY)**
Q1 ended 30 November	**2019/20** Unaudited and Unreviewed	**2020/21** Unaudited and Unreviewed	**Q1 2020/21 vs. Q1 2019/20**
Fees[52]	34.6	33.1	-4.4%
Book expenses	(1.7)	(1.6)	-5.6%
G&A expenses	(21.6)	(17.7)	-18.0%
EBITDA	**11.4**	**13.8**	**21.4%**
Depreciation	(5.2)	(5.7)	11.0%
Amortisation	(1.9)	(1.9)	0.0%
Operating profit	**4.3**	**6.2**	**43.7%**
Finance costs	(0.6)	(1.0)	52.6%
Net profit	**3.6**	**5.2**	**42.1%**
Selected ratios			**Abs. change**
EBTIDA margin[53]	32.8%	41.7%	8.9%
Net profit margin[54]	10.5%	15.6%	5.1%

Source: Management Information

Total fees decreased from QAR 34.6 million in Q1 2019/20 to QAR 33.1 million in Q1 2020/21, a YOY decrease of 4.4%. During this period, AFG College continued to register high growth in student enrolments in both UG and PG programmes. However, a decrease in Foundation level students in Doha Academy Schools led to a decrease in total fees. This decrease was mainly driven by healthcare concerns amidst the ongoing COVID-19 pandemic. Additionally, some parents elected to postpone enrolment in KG1 and take advantage of the British education system which allows direct enrolment in KG2.

The decrease in student enrolment led to lower book expenses of QAR 1.6 million representing a decrease of 5.6% YOY during Q1 2020/21. The Company also witnessed a decline in G&A expenses from QAR 21.6 million (62.6% of total fees) in Q1 2019/20 to QAR 17.7 million (53.7% of total fees) in Q1 2020/21. AFG College was a primary contributor due to a reduction in travel expenses related to visiting faculty from the University of Aberdeen following a switch to online classes. Lower G&A expenses contributed to an increase in EBITDA margin from 32.8% in Q1 2019/20 to 41.7% in Q1 2020/21.

During Q1 2020/21, depreciation expenses increased from QAR 5.2 million to QAR 5.7 million, an increase of 11.0% YOY due to increase in ROUA following IFRS 16 adoption. Amortisation expenses remained flat while finance expenses increased due to higher lease liabilities. Overall, the Company benefitted from higher EBITDA margins resulting in an increase in net profit of 42.1% YOY in Q1 2020/21 to reach QAR 5.2 million. While net profit margin increased from 10.5% during Q1 2019/20 to 15.6% in Q1 2020/21.

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[52] Total fees include other income which represented less than 1.0% of total fees
[53] EBITDA divided by total fees
[54] Net profit divided by total fees

Balance sheet analysis

The following table presents a summary balance sheet and selected financial ratios for Q1 ended 30 November 2019 and 2020.

Summary Balance Sheet	**Amount** (QAR million)			**Change (YOY)**
Period ended	**31 Aug 2020**	**30 Nov 2019**	**30 Nov 2020**	**Q1 2020/21**
	Audited	Unaudited and Unreviewed	Unaudited and Unreviewed	**vs. Q1 2019/20**
Non-current assets	388.4	377.0	343.3	-9.0%
Current assets	10.3	11.3	18.2	61.2%
Total assets	**398.7**	**388.3**	**361.5**	**-6.9%**
Share capital	10.0	10.0	10.0	0.0%
Capital contribution	270.0	263.9	230.8	-12.6%
Legal reserve	2.3	1.6	2.3	45.0%
Retained earnings	18.1	17.7	7.2	-59.1%
Total equity	**300.4**	**293.2**	**250.3**	**-14.6%**
Non-current liabilities	40.1	31.2	50.9	63.0%
Current liabilities	58.2	63.9	60.3	-5.6%
Total liabilities	**98.3**	**95.1**	**111.1**	16.9%
Total equity and liabilities	**398.7**	**388.3**	**361.5**	**-6.9%**
Selected ratios				**Abs. change**
Return on assets[55]	1.9%	0.9%	1.4%	0.5%
Return on equity[56]	2.4%	1.2%	2.1%	0.8%
Net debt/ total equity	11.4%	11.8%	13.1%	1.2%

Source: Management Information

Total assets amounted to QAR 361.5 million in Q1 2020/21, a decrease of 6.9% YOY compared to the same period in the prior year. The decrease was primarily driven by a reduction in ROUA assets after negotiating a lower lease amount and term for some of the properties used by Doha Academy Schools. This decrease was partially offset by an increase in current assets due to higher receivables related to vouchers from the MOEHE.

