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

Consolidated financial statements

31 August 2021

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

Consolidated financial statements
As at and for the year ended 31 August 2021

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of Al Faleh Educational Holding Q.P.S.C.
Doha, State of Qatar

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Al Faleh Educational Holding Q.P.S.C. (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 August 2021, 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 2021, 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 International Code of Ethics for Professional Accountants (including International Independence Standards) (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 - Comparative Information

We draw attention to Note 29 to the consolidated financial statements which indicates that the comparative information presented as at and for the year ended 31 August 2020 has been restated. Our opinion is not modified in respect of this matter.

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INDEPENDENT AUDITOR'S REPORT (continued)

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matter	How the matter was addressed in our audit
Impairment testing of goodwill and intangible assets with infinite useful life - See note 10 to the consolidated financial statements	
At 31 August 2021, the Group's goodwill and indefinite-lived trademark amounted to QR 96,520,330 and QR 17,210,000, respectively. As discussed in notes 3(d) and 10 to the consolidated financial statements, goodwill and indefinite-lived intangible assets are tested for impairment at least annually at the corresponding CGUs respectively. Auditing management's annual goodwill and indefinite-lived intangible assets impairment test is complex due to the significant judgement required to determine the fair value of the CGUs and sensitivity of the fair value estimate to the significant assumptions, such as revenue growth rate, capital expenditures, discount rate and the long-term growth rate. These assumptions are based on management's expectation about future market conditions which includes inherent uncertainty.	Our audit procedures in this area included, among others: - Assessing methodologies and testing significant assumptions and the underlying data used by the Group in its analysis; - Comparing the significant assumptions used by management to current industry and economic trends and evaluated whether changes to the CGU's business model and other factors would affect the significant assumptions; - Involving our own valuation specialist to assist in assessing management's valuation model and testing the parameters used in determining the discount rate and long-term growth rate against market data in which CGUs operate; - Assessing whether there were any potential sources of contrary information, including historical forecast accuracy and performed sensitivity analyses over the significant assumptions to evaluate the changes in the recoverable value that would result from changes in the assumptions; - Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities.

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INDEPENDENT AUDITOR'S REPORT (continued)

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

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report (the 'Annual Report') for the year ended 31 August 2021 but does not include the consolidated financial statements and our auditor's report thereon. Prior to the date of this auditor's report, we obtained the report of the Board of Directors which forms part of the Annual Report, and the remaining sections of the Annual Report are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as the Board of Directors 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, the Board of Directors 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 Board of Directors 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:

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INDEPENDENT AUDITOR'S REPORT (continued)

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

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

- 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 the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' 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 the Board of Directors 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.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied

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INDEPENDENT AUDITOR'S REPORT (continued)

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 its consolidated financial statements are in agreement therewith. Furthermore, the physical count of the Company's inventories was carried out in accordance with the established principles. We have read the report of the Board of Directors to be included in the Annual Report, and the financial information contained therein is in agreement with the books and records of the Company. We are not aware of any 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 2021.

10 November 2021
Doha
State of Qatar

Yacoub Hobeika
KPMG
Qatar Auditor's Registry No. 289
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Al Faleh Educational Holding Q.P.S.C.

Consolidated statement of financial position
As at 31 August 2021

In Qatari Riyals

	Note	31 August 2021	31 August 2020 Restated*	1 September 2019 Restated*
Assets				
Property and equipment	8	79,759,604	84,047,870	92,789,778
Right-of-use assets	9	38,071,062	68,756,300	66,989,490
Intangible assets and goodwill	10	227,920,893	235,611,413	243,301,933
Non-current assets		345,751,559	388,415,583	403,081,201
Inventories	11	1,036,395	807,674	-
Accounts and other receivables	12	8,641,634	3,301,785	2,421,170
Cash and bank balances	14	9,205,252	5,821,026	4,892,378
Current assets		18,883,281	9,930,485	7,313,548
Total assets		**364,634,840**	398,346,068	410,394,749
Equity				
Share capital	15 (a)	240,000,000	10,000,000	10,000,000
Capital contribution	15 (b)	817,013	270,018,246	270,018,246
Legal reserve		3,517,919	2,279,689	1,572,489
Retained earnings		2,626,125	15,080,475	11,080,333
Total equity		246,961,057	297,378,410	292,671,068
Liabilities				
Loans and borrowings	16	24,479,979	27,699,548	25,215,452
Lease liabilities	17	28,836,871	9,676,404	13,319,216
Employees' end of service benefits	18	2,548,053	2,741,531	1,918,577
Non-current liabilities		55,864,903	40,117,483	40,453,245
Due to related parties	13 (c)	300,000	3,545,127	18,278,722
Bank overdraft	14	1,754,604	3,611,419	5,001,681
Loans and borrowings	16	9,362,539	8,858,603	8,795,984
Lease liabilities	17	10,333,187	4,379,129	4,721,502
Trade and other payables	19	39,878,473	40,455,897	40,472,547
Income tax payable	22	180,077	-	-
Current liabilities		61,808,880	60,850,175	77,270,436
Total liabilities		117,673,783	100,967,658	117,723,681
Total equity and liabilities		**364,634,840**	398,346,068	410,394,749

These consolidated financial statements were approved by the Board of Directors and signed on their behalf by the following 10 November 2021:

Shiekha Aisha Bint Faleh Al-Thani
Chairperson

Shiekha Anwar Nawaf N A Al-Thani
Chief Executive Officer

*see Note 28

The notes on pages 10 to 45 are an integral part of these consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 August 2021

In Qatari Riyals

	Note	Year ended 31 August 2021	Year ended 31 August 2020
Fees	20	121,944,511	118,559,549
Other income	20	2,866,272	127,881
Total revenue		124,810,783	118,687,430
Expenses	21	(100,380,388)	(100,524,275)
Allowance for impairment of accounts receivables	12	(1,181,826)	(528,842)
Amortisation of intangible assets	10 (iii)	(7,690,520)	(7,690,520)
Operating profit		15,558,049	9,943,793
Finance costs	14, 16,17	(2,995,676)	(2,871,791)
Profit before tax		**12,562,373**	7,072,002
Income tax expense	22	(180,077)	-
Profit		**12,382,296**	7,072,002
Other comprehensive income		-	-
Total comprehensive income		**12,382,296**	7,072,002
Earnings per share attributable to equity holders of the parent company			
Basic/diluted earnings per share	23	**0.052**	**0.029**

