

**AL FALEH EDUCATIONAL HOLDING Q.P.S.C.**  
**DOHA – STATE OF QATAR**

**INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS PERIOD ENDED  
FEBRUARY 29, 2024  
TOGETHER WITH  
INDEPENDENT AUDITOR'S REVIEW REPORT**

**AL FALEH EDUCATIONAL HOLDING Q.P.S.C**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED FEBRUARY 29, 2024**

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Offices 2-4, Floor 2, Building 209  
Street 230, C-Ring, Zone 42  
P.O. Box 47539, Doha – State of Qatar

T: +974 4462 6506  
F: +974 4435 2199  
E: inquiry@russellbedford.qa  
W: www.russellbedford.qa

**INDEPENDENT AUDITOR'S REVIEW REPORT**

**TO THE BOARD OF DIRECTORS  
AL FALEH EDUCATIONAL HOLDING Q.P.S.C**

**Introduction**

We have reviewed the accompanying interim condensed consolidated financial statements of Al Faleh Educational Holding – Q.P.S.C. and its subsidiaries (together referred herein as "Group") as at February 29, 2024, comprising of the interim consolidated statement of financial position as at February 29, 2024 and related interim consolidated statements of profit or loss and other comprehensive income, interim consolidated statement of changes in Shareholders' equity and interim consolidated statement of cash flows for the six-month period then ended, and related explanatory notes.

**Board of Directors' responsibility for the interim condensed consolidated financial statements**

The board of directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

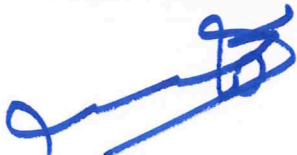
**Scope of review**

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the interim financial information consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material aspects, in accordance with IAS 34.

**For Russell Bedford & Partners  
Certified Public Accountants**



**Hani Mukhaimer  
License No. (275)  
QFMA License No. (1202013)**



**Doha – Qatar  
April 08, 2024**


# AL FALEH EDUCATIONAL HOLDING Q.P.S.C.

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT FEBRUARY 29, 2024

	Notes	February 29, 2024 QAR (Reviewed)	August 31, 2023 QAR (Audited)
<b>ASSETS:</b>			
<b>Non-current assets:</b>			
Property and equipment	4	78,975,811	78,708,981
Intangible assets and goodwill	5	225,304,795	226,646,538
Right-of-use assets	6 a	32,127,260	30,664,481
<b>Total non-current assets</b>		<b>336,407,866</b>	<b>336,020,000</b>
<b>Current assets:</b>			
Inventories	7	3,048,064	1,646,119
Accounts receivable and other debit balances	8	24,025,918	17,242,167
Cash and bank balances	9	3,660,756	7,515,059
<b>Total current assets</b>		<b>30,734,738</b>	<b>26,403,345</b>
<b>TOTAL ASSETS</b>		<b>367,142,604</b>	<b>362,423,345</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Equity:</b>			
Share capital	10	240,000,000	240,000,000
Capital contribution		817,013	817,013
Legal reserve	11	5,684,998	5,684,998
Retained earnings		8,885,184	11,620,806
<b>Total equity</b>		<b>255,387,195</b>	<b>258,122,817</b>
<b>Non-current liabilities:</b>			
Lease liability	6 b	26,521,432	21,552,653
Bank loans and borrowings	12	1,452,813	2,653,566
Provision for employees' end of service benefits	13	3,926,585	3,488,399
<b>Total non-current liabilities</b>		<b>31,900,830</b>	<b>27,694,618</b>
<b>Current liabilities:</b>			
Lease liability	6 b	8,040,399	11,251,463
Bank overdraft	9	4,684,844	2,966,051
Bank loans and borrowings	12	6,840,300	11,647,568
Accounts payable and other credit balances	14	19,618,521	28,593,383
Deferred income		40,670,515	21,819,749
Current income tax liabilities		-	327,696
<b>Total current liabilities</b>		<b>79,854,579</b>	<b>76,605,910</b>
<b>Total liabilities</b>		<b>111,755,409</b>	<b>104,300,528</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>367,142,604</b>	<b>362,423,345</b>



The Chief Executive Officer and Chief Financial Officer attests to the accuracy and completeness of the accompanying consolidated financial statements and the consolidated financial information of this report as at and for the six month period ended February 29, 2024 dated April 08, 2024

  
 Shiekha Anwar Nawaf N. A. Al-Thani  
 Chief Executive Officer

  
 Tallal Refat Alkhelifa  
 Chief Financial Officer

The accompany consolidated financial statements were approved to issue by the board of directors on April 08, 2024 and signed on behalf board of directors by:

  
 Sheikha Aisha Bint Faleh Al Thani  
 Chairperson

The accompanying notes 1 to 22 form an integral part of these interim consolidated financial statements.