Total equity decreased from QAR 293.2 million in Q1 2019/20 to QAR 250.3 million in Q1 2020/21 due to a decrease in the amount of capital contribution and distribution of dividend to fully settle amounts due from related parties. This led to an increase in return on equity from 1.2% Q1 2019/20 to 2.1% in Q1 2020/21.

Total liabilities increased from QAR 95.1 million in Q1 2019/20 to QAR 111.1 million in Q1 2020/21, an increase of 16.9% YOY. The increase was primarily driven by an increase in non-current liabilities due to recognition of additional lease liabilities related to AFG College premises.

[55] Net profit divided by total assets in Q1 FY19/20 and FY20/21

[56] Net profit divided by total equity in Q1 FY19/20 and FY20/21

19. SUMMARY OF THE COMPANY'S ARTICLES OF ASSOCIATION

The following is a summary of the Articles noting that a copy of the Articles and Memorandum of Association of the Company along with a copy of this Information Memorandum shall be available on the website of the Company within a reasonable period before the date of the Listing.

19.1 Shareholders' Rights

All the Shares are of equal value and enjoy equal voting and other inherent rights, which, in accordance with the Companies Law, include:

The right to receive dividends declared in the general meeting;

(i) Preferential rights to subscribe for any new Shares, except as provided for under law;

(ii) The right to share in the distribution of the proceeds of the Company's assets on liquidation; and

(iii) The right to be invited to attend the general meeting and vote in such meetings personally or by proxy in accordance with the Articles; and

(iv) In addition to the requirements set out in the Companies Law, Articles and the QFMA Corporate Governance Code, a shareholder may only become a director if said shareholder holds at least 0.5% of the Shares in the capital of the Company.

19.2 Ownership Restrictions

Except for the owners of Shares in the Company prior to the Listing (as set out in *Section 9: Management, Shareholders and Corporate Governance* of this Information Memorandum) ("**Founders**") or companies owned or controlled by the Founders, a Shareholder cannot own either directly or indirectly more than 5.0 % of the total Shares of the Company. Non-Qatari investors may own no more than 49% of the Company's Share Capital.

19.3 Reports to Shareholders

The Board of Directors will prepare an annual statement for the Shareholders' consideration before the Ordinary General Assembly ("OGA") meeting which will include the following information that needs to be submitted at least one week ahead of the OGA meeting:

(v) All the amounts obtained by the Chairperson and each of the members of the Board during the financial year, such as salaries, wages, allowances, and attendance fees, expenditures and any other amounts.

(vi) The benefits in kind and in cash enjoyed by the Chairperson or any of the members of the Board for the financial year.

(vii) The bonuses that the Board proposes to distribute to its members.

(viii) The amounts allocated for each current Board member.

(ix) The transactions in which any Board members or managers have an interest conflicting with the Company's interests.

(x) The amounts actually spent on advertising in any manner together with details of each amount.

(xi) Any donations made by the Company together with information on the beneficiary parties and details of each donation.

19.4 Shareholders' Liabilities

A Shareholder's liability is limited to the amount unpaid on each Share and it is not permissible to increase such liability.

19.5 Dividend Policy

The decision to pay dividends is taken by the OGA of the Company based on the recommendation of the Board of Directors.

The Company's dividend policy is aimed at striking a balance between the interests of Shareholders and the Company's business needs. A number of factors therefore, have an impact on the decision to pay and the size and form of any dividend.

19.6 Transfer of Shares

Title of the listed Shares is to be transferred in accordance with the applicable rules of the QFMA and QE.