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The notes on pages 10 to 45 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity
As at and for the year ended 31 August 2021

In Qatari Riyals

	Share capital	Capital contribution	Legal reserve (1)	Retained earnings	Total
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	-	15,259,040	-	-	15,259,040
Impact of correction of errors (Note 29)	-	-	-	(2,992,067)	(2,992,067)
Balance at 1 September 2019 (restated)	10,000,000	270,018,246	1,572,489	11,080,333	292,671,068
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 (1)	-	-	707,200	(707,200)	-
Dividend distribution (2)				(2,364,660)	(2,364,660)
Balance at 31 August 2020 (restated)	10,000,000	270,018,246	2,279,689	15,080,475	297,378,410
Balance at 1 September 2020 (restated)	10,000,000	270,018,246	2,279,689	15,080,475	297,378,410
Total comprehensive income:					
Profit	-	-	-	12,382,296	12,382,296
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	12,382,296	12,382,296
Transactions with the owner:					
Issue of share capital by transfer from capital contribution (Note 15)	230,000,000	(230,000,000)	-	-	-
Capital contribution refunded (Note 15)	-	(39,201,233)	-	-	(39,201,233)
Dividend distribution (2)	-	-	-	(23,288,859)	(23,288,859)
Other movements:					
Contribution to other reserve (Note 25)	-	-	-	(309,557)	(309,557)
Transfer to legal reserve (1)	-	-	1,238,230	(1,238,230)	-
Balance at 31 August 2021	**240,000,000**	**817,013**	**3,517,919**	**2,626,125**	**246,961,057**

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) As per the shareholder's resolution dated 1 January 2021 and 1 March 2021, (2020: 29 February 2020), dividend amounting to QR 23,288,859 (2020: QR 2,364,660) was distributed during the year. Further, the Board of Directors proposed a cash dividend of 1% of share capital amounting to QR 2.4 million for the year ended 31 August 2021 which is subject to approval of the shareholders at the annual general meeting.

The notes on pages 10 to 45 are an integral part of these consolidated financial statements.

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

Consolidated statement of cash flows
For the year ended 31 August 2021

In Qatari Riyals

	Note	Year ended 31 August 2021	Year ended 31 August 2020
Cash flows from operating activities			
Profit for the year		12,382,296	7,072,002
Adjustments for:			
Depreciation of property and equipment	8	9,054,264	10,051,613
Depreciation of right-of-use assets	9	11,179,890	11,390,743
Amortisation of intangible assets	10 (iii)	7,690,520	7,690,520
Employees' end of service benefits provision	18	216,847	1,386,028
Allowance for impairment of accounts receivables	12	1,181,826	528,842
Rent concession	17	(2,735,000)	-
Gain on disposal of property and equipment		(24,879)	-
Income tax expense	22	180,077	-
Finance costs	14, 16,17	2,995,676	2,871,791
		42,121,517	40,991,539
Changes in:			
- inventories		(228,721)	(807,674)
- accounts and other receivables		(6,301,675)	(1,409,457)
- due from related parties		-	(32,633,382)
- due to a related party		12,768,567	3,545,127
- trade and other payables		(886,981)	(16,650)
Cash from operating activities		47,472,707	9,669,503
Employees' end of service benefits paid	18	(410,325)	(563,074)
Finance costs paid	14, 16,17	(3,070,787)	(2,141,345)
Net cash generated from operating activities		**43,991,595**	6,965,084
Cash flows from investing activities			
Acquisition of property and equipment	8	(4,809,787)	(1,309,705)
Proceeds from disposal of property and equipment		68,668	-
Net cash used in investing activities		**(4,741,119)**	(1,309,705)
Cash flows from financing activities			
Dividends paid		(23,288,859)	-
Repayment of borrowings	16	(2,535,504)	(4,911,503)
Repayment of lease liabilities	17	(8,185,072)	(5,152,738)
Proceeds from borrowings	16	-	6,727,772
Net cash used in financing activities		**(34,009,435)**	(3,336,469)
Net changes in cash and cash equivalents		5,241,041	2,318,910
Cash and cash equivalents at the beginning of the year		1,556,607	(762,303)
Cash and cash equivalents at the end of the year	14	**6,797,648**	1,556,607
Non-cash transactions			
Dividend distribution		-	(2,364,660)
Transfer to capital contribution		-	15,259,040

The notes on pages 10 to 45 are an integral part of these consolidated financial statements.

1. Reporting entity

Al Faleh Educational Holding Q.P.S.C. (the "Company" or "Parent Company") is a public shareholding company incorporated in the State of Qatar under the Commercial Registration No. 71150. Shiekha Aisha Bint Faleh Al-Thani is the ultimate controlling party. The Parent Company's registered address is 220 Duhail Street, Al Waab, Doha, State of Qatar.

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

As per the shareholder's resolution dated 3 February 2021, the shareholders resolved to increase the share capital of the Company to QR 240,000,000 by transfering from capital contribution to share capital. On 6th February 2021, the Company was converted to a Qatari Public Shareholding Company and on 13 April 2021, the Company was listed on Qatar Exchange Venture Market upon receipt of approval from Qatar Financial Market Authority.

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

Name of subsidiary	**Principal activities**	**Ownership interest 31 August**	
		2021	2020
Doha International Kindergarten W.L.L.	Kindergarten	100%	100%
Doha Academy W.L.L.	Kindergarten, primary, preparatory and secondary education	100%	100%
Al Faleh Group for Educational and Academic Services W.L.L.	Educational activities including university education	100%	100%
AFG College with the University of Aberdeen W.L.L.	University education	100%	100%

The accompanying consolidated financial statements of the Company as at 31 August 2021 comprises the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

2. Basis of accounting

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

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 28.