# AL FALEH EDUCATIONAL HOLDING Q.P.S.C.

## INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED FEBRUARY 29, 2024

	Notes	Six-month period ended February 29,	
		2024 QAR (Reviewed)	2023 QAR (Reviewed)
Revenue	15	54,635,616	61,352,236
Book expenses		(17,745,502)	(18,968,374)
<b>Gross profit</b>		<b>36,890,114</b>	<b>42,383,862</b>
Other income		266,452	1,451,066
General and administrative expenses	16	(30,884,152)	(37,865,445)
<b>Operating profit for the period</b>		<b>6,272,414</b>	<b>5,969,483</b>
Net finance cost		(1,508,036)	(1,689,062)
<b>Net profit for the period</b>		<b>4,764,378</b>	<b>4,280,421</b>
Other comprehensive income items		-	-
<b>Total comprehensive income for the period</b>		<b>4,764,378</b>	<b>4,280,421</b>

The accompanying notes 1 to 22 form an integral part of these interim consolidated financial statements.



# AL FALEH EDUCATIONAL HOLDING Q.P.S.C.

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED FEBRUARY 29, 2024

	Share capital QAR	Capital contribution QAR	Legal reserve QAR	Retained earnings QAR	Total QAR
Balance at August 31, 2022 (Audited)	240,000,000	817,013	4,751,948	11,023,875	256,592,836
Net profit for the period	-	-	-	4,280,421	4,280,421
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	4,280,421	4,280,421
Dividend payment	-	-	-	(7,500,000)	(7,500,000)
<b>Balance at February 28, 2023 (Reviewed)</b>	<b>240,000,000</b>	<b>817,013</b>	<b>4,751,948</b>	<b>12,084,717</b>	<b>253,373,257</b>
Balance at August 31, 2023 (Audited)	240,000,000	817,013	5,684,998	11,620,806	258,122,817
Net profit for the period	-	-	-	4,764,378	4,764,378
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	4,764,378	4,764,378
Dividend payment	-	-	-	(7,500,000)	(7,500,000)
<b>Balance at February 29, 2024 (Reviewed)</b>	<b>240,000,000</b>	<b>817,013</b>	<b>5,684,998</b>	<b>8,885,184</b>	<b>255,387,195</b>

The accompanying notes 1 to 22 form an integral part of these interim consolidated financial statements.



# AL FALEH EDUCATIONAL HOLDING Q.P.S.C.

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED FEBRUARY 29, 2024

	Notes	Six-month period ended February 29,	
		2024	2023
		QAR (Reviewed)	QAR (Reviewed)
<b>Cash flows from operating activities:</b>			
Net profit for the period		4,764,378	4,280,421
<b>Adjustments for:</b>			
Depreciation of property and equipment	4	1,243,213	1,200,707
Depreciation on right-of-use assets	7	6,698,732	6,735,174
Amortization	6	1,341,743	1,724,834
Net adjustment in right-of-use assets		-	(178,756)
Net finance cost		1,508,036	1,689,062
Provisions and employee benefits		718,228	483,179
<b>Operating income before changes in working capital</b>		<b>16,274,330</b>	<b>15,934,621</b>
<b>Changes in:</b>			
Inventories		(1,401,945)	(514,679)
Accounts receivable and other debit balances		(6,783,751)	(18,334,813)
Due to related parties		-	(150,000)
Accounts payable and other credit balances		9,875,906	14,294,082
<b>Cash generated from operating activities</b>		<b>17,964,540</b>	<b>11,229,211</b>
Taxes paid		(327,696)	(204,735)
Employees' end of service benefits paid		(280,042)	(118,108)
Interest paid		(1,508,036)	(1,689,062)
<b>Net cash generated from operating activities</b>		<b>15,848,766</b>	<b>9,217,306</b>
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment	4	(1,510,043)	(1,223,153)
<b>Net cash used in investing activities</b>		<b>(1,510,043)</b>	<b>(1,223,153)</b>
<b>Cash flows from financing activities</b>			
Movement in borrowings		(6,008,021)	(4,238,828)
Payment of lease liabilities		(6,403,798)	(6,421,712)
Dividend paid		(7,500,000)	(7,500,000)
<b>Net cash used in financing activities</b>		<b>(19,911,819)</b>	<b>(18,160,540)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(5,573,096)</b>	<b>(10,166,387)</b>
Cash and cash equivalents - at beginning of the period	9	4,046,008	11,916,341
<b>Cash and cash equivalents - at ending of the period</b>	9	<b>(1,527,088)</b>	<b>1,749,954</b>