19.7 OGA of Shareholders

The Board of Directors will extend an invitation to all Shareholders to attend the OGA meeting within four months of the end of the financial year. The ordinary general assembly will be responsible for the deliberation of the following:

(i) hearing and ratifying the Board's and Auditors' reports concerning the Company's activities and its financial position during the previous financial year;
(ii) discussing and ratifying the Company's budget and the profit and loss account;
(iii) discussing and adopting the corporate governance report;
(iv) considering the Board's suggestions with regard to the approval and distribution of profits;
(v) considering discharging and releasing the Board members from liability and payment and determining their remuneration;
(vi) considering appointing or reappointing auditors and agreeing on their fees; and
(vii) electing the Board members, when necessary.

The Board shall send invitations to the Shareholders to attend the meeting by publishing such invitation in two local newspapers, at least one of which is published in Arabic, and on the website of the financial market and the website of the Company, if available, at least 15 days prior to the date of the OGA[57].

The invitation must be annexed with the agenda and all statements and documents pertaining to the matters to be deliberated at such meeting. When calling for a meeting of the OGA, the Chairperson shall publish the invitation along with the balance sheet, profit and loss account, an adequate summary of the Board's report and the full text of the auditors' report in the two daily local newspapers, at least one of which is published in Arabic, and on the website of the Company, if available. A copy of all the above documents shall be sent to

[57] Source: Article 44 of the Articles of Association of the Company

the Ministry of Commerce and Industry at the same time they are sent to Shareholders[58].

A Shareholder may appoint in writing another Shareholder to be his proxy to attend and vote on his behalf at the general assembly meeting, but a Shareholder may not appoint a Director as his proxy and the number of Shares subject to the proxy should not exceed 5 % of the Shares.

The OGA meeting shall not be deemed to have been duly convened unless attended by a number of Shareholders representing at least half of the share capital. If such quorum is not met, an invitation shall be sent for a second meeting to be held within 15 days following the first meeting by way of publication in two daily local newspapers, at least one of which is published in Arabic, and on the website of the financial market and the website of the Company, if available. The second meeting shall be considered valid regardless of the number of Shares represented therein.

The resolutions of the OGA shall be passed by absolute majority of the votes represented at such meeting.

Each Shareholder shall have a number of votes equal to his number of Shares, however and with the exception of juristic entities, a Shareholder may not hold, either in person or by proxy, a number of votes exceeding 25% of the number of deciding votes represented at the meeting[59].

19.8 Extraordinary General Assembly of Shareholders ("EGA")

An EGA will be convened to decide on the following issues:

(i) The amendment of the Company's Articles and memorandum;
(ii) The increase or decrease of the Company's share capital;
(iii) The extension of the Company's term;
(iv) The dissolution, liquidation, transformation or merger with another company or acquisition of the Company; and
(v) The sale of the project for which the Company was created or disposing of it in any manner.

Nonetheless, this EGA meeting is not entitled to make amendments to the Articles which may increase the liabilities of the Shareholders or amend the basic objectives of the Company or change its nationality or transfer its location from Qatar to any other state. Any decision to the contrary will be null and void.

Subject to the provisions of Article (138) of the Companies Law, the Board shall call for an EGA whenever necessary or upon a written request by a Shareholder holding at least 25% of the Company's share capital and within 15 days from the submission of the request, otherwise, the MOCI based on the request of such Shareholders will address the invitation on account of the company within fifteen days of receipt.

The EGA will not be valid unless the meeting is attended by Shareholders and proxies representing at least three-quarters of the Company's share capital. If such quorum is not met, an invitation shall be sent for a second meeting to be held within 30 days following the first meeting. The second meeting shall be considered valid if attended by a number of Shareholders representing half (50%) of the Company's share capital. If such quorum is not met, an invitation shall be sent for a third meeting to be held within 30 days following the first

[58] Source: Article 50 of the Articles of Association of the Company
[59] Source: Article 52 of the Articles of Association of the Company

meeting. The third meeting shall be considered valid regardless of the number of Shareholders present.

If the matter to be considered is the dissolution of the Company, its liquidation, its transformation or its merger or the sale of the project which the Company was set up for or disposing of the project by any means of disposal, the meeting will be considered valid only if it is attended by a number of Shareholders representing at least three quarters of the Company's share capital.