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

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at and for the years ended 31 August 2021 and 2020

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies.

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.

6. Significant accounting policies (continued)

a) Basis of consolidation (continued)

Business combinations (continued)

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.

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.

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.

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.

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.

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.

6. Significant accounting policies (continued)

b) Property and equipment (continued)

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 appropriate class of 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").

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.

6. Significant accounting policies (continued)

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:

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

- 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.

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.

6. Significant accounting policies (continued)

e) Leases (continued)

Leases – Group as a lessee: (continued)

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 that have a lease term of 12 months or less and lease contracts 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.

COVID-19-related rent concession
The Company has applied COVID-19-Related Rent Concessions – Amendment to IFRS 16. The Company applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Company applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Company chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Company assesses whether there is a lease modification.

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) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

g) Inventories (continued)

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. A provision is made for any write-down of inventories to net realisable value and such a provision is reflected as an expense in profit or loss in the period of the write-down. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised in profit or loss in the period in which the reversal occurs.

h) Financial instruments

i) Recognition and initial measurement

Accounts and notes 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.

As at 31 August 2021 and 2020, the Group does not have financial assets at FVOCI and financial assets at FVTPL.

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.

6. Significant accounting policies (continued)

h) Financial instruments (continued)

ii) Classification and subsequent measurement (continued)

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;

- 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;

6. Significant accounting policies (continued)

h) Financial instruments (continued)

ii) Classification and subsequent measurement (continued)

- 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:

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.

6. Significant accounting policies (continued)

h) Financial instruments (continued)

iii) Derecognition (continued)

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.

i) Impairment

Non-derivative financial assets

The Group recognises loss allowances for (ECLs) on financial assets measured at amortised cost.

Loss allowances for accounts and notes receivables are always measured at an amount equal to lifetime ECLs.

The Group considers a financial asset to be in default when:

- Customer is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- The financial asset is more than 90 days past due.

The Group considers bank balances to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher per Moody's Rating Agency.

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.

6. Significant accounting policies (continued)

i) Impairment (continued)

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).

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.

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. 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.

6. Significant accounting policies (continued)

i) Impairment (continued)

Non-financial assets (continued)

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. Impairment loss on goodwill is not reversed.

j) Share capital

Ordinary shares issued by the Company are classified as equity.

k) Employees' end of service benefits

Management has measured the Group's provision for the end of service benefits of its employees in accordance with the provisions of the Qatar Labour Law No. 14 of 2004. The regulations of this law require that the post-employment benefit obligation to each employee is calculated on his/her basic salary for a period of 21 days multiplied by the number of years since the date of joining the Group. Management has estimated that the resulting projected post-employment benefit obligation at the year-end based on the requirements of the International Accounting Standard 19 "Employee Benefits". The provision is reassessed by management at the end of each year, and any change to the provision for employees' end of service benefits is adjusted in the profit or loss.

l) 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.

m) Revenue recognition

Revenue from fees

Revenue from fees 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.

6. Significant accounting policies (continued)

m) Revenue recognition

Type of service	Nature, timing of satisfaction of performance obligations, significant payment terms	Revenue recognition policy
Tuition fees, Transportation fee and other related services	The Group provides educational and ancillary services to the students. Revenue is recognised as per the amount agreed with each students.	Revenue is recognised over time based on the services provided to students since students simultaneously receives and consumes the benefits provided by the Group. Invoices are usually issued at the commencement of the term. Fees received in advance is reported on the statement of financial position as a current liability until such time that the revenue has been earned.
Registration and exam fee	The Group receives the agreed fee at the time of admission of the student in the School or before the exams.	Revenue is recognised at a point in time as this is one-time non-refundable fee charged to the students for the academic year.
Sale of books	Students obtain control of products when the books are delivered to and have been accepted by them. Invoices are generated and revenue is recognised at that point in time.	Revenue is recognized when the Group satisfies its performance obligation which is upon receipt and acknowledgement of books by the students.

n) Foreign currencies

Transactions in foreign currencies are translated to the functional currency 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.

o) 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:

6. Significant accounting policies (continued)

o) Borrowing costs (continued)

(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.

p) Income tax

Income tax expense comprises current and deferred tax of the Group. It is recognised in profit or loss.

Current tax
Current tax comprises the expected tax payable on the taxable profit for the year, and any adjustments to the tax payable in respect of previous years. It is calculated on the basis of the tax laws enacted (Income Tax Law No. 24 of 2018) or substantively enacted at the reporting date in the State of Qatar. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax

Deferred tax
Deferred tax is recognised in respect of temporary differences arising between the carrying amounts of assets and liabilities reported in the Group's financial statements and their respective amounts used for tax purposes except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- with respect to taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled using tax rates based on tax laws that have been enacted (Income Tax Law No. 24 of 2018) or substantively enacted by the reporting date in the State of Qatar.

q) Newly standards, amendments and interpretation effective from 1 September 2020 for the company

During the current year, the Group adopted the below amended International Financial Reporting Standards ("IFRS") that are effective for the financial year ended 31 August 2021: The following amended standards are not having any significant impact on the Group's financial statements:

6. Significant accounting policies (continued)

q. Newly standards, amendments and interpretation effective from 1 September 2020 for the company

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
- COVID-19-Related Rent Concessions (Amendment to IFRS 16)

r) New and amended standards and an interpretation to a standard not yet effective, but available for early adoption

The below new and amended International Financial Reporting Standards ("IFRS" or "standards") that are available for early adoption for financial years beginning after 1 September 2020 have not been applied in preparing these financial statements.

Effective for year beginning 1 September 2021 for the Group	• Interest Rate Benchmark Reform-Phase 2 (Amendments to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16)
Effective for year beginning 1 September 2022 for the Group	• Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) • Annual Improvements to IFRS Standards 2018-2020 • Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) • Reference to the Conceptual Framework (Amendments to IFRS 3)
Effective for year beginning 1 September 2023 for the Group	• IFRS 17 Insurance Contracts • Classification of liabilities as current or non-current (Amendments to IAS 1)
Effective date deferred indefinitely / available for optional adoption	• Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

Management does not expect that the adoption of the above new and amended standards will have a significant impact on the Group's financial statements.