The accompanying notes 1 to 22 form an integral part of these interim consolidated financial statements.



# AL FALEH EDUCATIONAL HOLDING Q.P.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED FEBRUARY 29, 2024

### 1. THE COMPANY FORMATION AND ACTIVITIES:

Al Faleh Educational Holding – Q.P.S.C. (the “Company” or “Parent Company”) and its subsidiaries (together referred herein as “Group”) is a public shareholding company incorporated in the State of Qatar under commercial registration no. 71150. Sheikha Aisha Bint Faleh Al Thani is the ultimate controlling party. The Parent Company’s registered address is 22 Duail Street, Al Waab, Doha, State of Qatar.

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

The interim condensed consolidated financial statements comprise the financial statements of the parent company and the financial statements of its subsidiaries (collectively, the “Group”) as follows:

NAME OF SUBSIDIARY	PRINCIPAL ACTIVITY	OWNERSHIP INTEREST AS OF FEBRUARY 29,	
		2024	2023
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 Abardeen – W.L.L.	University education	100%	100%

All the above subsidiaries are located in the state of Qatar and prepare their financial statements in accordance with International Financial Reporting Standards (IFRSs) and applicable provisions of Qatar Commercial Companies Law.

### 2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS:

#### 2 a) New and amended IFRS and IFRIC Interpretations effective in 2023:

The accounting policies used in the preparation of the Company financial statements are consistent with those used in the preparation of the financial statements for the year ended December 31, 2022, except for the adoption of new and amended standards and interpretations effective as noted below:

TOPIC	EFFECTIVE DATE
Amendments to IAS 1 “Classification of Liabilities as Current or Non-Current”	January 01, 2023
Amendments to IAS 1 and IFRS Practice Statement 2 “Disclosure of Accounting Policies”	January 01, 2023
Amendments to IAS 8 “Definition of Accounting Estimates”	January 01, 2023
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 01, 2023

#### 2 b) Standards issued but not yet effective:

A number of new standards and amendments to standards are effective for annual periods beginning after January 01, 2024. However, the Company has not applied the following new or amended standards in preparing these financial statements:

TOPIC	EFFECTIVE DATE
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 01, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 01, 2024



## AL FALEH EDUCATIONAL HOLDING Q.P.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED FEBRUARY 29, 2024

#### 3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED):

##### 3 b) Standards issued but not yet effective (Continued):

TOPIC	EFFECTIVE DATE
Amendments to IFRS 16 " <i>Lease Liability in a Sale and Leaseback</i> "	January 01, 2024
Amendments to IAS 21 " <i>Lack of Exchangeability</i> "	January 01, 2025
Amendments to IFRS 10 " <i>Consolidated Financial Statements</i> " and IAS 28 " <i>Investment in Associates and Joint Ventures</i> " on sale or contribution of assets between an investor and its associate or joint venture.	Deferred indefinitely

The board of directors does not expect that the adoption of the above new and amended standards will have a significant impact on the Group's financial statement.

#### 3. MATERIAL ACCOUNTING POLICIES:

##### 3 a) Basis of preparation

The interim condensed consolidated financial statements for the six months period ended February 29, 2024 have been prepared in accordance with IAS 34 – "Interim Financial Reporting" and the applicable provisions of Qatar Commercial Companies Law No. 11 of the year 2015, under the historical cost convention except for certain financial instruments which are stated at fair value and lease liabilities which are measured at the present value of the lease payments discounted using the Company's incremental borrowing rate.