19.9 Liquidation

According to the Article 81 of the Articles, the Company will be subject to liquidation in any of the following events:

(i) expiry of its term, unless it is extended in conformity with the Articles;

(ii) termination of the object for which the Company was incorporated or if it becomes impossible for it to be achieved;

(iii) the transfer of all the Shares to a number of Shareholders inferior to the legal minimum;

(iv) the loss of the Company's entire share capital or most of it in a way that it becomes impossible to invest whatever is left in a useful manner;

(v) decision of the General Assembly on the dissolution of the Company prior to its expiry date;

(vi) the merger with another company or institution; or

(vii) the issuance of a court order to dissolve the Company or declare it bankrupt.

The procedure for liquidation of the Company will be that detailed in the Companies Law.

Furthermore, the Company shall comply with the regulations applicable to listed companies in relation to liquidation.

20. GENERAL INFORMATION

Listing

The Company will submit an application to QFMA and QE to list 100% of its Shares on the QEVM in accordance with the requirements of QFMA and QE. Trading in the Shares will be affected on an electronic basis, as per the electronic trading system adopted by QE. It is anticipated that admission will occur during April 2021. The Company will, within one year of the Listing, offer or sell at least 10% of its listed Shares to the public.

Authorisations

The Company has obtained all consents, approvals and authorisations in Qatar in connection with the Listing.

Documents available for inspection

Copies of this Information Memorandum, Articles, and Financial Statements of the Company will be available for inspection free of charge, during normal business hours at the registered office of the Company, on the website of the Company and the website of QE from the date of issuance of this Information Memorandum.

Security code

The Qatar Exchange Shares trading symbol is FALH.
Address of the Company: P.O. Box 9691, Doha, Qatar.

Guiding trading price

The Shares have a nominal or par value of QAR 1 per Share. The guiding trading price of QAR 1 per Share at the time of admission for trading was determined by the Company. There is no guarantee that trading will open, continue or persist at this price.

Working Capital

The Company has sufficient working capital to meet all obligations due for the twelve-month period from the date of approval of this Information Memorandum by the QFMA.

Source of Information

MDPS, Window on Economic Statistics of Qatar - April 2020
https://www.psa.gov.qa/en/statistics/Statistical%20Releases/Economic/GeneralEconomicStatistics/windowonstatistics/2019/Q4/WinEconomicStat_31th_Issue_Q4_2019_AE.pdf#search=window%20on%20economic

MDPS, Quarterly Bulletin – Population Statistics- Third Quarter 2020
https://www.psa.gov.qa/en/statistics/Statistical%20Releases/Population/Population/2020/Population_Social_Statistics_Q3.xlsx

MDPS, Consumer Price Index - Press release December 2020
https://www.psa.gov.qa/en/statistics/Statistical%20Releases/Economic/Priceindices/CPI/2020/CPI-Dec-2020-AE.pdf

Ministry of Finance (Qatar) – Pubic Budget Statement 2021
https://www.mof.gov.qa/en/Shared%20Documents/Public%20Budget%20Statement%20Report%20Full%20Report%202021.pdf

EIU Country Report Qatar - Jan 2021
http://country.eiu.com/

BP Statistical Review of World Energy 2019
https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2019-full-report.pdf.

21. EXTERNAL AUDITORS DECLARATION

KPMG has been appointed as the independent auditors of the company for a period of three years from 11 October 2018 until the OGA for the year ending 31 August 2021.

KPMG has given and has not withdrawn its written consent to the inclusion in this Information Memorandum of the financial statements.

22. UNDERTAKINGS BY THE COMPANY

The Company undertakes to promptly inform the QFMA and the QE about any material information that might affect the Company's Share price on the QEVM, and to publish this information in daily newspapers in collaboration and coordination with the MCI, the QFMA and the QE, clearly and accurately. The Company further undertakes to provide the QFMA and QE with all periodic information and reports issued by the Company in the future.

The Company and the Board, acting jointly and severally, confirm that the information provided in this Information Memorandum is true and accurate and no facts were omitted, which omission would render any statement in this undertaking or in this Information Memorandum misleading.