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.

7. Financial risk and capital management

a) Financial risk management (continued)

Management has 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.

Accounts and other receivables and due from related parties
The Group is mainly exposed to credit risk relating to its tuition and other school fees receivables primarily due to the student's possible inability to pay and to fully settle his or her unpaid balance of tuition fees and other charges which are owed to the Group based on instalment payment schemes. The Group has established controls and procedures to minimize risks of non-collection. Students are not allowed to enrol in the following semester unless the unpaid balance in the previous semester has been paid. The Group also withholds the academic records and clearance of the students with unpaid balances, thus ensuring that collectability is reasonably assured. The Group's exposure to credit risk on its other receivables from debtors and related parties is managed through close account monitoring and setting limits.

The Group's revenue is attributable to customers originating from within Qatar. There is no concentration on credit risk attributable to a single customer.

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.

The Group manages liquidity risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations and ensures that future cash collections are sufficient to meet them in accordance with internal policies. The Group invests in cash placements when excess cash is obtained from operations.

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.

7. Financial risk and capital management (continued)

a) Financial risk management (continued)

Market risk (continued)

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. The Group is not exposed to significant foreign exchange risk as it primarily transacts in Qatari Riyal, which is the Group's functional currency. Also, some transactions of the Group in the US Dollars bear no foreign currency risk as the US Dollars is pegged with the Qatari Riyal.

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. The Group's exposure to interest rate risk is disclosed in note 26.

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, lease liabilities and bank overdraft, net of cash and bank balances and equity, comprising issued share capital, reserves and retained earnings.

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:

	31 August 2021	31 August 2020
Debt (a)	74,767,180	54,225,103
Cash and bank balances (Note 14)	(9,205,252)	(5,821,026)
Net debt	**65,561,928**	48,404,077
Equity (b)	**246,961,057**	297,378,410
Net debt to equity	**26.55%**	16.28%

(a) Debt is defined as loans and borrowings, lease liabilities and bank overdraft as detailed in note 16 and 17 and 14, respectively.

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

In Qatari Riyals

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 2019	98,565,715	5,058,889	5,258,004	2,941,703	9,532,468	121,625	7,719,436	2,559,196	403,250	132,160,286
Additions	-	-	286,064	60,000	331,131	-	28,000	472,010	132,500	1,309,705
Transfers	-	-	-	-	-	-	535,750	-	(535,750)	-
Balance at 31 August 2020 / 1 September 2020	98,565,715	5,058,889	5,544,068	3,001,703	9,863,599	121,625	8,283,186	3,031,206	-	133,469,991
Additions	-	6,700	250,984	-	430,432	5,987	303,136	738,263	3,074,285	4,809,787
Transfers	-	-	-	-	-	148,349	-	(148,349)	-	-
Disposals	-	-	-	-	-	-	-	(58,384)		(58,384)
Balance at 31 August 2021	**98,565,715**	**5,065,589**	**5,795,052**	**3,001,703**	**10,294,031**	**275,961**	**8,586,322**	**3,562,736**	**3,074,285**	**138,221,394**
Accumulated depreciation										
Balance at 1 September 2019	16,665,757	4,146,612	4,086,990	2,605,963	6,626,611	121,624	4,153,227	963,724	-	39,370,508
Depreciation	5,490,500	559,042	903,718	139,369	1,090,076	-	1,166,198	702,710	-	10,051,613
Balance at 31 August 2020 / 1 September 2020	22,156,257	4,705,654	4,990,708	2,745,332	7,716,687	121,624	5,319,425	1,666,434	-	49,422,121
Depreciation	5,490,500	177,314	435,624	91,705	827,692	38,584	1,309,222	683,623	-	9,054,264
Transfers	-	-	-	-	-	57,750	-	(57,750)	-	-
Disposals	-	-	-	-	-	-	-	(14,595)	-	(14,595)
Balance at 31 August 2021	**27,646,757**	**4,882,968**	**5,426,332**	**2,837,037**	**8,544,379**	**217,958**	**6,628,647**	**2,277,712**	**-**	**58,461,790**
Carrying amounts										
At 31 August 2021	**70,918,958**	**182,621**	**368,720**	**164,666**	**1,749,652**	**58,003**	**1,957,675**	**1,285,024**	**3,074,285**	**79,759,604**
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

* The building is constructed on a lease hold land (Refer not 9)

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 17).

	Land	**Building**	Total
Cost			
1 September 2019	6,545,456	60,444,034	66,989,490
Additions	-	1,167,553	1,167,553
Modification*	-	11,990,000	11,990,000
31 August 2020	6,545,456	73,601,587	80,147,043
Additions	-	4,678,577	4,678,577
Terminations	-	(135,265)	(135,265)
Modification*	-	(27,965,429)	(27,965,429)
31 August 2021	6,545,456	50,179,470	56,724,926
Accumulated depreciation			
1 September 2019	-	-	-
Depreciation	288,882	11,101,861	11,390,743
31 August 2020	288,882	11,101,861	11,390,743
Depreciation	289,946	10,889,944	11,179,890
Terminations	-	(125,603)	(125,603)
Modification	-	(3,791,166)	(3,791,166)
31 August 2021	578,828	18,075,036	18,653,864
Carrying amount			
31 August 2021	5,966,628	32,104,434	**38,071,062**
31 August 2020	**6,256,574**	**62,499,726**	68,756,300

*The modification relates to the change in lease period.