The interim condensed consolidated financial statements are presented in Qatari Riyals ("QAR"), which is the Group's functional and presentation currency. Except otherwise indicated, financial information presented in QAR has been rounded to the nearest riyal.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as of August 31, 2023. In addition, results for the six months period ended February 29, 2024 are not necessarily indicative of the result that may be expected for the financial year ending August 31, 2024.

The consolidated financial statements of the Group as at and for the year ended 31 August 2023 are available upon request from the Company's registered office or at the Group's website [www.alfaleh.edu.qa](http://www.alfaleh.edu.qa)

##### **Going concern**

The Group has performed an assessment of whether it is a going concern in light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Group's future performance, capital and liquidity. The impact of COVID-19 may continue to evolve, but at the present time the projections show that the Group has sufficient resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from August 31, 2023. As a result, these financial statements have been appropriately prepared on a going concern basis. The Group will continue to closely monitor the impact of COVID-19 as the situation progresses to manage the potential business disruption COVID-19 outbreak may have on its 'operations and financial performance' in 2024.

**AL FALEH EDUCATIONAL HOLDING Q.P.S.C.**

**NOTES TO THE INTERIM CONSOLIDATED THE FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED FEBRUARY 29, 2024**

**4. PROPERTY AND EQUIPMENT:**

	Buildings QAR	Machinery and equipment QAR	Computer equipment QAR	Motor vehicles QAR	Furniture and fixtures QAR	Sign Boards QAR	Leasehold improvement QAR	Learning resources QAR	Capital work in progress QAR	Total QAR
<b>Cost:</b>										
Balance at August 31, 2022 (Audited)	98,565,715	5,078,669	6,377,530	3,001,703	10,553,240	376,951	8,649,413	3,767,637	3,781,443	140,152,301
Additions during the year	-	22,440	260,405	-	40,677	77,761	491,794	235,420	568,361	1,696,858
<b>Balance at August 31, 2023 (Audited)</b>	<b>98,565,715</b>	<b>5,101,109</b>	<b>6,637,935</b>	<b>3,001,703</b>	<b>10,593,917</b>	<b>454,712</b>	<b>9,141,207</b>	<b>4,003,057</b>	<b>4,349,804</b>	<b>141,849,159</b>
Additions during the period	-	5,318	1,354,433	-	55,359	6,900	-	88,033	-	1,510,043
<b>Balance at February 29, 2024 (Reviewed)</b>	<b>98,565,715</b>	<b>5,106,427</b>	<b>7,992,368</b>	<b>3,001,703</b>	<b>10,649,276</b>	<b>461,612</b>	<b>9,141,207</b>	<b>4,091,090</b>	<b>4,349,804</b>	<b>143,359,202</b>
<b>Accumulated depreciation:</b>										
Balance at August 31, 2022 (Audited)	28,805,197	4,912,605	5,551,372	2,861,117	8,768,508	228,325	7,153,178	2,484,716	-	60,765,018
Charge for the year	1,123,557	29,635	182,521	22,757	221,218	14,200	540,616	240,656	-	2,375,160
<b>Balance at August 31, 2023 (Audited)</b>	<b>29,928,754</b>	<b>4,942,240</b>	<b>5,733,893</b>	<b>2,883,874</b>	<b>8,989,726</b>	<b>242,525</b>	<b>7,693,794</b>	<b>2,725,372</b>	<b>-</b>	<b>63,140,178</b>
Charge for the period	561,778	15,582	110,234	11,378	123,440	9,830	281,542	129,429	-	1,243,213
<b>Balance at February 29, 2024 (Reviewed)</b>	<b>30,490,532</b>	<b>4,957,822</b>	<b>5,844,127</b>	<b>2,895,252</b>	<b>9,113,166</b>	<b>252,355</b>	<b>7,975,336</b>	<b>2,854,801</b>	<b>-</b>	<b>64,383,391</b>
<b>Net book value:</b>										
At August 31, 2023 (Audited)	68,636,961	158,869	904,042	117,829	1,604,191	212,187	1,447,413	1,277,685	4,349,804	78,708,981
<b>At February 29, 2024 (Reviewed)</b>	<b>68,075,183</b>	<b>148,605</b>	<b>2,148,241</b>	<b>106,451</b>	<b>1,536,110</b>	<b>209,257</b>	<b>1,165,871</b>	<b>1,236,289</b>	<b>4,349,804</b>	<b>78,975,811</b>
Depreciation rates	2.50%	10%	16.67%	12.50%	7.60% - 10%	16.67%	10% - 12.50%	12.50%		