23. LEGAL COUNSEL REPORT

The following constitutes a translation of text included in the Arabic Information Memorandum:

We hereby confirm and certify that the listing of the Shares by the Al Faleh Educational Holding (Q.P.S.C) is in accordance with the QFMA Securities Offering & Listing Rulebook for the Venture Market issued by the Board of Directors of QFMA under decision number (2) of 2011 and that the admission of the Shares is made in accordance with the QE Rulebook and the Company's Memorandum of Association and Articles of Association.

We further confirm that all legal procedures undertaken in this respect are in accordance with applicable laws and regulations.

Name:
Title:
Signature:

Doha, Qatar
Date: 6 April 2021

24. GLOSSARY OF DEFINED TERMS

"Advisors"	The International Legal Advisor, the Listing Advisor, the Independent Valuation Advisor and the Auditors
"AFG College"	AFG College with the University of Aberdeen, a limited liability company registered under commercial registration number 88286
"AFG-EAS"	Al Faleh Group for Educational and Academic Services W.L.L, a limited liability company fully owned by the Company and registered under commercial registration number 88714Al Faleh Group for Educational & Academic Services.
"Articles"	Memorandum and articles of association of the Company, as amended and restated from time to time
"Auditors"	KPMG with registered at C-Ring Road, P.O. Box 4473, Doha, Qatar
"Audited Financial Statements"	Audited financial statements for the year ended 31 August 2019 and 31 August 2020
"Board" or "Board of Directors" or "BoD"	The board of directors of the Company.
"CAGR"	Compound Annual Growth Rate
"Al Faleh" or "Company"	Al Faleh Educational Holding QPSC, a holding Qatari public shareholding company incorporated under the laws of the State of Qatar with commercial registration number 71150 incorporated on 1 March 2015 whose registered office is at P.O. Box 9691, Doha, Qatar.
"Capex"	Capital Expenditure
"Commercial Law"	Commercial Law No. 27 of 2006 as amended from time to time
"Companies Law"	Commercial Companies Law No. 11 of 2015, as amended from time to time
"CGA"	Constituent General Assembly
"DA Al Waab"	Doha Academy L.L.C., a limited liability company fully owned by the Company and registered under commercial registration number 88273
"DA Salwa"	Doha Academy Salwa Branch owned by DA Al Waab and registered under commercial registration number 88273/1
"DIKG"	Doha International Kindergarten L.L.C., a limited liability company fully owned by the Company and registered under commercial registration number 88346
"Doha Academy Schools"	DA Al Waab and DA Salwa
"Director"	A member of the Board
"DVP"	Delivery vs Payment
"EBITDA"	Earnings before interest, tax, depreciation and amortization
"EOSB"	End of service benefits
"EGA"	Extraordinary General Assembly of the Shareholders of the Company
"ESG"	Environment Social Governance
"ETF"	Exchange Traded Fund
"Foreign Investment Law"	TheLaw. 1 of 2019 regulating the investment of non-Qataris in the economic activities as amended from time to time.
"Foundation"	Kindergarten to reception
"Founder"	Founder of the Company, H.E. Dr. Sheikha Aisha bint Faleh Al Thani