10. Intangible assets and goodwill

This comprises of the following intangibles assets and goodwill acquired in the prior years through business combination:

	31 August 2021	31 August 2020
Goodwill (i)	96,520,330	96,520,330
Trademark (ii)	17,210,000	17,210,000
Learners enrolment (iii)	16,660,905	18,586,125
Franchise rights (iii)	97,529,658	103,294,958
Balance at	**227,920,893**	235,611,413

(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:

	31 August 2021	31 August 2020
Doha Academy W.L.L. (DA)	74,896,979	74,896,979
Al Faleh Group for Educational and Academic Services W.L.L. (AFGEASW)	21,623,351	21,623,351
Balance at	**96,520,330**	96,520,330

10. Intangible assets and goodwill (continued)

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

The calculation of value in use is most sensitive to the following assumptions:

	DA		AFGEASW	
	31 August 2021	31 August 2020	**31 August 2021**	31 August 2020
Discount rate	11.74%	11.74%	12.32%	12.32%
Terminal growth rate	2.00%	2.00%	2.00%	2.00%
Budgeted growth rate	6.60% and 11.10%	5.90% and 11.8%	30.10%	8.6%
Recoverable amount	236,663,942	283,930,908	603,803,477	161,081,705
Carrying amount	150,130,918	157,640,991	127,097,046	119,147,213

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, 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.

The budgeted growth rate of net revenue is assumed to be CAGR for two schools operating under the name of DAW and one school for AFGEASW 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.

Generally, an increase (decrease) in the incremental cash flows will result in an increase (decrease) in the recoverable amount of CGU. An increase (decrease) in discount rate will result in a decrease (increase) in the recoverable amount of CGU.

Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

Change required for carrying amount to equal recoverable amount:

	DA		AFGEASW	
	31 August 2021	31 August 2020	**31 August 2021**	31 August 2020
Discount rate	16.49%	13.35%	56.18%	17.72%
Budgeted growth rate	(6.75%)	(11.37%)	(18.91%)	(2.6%)

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

Trademark, amounting to QR 17,210,000 is attributable to Doha Academy a CGU acquired in the past through business combination.

Trademark was valued using the Relief from Royalty Method (RRM), which assumes that the intangible asset has a value-in-use 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:

10. Intangible assets and goodwill (continued)

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

	DA	
	31 August 2021	31 August 2020
Discount rate	11.74%	11.74%
Terminal growth rate	2.00%	2.00%
Budgeted growth rate	6.60% and 11.10%	5.90% and 11.8%
Royalty rate	2.5%	2.5%

(iii) Amortisation of intangible assets with finite useful life

	Learner enrolments	**Franchise rights**	**Total**
Cost			
Balance at 1 September 2019 / 31 August 2020 / 1 September 2020 / 31 August 2021	22,597,000	115,306,000	137,903,000
Accumulated amortisation			
Balance at 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 / 1 September 2020	4,010,875	12,011,042	16,021,917
Amortisation	1,925,220	5,765,300	7,690,520
Balance at 31 August 2021	**5,936,095**	**17,776,342**	**23,712,437**
Carrying amounts			
At 31 August 2021	**16,660,905**	**97,529,658**	**114,190,563**
At 31 August 2020	18,586,125	103,294,958	121,881,083

11. Inventories

	31 August 2021	31 August 2020
Books	**1,036,395**	807,674

Provision for slow moving inventories are determined based on the age, saleability and management's historical experience with respect to of inventories.

Movement of inventories:

	Year ended 31 August 2021	Year ended 31 August 2020
Balance at the beginning of the year	807,674	-
Purchases made	1,758,674	2,655,011
Charges in books (Note 21)	(1,529,953)	(1,847,337)
Balance at end of the year	**1,036,395**	807,674

12. Accounts and other receivables

	31 August 2021	31 August 2020
Accounts and note receivables	5,137,894	2,276,987
Less: Allowance for impairment of accounts and note receivables (i)	(1,964,993)	(748,605)
	3,172,901	1,528,382
Prepayments and advances	654,622	689,508
Refundable deposits (ii)	1,742,916	476,531
Staff advances	-	9,423
Other receivables (ii)	3,071,195	597,941
	8,641,634	3,301,785

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

	Year ended 31 August 2021	Year ended 31 August 2020
Balance at the beginning of the year	748,605	334,480
Provision made	1,181,826	528,842
Recoveries / (written off)	34,562	(114,717)
Balance at end of the year	**1,964,993**	748,605

(ii) This includes refundable deposits against rented buildings QR 1,318,500 and rent concession receivable QR 2,735,000 from a related party, refer to note 13(b).

13. Related parties

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	**Year ended 31 August 2021**	Year ended 31 August 2021
Repayment of lease liabilities	**6,597,000**	60,000
Advances given	**4,053,500**	3,545,127
Dividends	**23,288,859**	2,364,660

The above transactions are with Shareholders. The terms of the transactions are approved by management.

b) Receivable from a related party

	31 August 2021	31 August 2020
Rent security deposits and concession (note 12 (ii))	4,053,500	-
	4,053,500	-

13. Related parties

c) Due to a related party

	31 August 2021	31 August 2020
Shareholder		
Sheikha Aisha Bint Faleh Nasser Bin Ahmed Al-Thani	-	3,545,127
Key management personnel		
Other key management personnel	300,000	-
	300,000	3,545,127

The above balance bear no interest and security and are payable on demand.
The Group obtained various loans which are personally guaranteed by the Chairperson (Note 16).

d) Due to other related parties

	31 August 2021	31 August 2020
Common control entities		
Qatar Automobiles Company W.L.L.	79,969	146,419
Nasser Bin Khaled Real Estate	72,292	197,724
Nasser Bin Khalid Travel and Tourism W.L.L.	22,040	71,710
Doha Tec	-	10,000
NBK Fashion W.L.L.	22,165	4,750
	196,466	430,603

The above balance are trading in nature and bear no interest and security and are payable on demand. These balances are included in trade and notes payables, refer to Note 19(i).

e) Compensation to key management personnel

	Year ended 31 August 2021	Year ended 31 August 2020
Short term benefits	2,644,062	2,553,151
Long term benefits	43,059	40,005
	2,687,121	2,593,156

14. Cash and cash equivalents

	31 August 2021	31 August 2020
Cash in hand	69,881	70,356
Cash at bank – Guarantee deposits	653,000	653,000
Cash at bank – Current accounts (1)	8,481,626	5,096,925
Cash at bank – Call deposits	745	745
Cash and bank balances in the consolidated statement of financial position	**9,205,252**	5,821,026
Less: Bank overdraft (2)	(1,754,604)	(3,611,419)
Less: Cash at bank – Guarantee deposits	(653,000)	(653,000)
Cash and cash equivalents in the consolidated statement of cash flows	**6,797,648**	1,556,607

(1) Cash held in bank current account earns no interest.
(2) Interest expense on bank overdraft amounted to QR 217,855 (2020: QR 315,129) and interest paid amounted to QR 112,837 (2020: QR 315,129).