# AL FALEH EDUCATIONAL HOLDING Q.P.S.C.

## NOTES TO THE INTERIM CONSOLIDATED THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED FEBRUARY 29, 2024

5. INTANGIBLE ASSETS AND GOODWILL:			February 29, 2024	August 31, 2023
			QAR (Reviewed)	QAR (Audited)
Good will			96,520,330	96,520,330
Trademark			17,210,000	17,210,000
Learners enrolment			15,847,175	15,847,175
Franchise rights			90,939,816	92,257,784
Academic visits			4,787,475	4,811,249
<b>Total</b>			<b>225,304,795</b>	<b>226,646,538</b>
	<b>Learners enrolment</b>	<b>Franchise rights</b>	<b>Academic visits</b>	<b>Total</b>
	QAR	QAR	QAR	QAR
<b>Cost:</b>				
Balance at August 31, 2022 (Audited)	22,597,000	115,306,000	-	137,903,000
Addition during the year	-	-	4,858,798	4,858,798
Change in estimate	(22,597,000)	-	-	(22,597,000)
<b>Balance at August 31, 2023 (Audited)</b>	<b>-</b>	<b>115,306,000</b>	<b>4,858,798</b>	<b>120,164,798</b>
<b>Balance at February 29, 2024 (Reviewed)</b>	<b>-</b>	<b>115,306,000</b>	<b>4,858,798</b>	<b>120,164,798</b>
<b>Accumulated amortization:</b>				
Balance at August 31, 2022 (Audited)	6,749,826	20,412,278	-	27,162,104
Amortization during the year (Note 16)	-	2,635,937	47,549	2,683,486
Change in estimate	(6,749,826)	-	-	(6,749,826)
<b>Balance at August 31, 2023 (Audited)</b>	<b>-</b>	<b>23,048,215</b>	<b>47,549</b>	<b>23,095,764</b>
Amortization during the period (Note 16)	-	1,317,969	23,775	1,341,743
<b>Balance at February 29, 2024 (Reviewed)</b>	<b>-</b>	<b>24,366,184</b>	<b>71,324</b>	<b>24,437,507</b>
<b>Carrying amounts:</b>				
At August 31, 2023 (Audited)	-	92,257,785	4,811,249	97,069,034
<b>At February 29, 2024 (Reviewed)</b>	<b>-</b>	<b>90,939,817</b>	<b>4,787,475</b>	<b>95,727,291</b>
<b>6. LEASES:</b>				
<b>6 a) Right-of-use-asset</b>			<b>February 29, 2024</b>	<b>August 31, 2023</b>
			<b>QAR (Reviewed)</b>	<b>QAR (Audited)</b>
<b>Present value of the lease payments:</b>				
Balance at the beginning of the period/ year			57,490,387	56,617,602
Additions during the period/ year			8,161,513	14,330,242
Terminations during the period/ year			(8,161,513)	-
Modification during the period/ year			-	(13,457,457)
<b>Balance at the end of the period/ year</b>			<b>57,490,387</b>	<b>57,490,387</b>

# AL FALEH EDUCATIONAL HOLDING Q.P.S.C.

## NOTES TO THE INTERIM CONSOLIDATED THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED FEBRUARY 29, 2024

### 6. LEASES (CONTINUED):

6 a) Right-of-use-asset (Continued)	February 29, 2024 QAR (Reviewed)	August 31, 2023 QAR (Audited)
<b>Accumulated depreciation:</b>		
Balance at the beginning of the period/ year	26,825,906	22,681,667
Charge for the period/ year (Note 16)	6,698,732	13,634,682
Terminations during the period/ year	(8,161,511)	-
Modification during the period/ year	-	(9,490,443)
<b>Balance at the end of the period/ year</b>	<b><u>25,363,127</u></b>	<b><u>26,825,906</u></b>

#### Net book value:

Balance at the end of the period/ year	<b><u>32,127,260</u></b>	<b><u>30,664,481</u></b>
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### 6 b) Lease liabilities