"FY"	Financial year
"GCC"	The Cooperation Council for the Arab States of the Gulf (often referred to more informally as the Gulf Cooperation Council). The member states of the GCC are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.
"GDP"	Gross domestic product.
"General Assembly"	A meeting convened as a general assembly of all the Shareholders of the Company
"Government"	The Government of the State of Qatar
"IFRS"	International Financial Reporting Standards
"IMF"	International Monetary Fund
"Income Tax Law"	The Income Tax Law No. 24 of 2019 as amended from time to time
"Information Memorandum"	This document, including any supplement hereto or amendment hereof.
"Independent Valuation Advisor"	Ernst & Young with registered address at Al Gassar Tower, 24th Floor, Majlis Al Taawon Street, West Bay, PO Box 164, Doha, Qatar
"International Legal Advisor"	Eversheds Sutherland (International) LLP, with registered address at 12th Floor, Qatar Financial Centre, P.O. Box 24148, Doha, Qatar
"Investor"	Natural or corporate person subscribing to the Shares and/or trading the Shares on the QE
"IPO"	Initial Public Offering
"ISA"	International Standards of Auditing
"ISAE"	International Standard on Assurance Engagements
"KG"	Kindergarten
"Listing"	The listing of 240,000,000 Shares on the QEVM in accordance with the provisions of the Articles and after obtaining all necessary regulatory approvals
"Listing Advisor"	Deloitte and Touche – Qatar branch with registered address at Al Ahli Bank – Head Office Building, Sheikh Suhaim bin. Hamad Street, Al Sadd Area, PO Box 431, Doha, Qatar
"LNG"	Liquefied Natural Gas
"m"	million
"MCI"	The Ministry of Commerce and Industry of the State of Qatar
"MDPS"	Ministry of Development, Planning and Statistics
"MENA"	Middle East and North Africa
"MOEHE"	The Ministry of Education & Higher Education of the State of Qatar
"MOF"	The Ministry of Finance of the State of Qatar
"MOPH"	The Ministry of Public Health of the State of Qatar
"MOI"	The Ministry of Interior of the State of Qatar
"MSCI"	Morgan Stanley Capital International
"NEASC"	New England Association of Schools and Colleges
"NA"	Not applicable
"NM"	Not meaningful
"OGA"	Ordinary General Assembly of the Shareholders

“OPEC”	Organisation of the Petroleum Exporting Countries
“PG”	Postgraduate programmes
“PISA”	Programme for International Student Assessment
“Primary”	Years 1-6
“Proforma Financial Information”	Unaudited proforma compiled consolidated financial information for the year ended 31 August 2016, 31 August 2017 and 31 August 2018
“PROVOST”	A provost is the senior academic administrator at many institutions of higher education
“QAR” or “Qatari Riyal”	Qatari Riyals, being the lawful currency of the State of Qatar.
“Qatar” or the “State”	The State of Qatar
“QCB”	Qatar Central Bank
“QCSD”	Qatar Central Securities Depository
“QE”	Qatar Exchange
“QEVM”	means the Second Market of QE as per the QFMA Listing Rules and also known as Venture Market of the Qatar Exchange
“QE Rulebook”	QE Rulebook (August 2010)
“QF”	Qatar Foundation for Education, Science and Community Development
“QFMA”	Qatar Financial Markets Authority
“QFMA Listing Rules”	QFMA Securities Offering & Listing Rulebook for the Venture Market issued by the Board of Directors of QFMA under decision number (2) of 2011
“QFMA Corporate Governance Code”	QFMA's Corporate Governance Code for Companies listed on the QEVM
QNDS	Qatar National Development Strategy 2011-2016
“QNL”	Qatar National Library
“QNSA”	Qatar National School Accreditation at the MOEHE
“QNV 2030”	Qatar National Vision 2030
“QU”	Qatar University
“R&D”	Research and Development
“Related Company”	A limited liability company owned between Nasser Bin Khalid Al Thani and Sons Holding Co, holding 51% of the share capital and a foreign company holding the remaining 49%
“ROUA”	Right-of-use-assets
“S&P”	Standard & Poor’s
“Shares”	240,000,000 Shares with a nominal value of QAR 1 each.
“Secondary”	Years 7-13
“Shareholders”	Shareholders of the Company
“STEM”	Science, Technology, Engineering, Math
“Subsidiaries”	Doha Academy W.L.L., DIKG and AFG-EAS
“UG”	Undergraduate programmes
“UK” or “United Kingdom”	The United Kingdom of Great Britain and Northern Ireland.
“US”, “USA”, “United States” or “United States of America”	The United States of America, including its territories and possessions (including Puerto Rico, the US Virgin Islands, Guam, American Samoa, Wake Island, the Northern Mariana Islands and US Minor Outlying Islands)

	and any state of the United States, the District of Columbia and other areas subject to US jurisdiction.
”US$”, “USD” or “US Dollar”	United States Dollars, being the lawful currency of the United States.
“WACC”	Weighted average cost of capital
“YOY”	Year-over-year

25. ADVISORS TO THE COMPANY

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