15. Share capital and capital contribution

(a) Share capital

	31 August 2021	31 August 2020
Authorised, issued and fully paid-up shares *240,000,000 shares of nominal value QR 1 each (2020: 10,000 shares of nominal value QR 1,000 each)*	**240,000,000**	10,000,000

As per the shareholder's resolution dated 3 February 2021, the shareholders decided to increase the Company's share capital to QR 240,000,000 by transferring QR 230,000,00 from capital contribution.

(b) Capital contribution

Capital contribution amounting to QR 12,201,233 recognised upon the initial adoption of IFRS 16, in relation to a lease asset taken from the controlling shareholders at less than market value was derecognised during the year as per the shareholder's resolution dated 1 January 2021 upon the early termination of the lease agreement. Furthermore, as per the same resolution capital contribution amounting to QR 27,000,000 was released to the controlling shareholder.

16. Loans and borrowings

	31 August 2021	31 August 2020
Term loan (i)	558,050	583,781
Murabaha term loan (ii)	6,143,991	6,143,991
Murabaha term loan (iii)	8,533,466	8,743,994
Term loan (iv)	2,738,703	3,456,876
Vehicle loans (v)	-	86,806
Term loan (vi)	6,867,134	8,394,680
Term loan – Ijara (vii)	8,430,198	8,488,048
Murabaha term loan (viii)	570,976	617,868
Vehicle loan	-	42,107
	33,842,518	36,558,151

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

	31 August 2021	31 August 2020
Non-current portion	24,479,979	27,699,548
Current portion	9,362,539	8,858,603
	33,842,518	36,558,151

The movements of loans and borrowings were as follows:

	Year ended 31 August 2021	Year ended 31 August 2020
Balance at the beginning of the year	36,558,151	34,011,436
Proceeds from borrowings	-	6,727,772
Interest expense	687,279	1,563,032
Interest paid	(867,408)	(832,586)
Repayment of principal	(2,535,504)	(4,911,503)
Balance at the end of the year	**33,842,518**	36,558,151

16. Loans and borrowings (continued)

(i) This represent the term loan obtained by one subsidiary 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 started from 1 August 2021.

(ii) In 2020, Doha Academy W.L.L., a subsidiary, 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.

(iii) In 2019, Doha Academy W.L.L. a subsidiary, 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. During the year, the parties extended the maturity to 23 September 2025 with monthly instalment of QR 212,059 commencing on 23 December 2021.

(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.

(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 was paid during the year.

(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.

(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. The loan is repayable in 24 equal instalments and the last instalment payment date is 29 November 2022.

(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.

Except for term loan (i), the above loans are secured by the personal guarantee of the Chairperson.

17. Lease liabilities

The movements of lease liabilities were as follows:

	Year ended 31 August 2021	Year ended 31 August 2020
At the beginning of the year	14,055,533	870,268
Lease liabilities recognised on transition to IFRS 16 at the beginning of the year	-	17,170,450
Additions	4,678,577	1,167,553
Terminations	(224,602)	-
Modifications	31,580,622	-
Interest expense	2,090,542	993,630
Rent concession	(2,735,000)	-
Interest paid	(2,090,542)	(993,630)
Repayment of principal	(8,185,072)	(5,152,738)
At the end of the year	**39,170,058**	14,055,533

17. Lease liabilities (continued)

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

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

	31 August 2021	31 August 2020
Non-current	28,836,871	9,676,404
Current	10,333,187	4,379,129
	39,170,058	14,055,533

The maturity analysis of the contractual undiscounted cash flows of lease liabilities is as follows:

	31 August 2021	31 August 2020
No later than 1 year	11,110,086	5,028,328
Later than 1 year and no later than 5 years	6,179,647	13,462,410
More than 5 years	29,231,866	963,525
Total undiscounted lease liabilities at	46,521,599	19,454,263
Future finance charges of finance leases	(7,351,541)	(5,398,730)
Lease liabilities included in the consolidated statement of financial position at	**39,170,058**	14,055,533

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:

	Year ended 31 August 2021	Year ended 31 August 2020
Interest expense (included within lease liabilities)	2,090,542	993,630
Expense related to short-term and low value leases included within "Expenses") (Note 21)	1,679,609	2,301,130
	3,770,151	3,294,760

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.

18. Employees' end of service benefits

	Year ended 31 August 2021	Year ended 31 August 2020
Balance at the beginning of the year	2,741,531	1,918,577
Provision made (Note 21)	216,847	1,386,028
Benefits paid	(410,325)	(563,074)
Balance at the end of the year	**2,548,053**	2,741,531

Management has estimated that the resulting projected post-employment benefit obligation at the year-end based on the requirements of the International Accounting Standard 19 "Employee Benefits" is not significantly different.

19. Trade and other payables

	31 August 2021	31 August 2020
Advances from customers	26,770,099	29,923,113
Trade and notes payable (i)	5,997,589	4,112,750
Other tax payable	1,661,578	899,262
Accrued expenses	5,204,092	4,492,287
Staff payables	125,559	963,339
Other payables	119,556	65,146
	39,878,473	40,455,897

(i) This includes payables to related parties as mentioned in Note 13(d).