	February 29, 2024 QAR (Reviewed)	August 31, 2023 QAR (Audited)
Balance at the beginning of the period/ year	32,804,116	35,171,726
Addition during the period/ year	8,161,513	-
Lease liabilities incurred during the period/ year	-	14,330,242
Modification during the period/ year	-	1,182,531
Interest expenses	1,101,601	2,180,373
Disposals during the period/ year	-	(5,328,301)
Interest paid	(1,101,601)	(2,304,129)
Payment of principle	(6,403,798)	(12,428,326)
<b>Balance at the end of the period/ year</b>	<b><u>34,561,831</u></b>	<b><u>32,804,116</u></b>

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

	February 29, 2024 QAR (Reviewed)	August 31, 2023 QAR (Audited)
Non-current	15,054,277	21,552,653
Current	25,131,889	11,251,463
<b>Total</b>	<b><u>40,186,166</u></b>	<b><u>32,804,116</u></b>

### 7. INVENTORIES:

	February 29, 2024 QAR (Reviewed)	August 31, 2023 QAR (Audited)
Books and stationery	3,048,064	1,646,119
<b>Total</b>	<b><u>3,048,064</u></b>	<b><u>1,646,119</u></b>

## AL FALEH EDUCATIONAL HOLDING Q.P.S.C.

### NOTES TO THE INTERIM CONSOLIDATED THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED FEBRUARY 29, 2024

8. ACCOUNTS RECEIVABLE AND OTHER DEBIT BALANCES:	February 29, 2024	August 31, 2023
	QAR (Reviewed)	QAR (Audited)
<b>Accounts receivable</b>		
Accounts receivable	21,338,673	15,004,973
Less: Allowance for impairment of receivables	(3,197,487)	(3,197,487)
<b>Net accounts receivable</b>	<b>18,141,186</b>	<b>11,807,486</b>
<b>Other receivables</b>		
Refundable deposits	165,453	169,335
Prepayments and advances	86,043	396,315
Other debit balances	5,633,236	4,869,031
<b>Total</b>	<b>24,025,918</b>	<b>17,242,167</b>

9. CASH AND BANK BALANCES:	February 29, 2024	August 31, 2023
	QAR (Reviewed)	QAR (Audited)
Cash in hand	200,166	526,512
Cash at bank - Guarantee deposits	585,625	1,732,693
- Current accounts	2,874,965	5,255,854
<b>Total</b>	<b>3,660,756</b>	<b>7,515,059</b>

9 a) For the purpose of cash flows statement, the amount of cash and cash equivalents is presented as follows:

	February 29, 2024	August 31, 2023
	QAR (Reviewed)	QAR (Audited)
Total cash and cash equivalents	3,660,756	7,515,059
Less: Bank overdraft (Note 9 b)	(4,684,844)	(2,966,051)
Less: Cash at bank - Guarantee deposits	(503,000)	(503,000)
<b>Net cash and cash equivalents</b>	<b>(1,527,088)</b>	<b>4,046,008</b>

#### 9 b) Due to bank (Note 9 a)

This represents bank facility obtained from local banks used for working capital requirements. Bank overdrafts are secured by corporate guarantees and usually bears interest rate of minimum 6.7%.

#### 10. SHARE CAPITAL:

The Group's issued share capital and fully paid is QAR 240,000,000 (240 million ordinary shares of QAR per share).

	February 29, 2024	August 31, 2023
	QAR (Reviewed)	QAR (Audited)
Authorized and issued, 240,000,000 ordinary share	240,000,000	240,000,000
<b>Total</b>	<b>240,000,000</b>	<b>240,000,000</b>

## AL FALEH EDUCATIONAL HOLDING Q.P.S.C.

### NOTES TO THE INTERIM CONSOLIDATED THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED FEBRUARY 29, 2024

#### 11. LEGAL RESERVE:

In accordance with Qatar Commercial Companies' Law No. 11 of 2015, 10% of net income for the year is required to be transferred to the legal reserve until the reserve equals 50% of the paid capital. This reserve is not available for distribution except in circumstances stipulated in the Commercial Companies Law.