20. Total revenue

(a) Fees

	Year ended 31 August 2021	Year ended 31 August 2020
Tuition fee		
Kindergarten	588,931	1,311,725
Schools	52,474,838	56,919,405
College	58,999,865	50,352,015
Books		
Kindergarten	95,445	177,030
Schools	6,125,260	6,023,535
International examination	1,804,450	1,446,095
Registration	1,182,176	1,132,500
Transport	324,466	560,469
Entrance examination	176,500	274,500
Application	-	125,200
Others	172,580	237,075
	121,944,511	118,559,549

(b) Other income

	Year ended 31 August 2021	Year ended 31 August 2020
Rent concession	2,735,000	-
Others	131,272	127,881
	2,866,272	127,881

21. Expenses

	Year ended 31 August 2021	Year ended 31 August 2020
Staff costs (1)	43,879,692	46,026,799
Royalty and visits (2)	19,553,500	17,535,544
Depreciation of property and equipment	9,054,264	10,051,613
Depreciation of right-of-use assets	11,179,890	11,390,743
Charges in books (Note 11)	1,529,953	1,847,337
Cleaning and facility management	4,113,006	3,579,508
Rent (Note 17)	1,679,609	2,301,130
Advertisements	1,423,687	541,901
Repairs and maintenance	1,206,385	1,485,288
Legal and professional fees	942,609	877,843
Communication	764,065	728,552
Examination	612,991	266,328
Bank charges	480,138	639,994
Printing and stationery	375,606	504,539
Insurance	154,038	190,468
Travelling	49,539	581,660
Others	3,381,416	1,975,028
	100,380,388	100,524,275

(1) Staff costs include provision for employees' end of service benefits amounting to QR 216,847 (2020: QR 1,386,028) (Note 18).

(2) The Group entered into a licensing agreement with University of Aberdeen wherein the Group to use the later's learning materials, resources and curriculum for AFG College. In exchange, the Group will pay a 25% of the fee income of the AFG College as royalty and additional charges for faculty visits. This includes the withholding tax related to the royalty expense.

22. Income tax

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	Year ended 31 August 2021
Profit before tax	**12,562,373**
Tax calculated at the applicable income tax rate of 10%	1,256,237
Tax effect of expenses not deductible for tax purposes	2,051,206
Tax effect of income not subject to tax	(3,141,427)
Tax effect of tax losses for which no deferred tax was recognised	14,061
Income tax expense	**180,077**

Previously, the Company was a limited liability company which was fully owned by Qatari shareholders. Therefore, the Company was not liable for income tax based on the tax law enacted in the State of Qatar. During the year, the Company has been listed on the venture market of the Qatar Stock Exchange. As a result, the subsidiaries are liable for income tax during the year in accordance with the requirement of tax law enacted or substantively enacted at the reporting date in the State of Qatar.

Unrecognized deferred tax asset pertains to the net operating loss carryover from Doha International Kindergarten W.L.L. The Group did not recognise deferred tax as the temporary differences between tax bases of assets and liabilities and their carrying amounts in the financial statements are insignificant.

23. Earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding at the reporting date.

	Year ended 31 August 2021	Year ended 31 August 2020
Profit for the year attributable to equity holders of the parent company	**12,382,296**	7,072,002
Adjusted weighted average number of outstanding shares (1)	**240,000,000**	240,000,000
Basic and diluted earnings per share	**0.052**	0.029

(1) During the year, the Company split 1 share of QR 10 each to 10 shares of 1 each and additional share of 230 million issued at QR 1 each (note 15). Consequently, the weighted average number of shares outstanding has been retrospectively adjusted.

24. Segment information

The Group operates in education sector in the State of Qatar using different trade names wherein operating results are regularly monitored by the chief operating decision maker (CODM) for the purpose of making decisions about resource allocation and performance assessment. The Chairperson of the Group has been identified as the CODM. The following table shows the distribution of the Group's revenue, expenditure and summary of assets and liabilities.

	Reportable Segments					
31 August 2021	**Kindergarten**	**School**	**College**	**Others**	**Elimination and adjustments**	**Total**
Operating income						
External customers	739,014	61,673,956	59,531,541	-	-	121,944,511
Inter-segment	-	-	-	23,288,859	(23,288,859)	-
Total operating income	739,014	61,673,956	59,531,541	23,288,859	(23,288,859)	121,944,511
(Total expenses) / other income	(1,731,548)	(52,052,156)	(44,412,211)	(3,503,428)	(7,862,872)	(109,562,215)
Segment results	**(992,534)**	**9,621,800**	**15,119,330**	**19,785,431**	**(31,151,731)**	**12,382,296**
Assets and liabilities						
Segment assets	563,509	106,156,880	55,490,868	311,913,287	(109,489,704)	364,634,840
Segment liabilities	2,437,503	64,748,480	46,457,647	66,427,349	(62,397,196)	117,673,783
Other segment information						
Capital expenditures:						
Tangible assets	78,105	766,855	3,964,819	-	-	4,809,779
Depreciation	523,921	10,886,609	7,775,956	227,296	820,372	20,234,154
Amortisation	-	-	-	-	7,690,520	7,690,520

24. Segment information (continued)

	Reportable Segments					
31 August 2020	Kindergarten	School	College	Others	Elimination and adjustments	Total
Operating income						
External customers	1,629,495	66,074,839	50,855,215	-	-	118,559,549
Inter-segment	-	-	-	3,221,087	(3,221,087)	-
Total operating income	1,629,495	66,074,839	50,855,215	3,221,087	(3,221,087)	118,559,549
(Total expenses) / Other income	(2,130,553)	(56,322,107)	(44,284,154)	(812,914)	(7,937,819)	(111,487,547)
Segment results	(501,058)	9,752,732	6,571,061	2,408,173	(11,158,906)	7,072,002
Assets and liabilities						
Segment assets	1,086,459	120,505,291	35,728,308	324,944,788	(83,918,778)	398,346,068
Segment liabilities	1,967,919	65,429,832	44,806,484	34,389,529	(45,626,106)	100,967,658
Other segment information						
Capital expenditures:						
Tangible assets	22,500	410,155	877,050	-	-	1,309,705
Depreciation	156,270	12,129,810	7,599,954	227,296	1,329,026	21,442,356
Amortisation	-	-	-	-	7,690,520	7,690,520

25. Contribution to other reserve

This reserve is calculated at 2.5% of their annual profit related to listed companies in Qatar.