#### 12. BANK LOANS AND BORROWINGS:

	February 29, 2024	August 31, 2023
	QAR (Reviewed)	QAR (Audited)
Murabaha term loan	4,853,511	7,542,801
Term loans	1,492,297	3,534,276
Term loans	1,947,305	3,224,057
<b>Total</b>	<b>8,293,113</b>	<b>14,301,134</b>

12 a) The interest-bearing borrowings are presented in the statement of financial position as follows:

	February 29, 2024	August 31, 2023
	QAR (Reviewed)	QAR (Audited)
Non-current	1,452,813	2,653,566
Current	6,840,300	11,647,568
<b>Total</b>	<b>8,293,113</b>	<b>14,301,134</b>

	February 29, 2024	August 31, 2023
	QAR (Reviewed)	QAR (Audited)
Balance at the beginning of the period/ year	14,301,134	22,806,849
Interest expenses	271,433	1,015,189
Interest paid	(271,433)	(1,015,189)
Repayment of borrowings	(6,008,021)	(8,505,715)
<b>Balance at the end of the period/ year</b>	<b>8,293,113</b>	<b>14,301,134</b>

#### 13. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS:

	2024	2023
	QAR (Reviewed)	QAR (Audited)
Balance at the beginning of the period/ year	3,488,399	2,933,684
Provision for the period/ year	718,228	921,276
Payments made during the period/ year	(280,042)	(366,561)
<b>Balance at the end of the period/ year</b>	<b>3,926,585</b>	<b>3,488,399</b>

# AL FALEH EDUCATIONAL HOLDING Q.P.S.C.

## NOTES TO THE INTERIM CONSOLIDATED THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED FEBRUARY 29, 2024

14. ACCOUNTS PAYABLE AND OTHER CREDIT BALANCES:	February 29, 2024	August 31, 2023
	QAR (Reviewed)	QAR (Audited)
Royalty payable	8,979,053	12,144,959
Accounts payable	6,953,439	13,432,485
Accrued expenses	1,408,961	1,263,688
Other taxes payable	-	1,661,558
Other credit balances	2,277,068	90,694
<b>Total</b>	<b>19,618,521</b>	<b>28,593,383</b>

15. REVENUE:	Six-month period ended February 29,	
	2024	2023
	QAR (Reviewed)	QAR (Reviewed)
Tuition fee	52,048,128	55,569,276
Books	1,331,477	3,994,508
Transport	613,886	312,114
International examination	339,725	539,638
Registration	232,200	785,850
Entrance examination	37,000	135,250
Application	33,200	15,600
<b>Total</b>	<b>54,635,616</b>	<b>61,352,236</b>

16. GENERAL AND ADMINISTRATIVE EXPENSES:	Six-month period ended February 29,	
	2024	2023
	QAR (Reviewed)	QAR (Reviewed)
Staff cost	9,231,313	8,465,807
Depreciation on right-of-use-assets (Note 6)	6,698,732	6,735,174
Royalty Fee	5,450,742	7,066,188
Rent expenses	1,616,000	1,382,848
Depreciation of intangible assets (Note 5)	1,341,743	1,724,834
Depreciation on property and equipment (Note 4)	1,243,213	1,200,707
Other Expense	1,080,034	918,670
Cleaning and facility management expenses	1,062,036	4,055,749
Legal and professional fees	1,013,457	1,494,178
Graduation expenses	575,900	324,530
Bank Charges	478,607	558,134
Advertisement expenses	334,882	346,772
Utilities expenses	275,004	231,701
Academy visit expenses	180,539	2,171,838
Communication expenses	88,555	384,821
Insurance expenses	69,434	208,628
Fuel expenses	54,204	74,540
Printing and stationery expenses	45,526	185,127
Library expenses	44,231	51,744
Examination expenses	-	274,987
Others office expenses	-	8,468
<b>Total</b>	<b>30,884,152</b>	<b>37,865,445</b>

## AL FALEH EDUCATIONAL HOLDING Q.P.S.C.

### NOTES TO THE INTERIM CONSOLIDATED THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED FEBRUARY 29, 2024

#### 17. COMMITMENTS AND CONTINGENCIES:

There are no material commitments and contingencies existing as of the reporting date, except for the following:

	February 29, 2024 QAR (Reviewed)	August 31, 2023 QAR (Audited)
Capital commitment	1,205,715	1,205,715
Payment guarantee	503,000	150,000
Post dated cheques payable	7,397,058	8,578,500

#### 18. FINANCIAL RISK MANAGEMENT:

The Group has exposure to the following risks arising from financial instruments:

- 18 a) Credit risk
- 18 b) Liquidity risk
- 18 c) 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 risk. Further quantitative disclosures are included throughout these consolidated financial statements. 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 analysed the risks faced by the Group and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

##### 18 a) 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. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The carrying amount of financial assets represents the maximum credit exposure.

The tables below detail the credit exposure of the Group's financial assets:

	February 29, 2024 QAR (Reviewed)	August 31, 2023 QAR (Audited)
Account receivables and other debit balances (Note 8)	23,860,465	17,072,832
Cash at banks (Note 9)	2,874,965	5,255,854
<b>Total</b>	<b>26,735,430</b>	<b>22,328,686</b>

The Group limits its exposure to credit risk from trade receivables by:

- i) Evaluating the creditworthiness of each counter-party prior to entering into contracts;
- ii) Establishing sale limits for each customer, which are reviewed regularly;
- iii) Establishing maximum payment periods for each customer, which are reviewed regularly; and
- iv) Periodically reviewing the collectability of its trade receivables for identification of any impaired amounts.

##### **Measurement of ECLs**

The table in note 8 b) to the financial statements provides information about exposure to credit risk and ECL for trade and other debit balances as at February 29, 2024 and August 31, 2023.



# AL FALEH EDUCATIONAL HOLDING Q.P.S.C.

## NOTES TO THE INTERIM CONSOLIDATED THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED FEBRUARY 29, 2024

### 18. FINANCIAL RISK MANAGEMENT (CONTINUED):

#### 18 a) Credit risk (Continued)

##### **Cash at banks**

The Group's cash at bank is held with banks that are independently rated by credit rating agencies.

	February 29, 2024 QAR (Reviewed)	August 31, 2023 QAR (Audited)
Cash at banks (Note 9)	<u>2,874,965</u>	<u>5,255,854</u>

The Group's bank deposits are held with credit worthy and reputable banks with high credit ratings. As a result, management believes that credit risk in respect of these balances is immaterial.

#### 18 b) 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. Management's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below summarizes the contractual undiscounted maturities of the Group's financial liabilities at the reporting date.

#### February 29, 2024 (Reviewed)

	Contractual cash flows		
	Gross carrying amount	Within one year	1-5 years
	QAR	QAR	QAR
<b>Non-derivative financial liabilities</b>			
Bank overdrafts and borrowings (Note 9 and 12)	3,608,269	3,608,269	-
Lease liabilities (Note 6 b)	34,561,831	34,561,831	-
Account and other payables (Note 14)	19,618,521	19,618,521	-
<b>Total</b>	<u>57,788,621</u>	<u>57,788,621</u>	<u>-</u>

#### August 31, 2023 (Audited)

	Contractual cash flows		
	Gross carrying amount	Within one year	1-5 years
	QAR	QAR	QAR
<b>Non-derivative financial liabilities</b>			
Bank overdrafts and borrowings (Note 9 and 12)	11,335,083	11,335,083	-
Lease liabilities (Note 6 b)	32,804,116	32,804,116	-
Account and other payables (Note 14)	28,593,383	28,593,383	-
<b>Total</b>	<u>72,732,582</u>	<u>72,732,582</u>	<u>-</u>

#### 18 c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, 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.

## **AL FALEH EDUCATIONAL HOLDING Q.P.S.C.**

### **NOTES TO THE INTERIM CONSOLIDATED THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED FEBRUARY 29, 2024**

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#### **19. CAPITAL RISK MANAGEMENT:**

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of invested capital. The capital structure of the Group consists of equity, comprising share capital, capital contribution, legal reserves and retained earnings.

#### **20. EVENTS AFTER THE REPORTING PERIOD:**

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the consolidated financial statements.

#### **21. FAIR VALUES OF FINANCIAL INSTRUMENTS:**

Financial instruments include financial assets and liabilities.

Financial assets consist of bank balances and cash, right of use assets, and account receivable and other debit balances. Financial liabilities consist of accounts payable, accrued expenses, and bank loans and borrowing.

The fair values of financial instruments are not materially different from their carrying values.

#### **22. COMPARATIVE FIGURES:**

Certain amounts in the comparative figures of the consolidated financial statements and notes to the consolidated financial statements have been reclassified to conform to the current year's presentation. Management believes that reclassification resulted to a better presentation of accounts and did have any significant impact on prior year's net income.