26. Financial instruments and risk management

Credit risk

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

	31 August 2021	31 August 2020
Accounts and notes receivables, net	3,172,901	1,528,382
Other receivables	4,814,111	1,083,895
Bank balances	9,135,371	5,750,670
	17,122,383	8,362,947

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

	31 August 2021	31 August 2020
Allowance for impairment of accounts and other receivables*	**1,964,993**	748,605

*Refer Note 12 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.

The aging of the receivables as at 31 August are as follows:

		2021		2020	
Days outstanding	**Credit impaired**	**Gross receivables**	**Impairment**	Gross receivables	Impairment
0-160 days	No	2,748,636	(70,129)	810,658	(76,089)
161-365 days	No	1,092,158	(597,764)	1,092,918	(299,105)
More than 365 days	Yes	1,297,100	(1,297,100)	373,411	(373,411)
		5,137,894	**(1,964,993)**	2,276,987	(748,605)

Receivable from a related party

Management believes that there is no credit risk from receivable from a related party because the related party is the Group's ultimate controlling party who is financially healthy.

Cash and cash equivalents

The Group held bank balances of QR 9,135,371 at 31 August 2021 (31 August 2020: QR 5,750,670). The bank balances are held with bank and financial institution counterparties, which are highly rated.

Impairment on bank balances has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its bank balances 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 2021.

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.

26. Financial instruments and risk management (continued)

Liquidity risk (continued)

31 August 2021	**Carrying amounts**	**Contractual cash flows**	**Less than 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Trade and other payables excluding advances	13,034,957	(13,034,957)	(13,034,957)	-
Due to related parties	300,000	(300,000)	(300,000)	-
Lease liabilities	39,170,058	(46,521,599)	(11,103,017)	(35,418,582)
Loans and borrowings	33,842,518	(36,340,764)	(10,699,188)	(25,641,576)
Bank overdraft	1,754,604	(1,754,604)	(1,754,604)	-
	88,102,137	**(97,951,924)**	**(36,891,766)**	**(61,060,158)**

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 related parties	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)

Market risk

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

	31 August 2021	31 August 2020
Fixed rate instruments		
Loans and borrowings	**33,842,518**	36,558,151
Average interest rate (p.a.)	4% to 8%	4% to 8%
Variable rate instruments		
Bank overdraft	**1,754,604**	3,611,419
Average interest rate (p.a.)	4% to 8%	5.75% to 6.7%

Fair value sensitivity analysis for fixed rate instruments
The Group does not account for any fixed rate financial instruments at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

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 17,546 (2020: QR 36,114).

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.

27. Contingent liabilities

	31 August 2021	31 August 2020
Capital commitment	1,383,015	-
Payment guarantee	653,000	633,000
Commitment for short term lease and low value lease	613,519	1,899,609
	2,649,534	2,532,609

28. 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.

Determination of trademark having indefinite useful life
The Doha Academy's trademark was regarded as having an indefinite useful lives considering there is no foreseeable limit to the period over which such assets are expected to generate net cash inflows for the Group. The assessment of having indefinite useful lives is reviewed periodically and is updated whether events and circumstances such as the period of control over these assets and legal or similar limits on the use of these assets continue to support such assessment.

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 the expected credit losses model in estimating the level of allowance, which includes forecasts of future events and conditions. A credit loss is the difference between the cash flows that are due in accordance with the contract and the cash flows that are expected to be received discounted at the original effective interest rate. The model represents a probability-weighted estimate of the difference over the remaining life of the receivables. The maturity of the Group's receivables is less than one year so the lifetime expected credit losses and the 12-month expected credit losses are similar. In addition, management assessed the credit risk of the receivables as at the reporting date as low, therefore the Group did not have to assess whether a significant increase in credit risk has occurred.

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.

28. Significant estimates and judgments (continued)

Lease liabilities
Some leases contain extension options exercisable by the Group up to five years before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. 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.

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group 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. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

29. Comparative figures

(a) During the year the Group has identified that in the previous years ended 31 August 2019 and 2020 the Group had recorded the full revenue for the Postgraduate module (Batch 2) covering academic year starting January to December of respective years. This led to recognition of excess revenue for the period September to December of respective years. The excess revenue amounted to QR 2,992,067 in the year ended 31 August 2019. As a result, the advances for the year ended 31 August 2019 have been understated, and revenue, retained earnings and accounts and receivables have been overstated. The effect of this has been carried forward to the next year in the consolidated statement of financial position wherein advances have been understated and retained earnings and accounts and other receivables have been overstated as at 31 August 2020. Accordingly, the management has rectified this error retrospectively by restating each of the affected consolidated financial statement line items.

The impact of the changes as at 1 September 2019 is as follows:

	As previously reported	**Adjustments**	**As restated**
Consolidated statement of financial position			
Equity			
Retained earning	14,072,400	(2,992,067)	11,080,333
Current assets			
Accounts and other receivables	2,780,753	(359,583)	2,421,170
Current liabilities			
Trade and other payables	37,840,063	2,632,484	40,472,547

29. Comparative figures (continued)

The impact of the restatements as at 31 August 2020 is as follows:

	As previously reported	Adjustments	As restated
Consolidated statement of financial position			
Equity			
Retained earning	18,072,542	(2,992,067)	15,080,475
Current assets			
Accounts and other receivables	3,661,368	(359,583)	3,301,785
Current liabilities			
Trade and other payables	37,823,413	2,632,484	40,455,897

The impact on earnings per share is disclosed in note 23.

This restatement has not significantly impacted the statements of profit or loss and other comprehensive income, earnings per share and cash flows for the year ended 31 August 2020.

(b) Other than the restatement above, other 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.

(c) Statement of financial position as at 1 September 2019 also reflects the setting up of right of use assets and lease liabilities as per the initial application of IFRS 16 "Leases".